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FAKULTETA ZA DRUŽBENE VEDE

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FEATURES OF GIFT EXCHANGE IN MARKET ECONOMY

LASTNOSTI EKONOMIJE DARU V TRŽNI EKONOMIJI

DOKTORSKA DISERTACIJA
DOCTORAL THESIS

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IZJAVA O AVTORSTVU

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Features of gift exchange in market economy (Lastnosti ekonomije daru v tržni ekonomiji).

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1. INTRODUCTION

1.1. THEORETICAL CONTEXT

For over a century, social anthropology has been researching various social institutions of societies around the world. One field of anthropological research encompassed processes and issues in the economic sphere, and its relationship with non-economic areas of life. Traditionally economic anthropology has focused on the links and interactions between the economic domain of social life and other social realms such as kinship, politics or religion (Alexander 2005, 467).

Of particular interest to economic anthropology is the cultural diversity of economic actions (modes of production, distribution and exchange) in different societies. It is not an exaggeration to state that economic anthropology itself, as a sub-field of anthropology, has to a great degree emerged from longstanding debates on the subject of the character of the gift in different societies (Yan 2005, 249).

Mauss' (1954/1925) seminal essay on the gift inspired numerous scholars and commentators. Mauss questioned the postulate adopted by the advocates of 'free market' economics that what basically drives human beings is an aspiration to maximize 'profit' in the form of material possessions, pleasure, and comfort (i.e. 'utility'), and that all human interactions and their motivations can consequently be analysed in economic terms. He noted that social anthropologists had researched and described societies where the entirety of economic life was based on completely different principles, that is, societies in which most objects moved back and forth among members of society as gifts, on the basis of what looked like unselfish generosity (Fischer 2004, lect.16).

In those small-scale societies gift exchange was the basis of their entire economic system, goods were 'traded' without clear calculation of who has given what and how much to whom. Mauss therefore proposed to distinguish 'gift exchange' from 'commodity exchange', and classified societies on the basis of the form of exchange that dominated their economic actions. In mainstream social anthropology Mauss' original distinction between gift giving and commodity exchange has been broadly accepted. Only in recent years have some scholars started to question his basic distinction (Yan 2005, 254).

The idea that gift exchange is a form of economy contrary to that of market exchange was later most systematically developed by Gregory (1980; 1982; 1997), who thus became the most extensively quoted theorist of exchange after Marcel Mauss. In his dichotomous model, commodity exchange creates ‘quantitative relationships’ which enable the exchange parties to remain independent after the transaction is over. On the other hand, gift exchange creates ‘qualitative relationships’ between givers and receivers, which make them reciprocally dependent (Gregory 1982, 41). According to this model, commodity exchange (or market exchange) involves transactions with a low degree of sociability and a high degree of impersonality among the exchange partners. In the case of commodity exchange, social relations are subordinated to the economic value of items that are transacted (Kaplan 2005, 224–225). Commodity exchange is a transaction that usually takes place among strangers and enforces no lasting social obligation or personal relationship among them. Commodity exchange is therefore assumed to be a commercial transaction devoid of almost all social considerations and obligations. Commodity exchange establishes a relationship between objects as a relation of price or the equivalence of dissimilar items. In such cases, x quantity of item A equals y quantity of item B. After the transaction is over there is no debt left that should be repaid later or socially. Both exchange parties are strangers to each other, not involved in any kind of personal relationship. During and after the transaction both exchange parties are in a position of reciprocal independence. Commodity exchange avoids the feelings of obligation and gratitude that are involved in gift-giving. After a commodity exchange transaction has been completed, the transactors are not obliged to have any further mutual social relation or obligation. The only obligation that the seller has is to deliver the items sold to the buyer, and the only obligation the buyer has is to pay the agreed amount of money to the seller. A bottle of milk purchased at a supermarket does not create any obligation to buy milk there a second time. Further, commodities are supposed to be devoid of the symbolic uniqueness that a gift possesses. In principle, it doesn’t matter whether a bottle of milk is purchased from store A or store B.

Gift exchange is instead transacted when exchange parties want to establish some kind of relationship. A gift creates a reciprocal relationship between giver and receiver to which economic value is subordinated. By accepting a gift the receiver invariably becomes indebted to the giver and accepts the social and moral obligation to return the gift. The purpose of giving and accepting gifts is therefore to create, manage, cement, and sometimes to terminate (e.g. by means of a final counter-gift at death) social relationships among members of society.

Unlike anonymous commodities, gifts are held to be inalienable, bearing a part of the giver’s identity and also having a sentimental value attached to it. Whenever an object is sold in market exchange, the new owner acquires complete ownership over the object he bought. The object of exchange therefore becomes ‘alienated’ from its previous possessor. On the other

hand, the object that is exchanged as a gift is not alienated from the giver. The receiver becomes a mere possessor of the gift. Moreover, gifts not only continue to embody the identity of the giver, but also impose this identity upon the receiver. As a result, the receiver, in bearing (a part of) the identity of the giver, becomes subordinate ('indebted') to the latter.
In the social sciences and economics 'commodity exchange' is usually associated with 'economic rationality' and commercial profit making, while gifts are acknowledged to be carriers of social concerns and moral obligation. 'Commodity vs. gift' is often used as metaphor for 'market vs. non-market' (Lapavitsas 2004, 33).

1.2. GIFT VS. COMMODITY

The sharp distinction between gifts and commodities has been questioned in recent years by many social scientists. Even though the distinction between gifts and commodities can be useful for analytical purposes, several scholars have pointed out that the mutually exclusive contrast between gifts and commodities is unjustified (Parry and Bloch 1993; Yan 2005, 254). They suggest that this radical opposition should be abandoned. In this view the dichotomy between 'their' socially embedded, culturally determined gift economy and 'our' impersonal, rational market economy is based on Western ethnocentric premises, the artificial formalisation of the concept of a 'pure gift' in the West and the romanticisation of gift exchange in traditional societies (a detailed review of various authors will be offered in Chapter 2.2.3.). According to these authors commodity exchange and gift exchange do not represent two strictly different, mutually exclusive societal forms. Besides, we can see that in practice the character of any exchange may include elements of both commodity and gift exchange (Strathern and Stewart 2005, 236).

1.3. THE RESEARCH PROBLEM

Contemporary marketing is no longer concerned only with selling better products for a lower price than the competition, but also with other—often intangible—elements, which spoil the sharp contrast that traditionally distinguished commodities from gifts. In the traditional 'transactional marketing' approach companies focus on a single transaction, thus putting emphasis on achieving high sales volume instead of building a relationship with the buyer. This marketing concept neatly fits into the conventional conceptualisation of commodity exchange. However, in recent decades, marketing has evolved from 'transactional marketing', to 'relationship marketing', which emphasises relationship building between buyer and seller.

Due to such (and also some of the more conventional) marketing strategies commodities no longer fit neatly into the gift exchange vs. commodity exchange dichotomy as conceptualised by Gregory.

My research question is: Do contemporary marketing methods, as described by marketing textbooks, add features of gift exchange to commodity exchange; and if so, under what conditions? To find out whether contemporary marketing adds any elements, which are otherwise characteristic of gift exchange, to commodity exchange I will examine the principles, ideas and practices of contemporary marketing as describes in selected marketing textbooks and marketing literature.

1.4. THE STRUCTURE OF THE DISSERTATION

In the first part of the dissertation (Chapter 2) I outline the theoretical context of the discussion. I start by depicting the field of economic anthropology and then proceed with a description of the debate between the two main paradigms that have shaped the discipline: *formalism* and *substantivism*. After examining their historical and conceptual roots, I examine the debate between both schools. Understanding both paradigms leads us to the two key concepts that dominate the anthropological understanding of exchange processes: market exchange and gift exchange, including the concept of reciprocity. I also present various aspects of the 'gift exchange vs. commodity exchange' debate.

The second part of the dissertation (Chapter 3) is devoted to an examination of my research hypothesis, namely, that under certain conditions, market exchange relations contain features of gift exchange. Proceeding from this hypothesis, the purpose of my analysis is to show that commodities are not pure objects of exchange, transacted in assumedly impersonal market relations, but rather give rise to relations that resemble those of the 'gift exchange'. At the beginning of Chapter 3 I first define the research question and then proceed with the operationalisation, description of the hypothesis, sub-hypotheses, and explanation of the research methods.

This is followed by a separate examination of each sub-hypothesis. For each sub-hypothesis I first define the criteria and then analyse the literature and selected marketing textbooks for conformity to the chosen criteria.

The second part of my dissertation concludes with the analysis of a case study. In the analysis I utilise the previously defined concepts and examine to what extent features of gift exchange are present in the marketing activities of the largest Slovenian supermarket chain (*Mercator*).

The case study will not be used to test the validity of the hypothesis, but rather to inspect and enumerate the occurrences of gift exchange elements and in this manner illustrate the findings of the textual analysis.

1.5. THE RESEARCH OVERVIEW

Contemporary marketing strategies often tend to create a situation that is much more indicative of 'gift exchange' than of what is traditionally regarded as 'impersonal market exchange'. I therefore decided to analyse market transactions—especially marketing strategies as described and advocated primarily by marketing textbooks—along some dimensions, which distinguish market exchange from gift exchange.

In the past anthropological analyses of gift exchange usually utilised models based on the principle of reciprocity (cf. Osteen 2002a, 5; Yan 2002, 67); my analysis will also deal primarily with the reciprocal elements of gift exchange. Since different scholars have exposed and highlighted different features of gift exchange, I will base my operationalisation on one particular theoretical framework (explained in Chapter 3.1.4.). For this reason some important features of gift exchange, which are emphasized in other theoretical models, will be omitted in my analysis. For instance, issues of social control, establishment of social cohesion, hierarchisation, power, inequality, and other features of gift exchange, will not be the subject matter of my analysis. Although this may present something of a shortcoming for my analysis, such a multifaceted approach would increase the complexity and exceed the scope of my (already lengthy) exposition.

Pertinent questions in my research will be:

1. Whether the transaction creates a relationship between exchange partners that lasts longer than the duration of the transaction itself;
2. Whether the transaction creates social obligations as a kind of moral debt between exchange partners;
3. Whether the item that is transacted must be fully alienated from the giver;
4. Whether the item that is transacted embodies a quality of the giver;
5. Whether the item that is transacted imposes an aspect of the identity of the giver upon the receiver.

It is considered that market exchange differs from gift exchange in all these five dimensions. To test the validity of the conventional gift/commodity dichotomy each of the aforementioned questions will be extended and elaborated into five sub-hypothesis. Each sub-hypothesis will then be examined separately.

1.6. THE FIVE SUB-HYPOTHESES

The first sub-hypothesis states that market exchanges are not always impersonal, but can aim at creating certain types of social bonds between seller and buyer, not unlike those that are considered characteristic of gift exchange: under certain conditions, market exchange transactions create relations between exchange partners that carry the properties of gift exchange relations.

The second sub-hypothesis is that market exchange tends to create mutual moral obligations between buyer and seller—a situation which is much more indicative of 'gift exchange than that of 'impersonal commodity exchange': market exchange relations of the type specified in sub-hypothesis no. 1, create social obligations as a kind of moral debt between exchange partners.

The third sub-hypothesis is that most commodities manifest a form of inalienability, which is indicative of a gift: under certain conditions, commodities manifest a form of inalienability from the giver (i.e. the producer or the seller).

The fourth sub-hypothesis is that the commodity, like the gift, possesses a quality of the giver (producer/seller) embodied in, for instance, the trade-mark or brand name: the inalienability of commodities specified in sub-hypothesis no. 3 entails that such commodities embody a quality of the giver (i.e. the producer or the seller).

The fifth sub-hypothesis is that, like gifts, commodities not only continue to embody the identity of the producer, but also impose this identity upon the buyer: the quality of the giver which is specified in sub-hypothesis no. 4, is imposed as an aspect of the identity of the giver upon the receiver.

1.7. THE RESEARCH METHODS

Contemporary anthropology has a tendency to ignore strict disciplinary boundaries and utilise knowledge from diverse theoretical backgrounds (Gladwin 1989, 411). According to Kuper (1994, 116) anthropology tends to be more and more interdisciplinary. After all, anthropology is not about studying particularities, but—as its name denotes—a study which aims at a holistic understanding of human beings. Within a social anthropological framework I will therefore apply knowledge from various disciplines: economics, psychology, marketing, social psychology and sociology. Due to its limited scope, the purpose of this dissertation will not be a meticulous description of the aforementioned fields, nor an attempt to make a theoretical contribution to them.

For the main part of my research, I will utilise textual analysis of marketing textbooks and marketing literature. I will examine whether marketing literature, and especially selected marketing textbooks, describe ideas, principles and practices, which deviate from conventional conceptualisation of commodity exchange. The second part of my research will be devoted to a case study of the Slovenian supermarket chain *Mercator*.

1.8. SCIENTIFIC RELEVANCE OF THE DISSERTATION

My dissertation will examine from different angles whether commodity exchange in industrialised societies is really independent from qualities of gift exchange. It aims to demonstrate that market-economic ideas and actions viewed from a broader perspective reveal cultural and symbolic dimensions of market activities, and that features, which are generally attributed to gift exchange, can be present in market exchange.

The purpose of my dissertation is to enrich the field of social anthropology with new arguments regarding features of 'gift exchange' that are present in the supposedly impersonal 'market economy', and offer new insights into the social anthropological 'gift vs. commodity' debate. My dissertation will examine whether contemporary marketing infuses commodity exchange with features of gift exchange, thus blurring the presumably sharp distinction between gifts and commodities proposed by Gregory.

2. PART I: THEORETICAL CONTEXT

2.1. STUDY OF ECONOMIC LIFE IN ECONOMIC ANTHROPOLOGY

2.1.1. A DESCRIPTION OF ECONOMIC ANTHROPOLOGY

Already very early on social anthropologists wanted to understand why and how people in indigenous cultures interact economically (Elardo 2003, 2). Economic anthropology as a discipline was conceived in the twentieth century as a combination of two academic disciplines: economics and social anthropology (Hann 2007, Ch.1.1). Economic anthropology is thus an academic discipline that endeavours to provide explanations about economic behaviour in human societies, utilizing the instruments of economics and anthropology.

However, analytical research of the economic sphere appeared quite late in anthropological studies. Indicative of this is the fact that the term ‘primitive economics’ has only relatively recently been replaced by the term ‘economic anthropology’ (Firth 2004, 2). As a scholarly discipline, economic anthropology started to expand in the 1950’s and 1960’s (Plattner 1989, 1). It has developed as a discipline because anthropologists wanted to extend their understanding of culture and social relations in connection to economic activities. However, for the last fifty years anthropologists have disagreed about the domain of ‘economic anthropology’ as well as about the definition of the term ‘economy’ (Narotzky 1997, 2). To illustrate this diversity of definitions: some authors define ‘economic anthropology’ as “understanding … how people organise themselves for the production and reproduction of the material goods and services that make life possible” (Narotzky 1997, 1). For Plattner (1989, 1), it is “the study of economic institutions and behaviour done in anthropological places and in ethnographic style.” For Hunt (2005, 140), “Economic anthropology focuses on two aspects of economics: (1) provisioning, which is the production and distribution of necessary and optional goods and services; and (2) the strategy of economizing.” According to Firth (2004, 4), economic anthropology focuses mainly ‘on resource allocation and product distribution’. It is based on the ‘acceptance of the view that the logic of scarcity is operative over the whole range of economic phenomena’. Firth writes: “While the material dimension of the economy is regarded as a basic feature, the significance of the economy is seen to lie in the transactions of which it is composed and therefore in the quality of relationships which these transactions create, express, sustain and modify” (Firth 2004, 4).

2.1.2. ECONOMIC ANTHROPOLOGY VS. ECONOMICS

Practically speaking, economic anthropology deals with various subjects: corn trading in Chicago, collective farming in Bulgaria, cattle ownership in Kenya, Bushman provisioning, folk models of economy, peasant nutrition in Brazil, or consumption practices in industrial societies (Plattner 1989, 1). One of the major tasks of economic anthropology has been to describe the economic affairs of technologically simple societies, while parallel to that, it attempted to theoretically explain the principles that are at the basis of these economic systems and answer the question of how they relate to the general knowledge of economics and the knowledge about the nature of society (Firth 2004, 21).

Both economics and economic anthropology have been concerned with the analysis of the factors that influence resource allocation and distribution of products. However, each discipline had its own object and methods of research (Joy 2004, 29). The main task of economics was to study production, distribution and consumption in industrialised societies. Conversely, economic anthropology studied these processes comparatively in all societies, industrialised and non-industrialised alike (Ferraro 2006, 180). It is, therefore, important to delineate the differences and commonalities between economic anthropology and economics. For a long time the relationship between the two disciplines was not really a two-way exchange of ideas, but rather a one-way flow, for since the beginning economists have hardly ever displayed any interest in anthropology (Hann 2007, Ch.1.1.). With its powerful theoretical framework, neoclassical economics was the governing ideological basis of global capitalism, self-sufficient in its understanding of the economic sphere of life.

Anthropologists, in contrast, have always referred to the existing knowledge of economics when dealing with the economy of any society. They have either used economic ideas, knowledge and formal models of economics or—in most cases—critically examining those ideas in the context of their ethnographic findings (Hann 2007, Ch.1.1.).

Formal economics originates from the study of Western, industrialised economic systems. Consequently, formal economic theory is to a large extent founded on assumptions resulting from studying Western, industrialised societies (Ferraro 2006, 180). Economics is also the most ‘scientific’ of all the social sciences, with a strong tendency and ability to formulate laws that are claimed to have the ability to describe and predict some aspects of individual and social behaviour; economics is therefore especially inclined to generate conflict with other social science disciplines (Humphreys 1969, 165).

One of the most important textbooks of economics provides a general definition of the discipline in the following way: “Economics is the study of how men and society end up choosing, with or without the use of money, to employ scarce productive resources which could have alternative uses, to produce various commodities and distribute them for consumption, now or in the future, among various people and groups in society” (Samuelson and Nordhaus 1985, 4).

In the capitalist societies, economics is traditionally distinguished into micro- and macroeconomics, depending on whether it deals with individual actors or social systems (Plattner 1989, 6). The prevailing paradigm of economics is generally labelled “neoclassical economics” (Plattner 1989, 6). Various economists are its theoretical fathers; the most prominent are Adam Smith, John Maynard Keynes and Paul Samuelson (Plattner 1989, 6). However, in quite a few developing and communist countries, economics has a different paradigmatic background, which is generally based on the work of Karl Marx (Plattner 1989, 6). Even though Marx’s contribution to social science is significant, it is frequently eclipsed by his reputation as a political reformer (Plattner 1989, 6). Economic theory based on Marxism primarily examines how material wealth and political power are distributed among socioeconomic classes.

Economic anthropology does not employ any one of these economic paradigms alone, but rather eclectically borrows concepts and concerns from both Neoclassicism and Marxism (Plattner 1989, 6). Even though the great majority of economists in the United States belong to the neoclassicist school of economics, economic anthropology typically utilises a wider choice of economic ideas.

Gladwin (1989, 398) summarizes the differences between economics and economic anthropology in four basic points:

1. Economic anthropology studies primarily micro-level economic phenomena in a village, while economics studies primarily macro-level phenomena in a region or country. Traditionally, the focus of economic anthropology was the research of economic activities in “non-Western” societies (Helgason and Palsson 1997, 451). Nowadays, however, the study of economic anthropology includes all societies, regardless of their location or economic system Ferraro 2006, 150). Economic anthropologists sometimes utilise standard economic theories, but usually they do not try to construct a macro-economic theory of a given society. Usually they prefer to research non-market practices, study the institutions that are involved in transactions, observe local activities, examine the connections between economy and social life, etc.

2. Economics works primarily with quantitative, formal methods, often leaving out the substance of day-to-day economic activities. On the other hand, economic anthropology prefers qualitative methods over quantitative methods (Gladwin 1989, 398). According to Gladwin (1989, 410), one of the main aims of economics is undoubtedly model building and model testing, using statistical econometric methods, while contrary to that, most anthropological articles seldom include statistical tests or mathematical formulas. They are rather based on extensive qualitative ethnographic observations. Anthropologists, who usually spend a lot of time researching a particular society, hold the ethnographic data to be the most important and search for theories that could explain those facts. Economists give priority to their theory and use facts for testing it (Gladwin 1989, 410). Anthropologists often employ qualitative models heuristically, economists quantitative models predictively.

However, as Gladwin has pointed out, some economic anthropologists are starting to utilise quantitative testing procedures and models, while some economists have also realised that quantitative methodology alone cannot always properly describe the complexities of economic processes, especially in the domains of agricultural and rural development (Gladwin 1989, 410). Both disciplines are becoming enriched by one another’s methods.

3. Economic anthropology is eclectic, with the goal of obtaining a holistic impression of a culture. Conversely, economics examines only economic phenomena and excludes everything else (Gladwin 1989, 398). Anthropology also tends to neglect rigid disciplinary boundaries and to use knowledge from different theoretical backgrounds. On the other hand, economics is usually a discipline with a strictly defined paradigm (Gladwin 1989, 411). Theoretical eclecticism has the advantage of providing anthropologist with insights from both the neoclassical and Marxist paradigms. Economic anthropology shifts back and forth from the neoclassical economic paradigm to the Marxist paradigm (Gladwin 1989, 412). It always takes whatever it needs from both paradigms to explain observed behaviour. On the other hand, economics is unambiguous about its paradigmatic basis: neoclassicists or Marxists, but never both at the same time (Gladwin 1989, 412).

Compared to an economist, the social anthropologist is often (especially in the USA)—to some extent—educated in diverse scholarly fields. In addition to social anthropology he also has to study biological anthropology, linguistics, psychology, archaeology, sociology, economics etc. On the other hand, departments of economics seldom require students to take courses outside of the field of economics, but rather offer only knowledge connected to micro- and macroeconomics (Gladwin 1989, 411).

4. Economic anthropology utilises the ethnographic method for ethnographic observations and for building ethnographic models. Economics (both neoclassical and Marxist) uses a completely different approach, i.e. that of a linear sequence of hypothesis testing (Gladwin 1989, 398).

According to Gladwin (1989, 422), anthropologists prefer to study society through long-term fieldwork. Ideally anthropologists should live and study a society for at least a year, because only then can he or she say anything truly meaningful about that society. Since anthropologists often work alone or with few collaborators the scale of the study is usually small or even intimate. On the other hand, economists use data usually collected by others and therefore in most cases do not have firsthand knowledge of the researched society. Some of them are not particularly interested in small-scale studies because they aim to research large-scale societies, sectors or industries Gladwin (1989, 422).

The ethnographic method of research and the models employed are primarily what make a significant distinction between economic anthropology and economics (Gladwin 1989, 423). Economic anthropology aims to learn, understand and describe the insider's point of view, while the knowledge gathered by economics is based mainly on the outsider's view.

According to Plattner one of the basic research axioms in social anthropology is that of holism, which assumes that behaviour in one sphere is connected to that in several others (Plattner 1989, 3). Anthropologists are aware of the general cultural context of economic activities. They study the broader setting and the wider time frame (history) of the activities observed. People's lives are therefore observed and examined in the context of other activities, institutions, statuses, roles, etc. Anthropologists are also expected to comprehend and represent the indigenous point of view (Plattner 1989, 2). Economic anthropologists are thus inclined to understand economic processes as a part of the larger social and cultural framework that is society. They tend to see social life as interconnected, where economic activities affect, and are affected by, other spheres of social life (Carrier 2005, 4).

This is in stark contrast to the approach of economics, which treats the economic sphere as self-sufficient and rather independent from other spheres (religion, art, kinship etc.) (Helgason and Palsson 1997, 451). In the 18th century, political economists (Smith, Dumont, Mandeville, and Marx) started the process of disconnecting economic intentions from social determinants. This process continued through the19th century when European science 'disembedded' the economic sphere from the social structure, and started the age where economic concerns dominated society (Humphreys 1969, 165).

Plattner emphasises that economic anthropologists understand the economy not as a separate sphere of social life, but rather as 'embedded' in society. For the anthropologist, there is no 'purely economic' exchange of objects devoid of socio-cultural relationships, because such exchange would be meaningless for the local exchange participants. The economic anthropological approach stipulates axiomatically that every economic system is embedded in society and applies this economic axiom to large-scale industrialised societies as well (Plattner 1989, 3–4). He says that according to economic anthropology it is wrong to assume that the economy of industrially developed countries is 'totally rationalised', and to perceive the economic domain as disconnected from the political, religious and social domains, unrestrained in following its own purely economic logic. It is true that economic activities and institutions can be examined in terms of exclusively economic parametres, but such an approach simply disregards the important non-economic parametres (Plattner 1989, 4).

In 1985, Granovetter published a seminal paper *Economic Action and Social Structure: The Problem of Embeddedness* in which he promoted the 'embeddedness' approach (Granovetter 1985). His theoretical inspiration was Polanyi, who wrote in his famous book *Trade and Market in the Early Empires* that: "[t]he human economy … is embedded and enmeshed in institutions, economic and non-economic" (Polanyi 1957, 250). Polanyi asserted that models of economic theory are appropriate only for explaining modern market economies, but cannot be applied by a historian of pre-market societies or an economic anthropologist (Polanyi 1957, 247). His ideas sparked the grand debate between the 'formalists' and the 'substantivists' that occupied economic anthropologists in the 1960's, and will be described in the next chapter.

The embeddedness approach takes the issue one step further: it maintains that the economy is 'embedded' in market and pre-market societies alike (Lie 1997, 349). It is based on the supposition that social networks—whether they are built on friendship, partnership or kinship—uphold economic institutions and relations. This idea is not entirely novel. Several decades earlier Alfred Marshall wrote in his book *Industry and Trade* (1920, 182) that: "[e]veryone buys, and nearly everyone sells … in a 'general' market … But nearly everyone has also some 'particular' markets; that is, some people or groups of people with whom he is in somewhat close touch: mutual knowledge and trust lead him to approach them … in preference to strangers."

The basic theme of Granovetter's work is that "social relations are fundamental to 'market processes'" (Granovetter 1985, 500). In economic activities there is much more involved than just a simple calculus of utility maximisation. This approach focuses upon social relations and networks and warns against isolating economic activities from socio-cultural contexts. It tries equally to avoid the over-socialised, substantivist school of economic anthropology, and the under-socialised economic approach that dominates the formalist school (Lie 1997, 349).

The economic anthropologist Narotzky describes this approach in the following words: "[t]he rejection of the idea of a separate economic level or bounded region of economic social relations or activities seems to me a first and necessary step. For human populations material relations cannot be theoretically separated from their cultural expressions which, in turn, are materially produced and embodied" (Narotzky 1997, 7).

Economic anthropology tends to put people's economic actions, their opinions and attitudes about those actions and the social institutions involved in those activities, within a social and cultural framework. As Carrier puts it: "Economic life cannot be understood unless it is seen in terms of people's society and culture more generally" (Carrier 2005, 3). Economic life is comprised of various actions for producing, circulating and consuming objects of exchange. The term 'objects of exchange' is an encompassing term, because it denotes not only material objects like shelter, food, craft goods, etc., but also indicates intangible, symbolic objects like myths, names, labor, knowledge, services, titles, charms, etc.

According to Hunt, economic anthropology deals with two aspects of economic activities. The first is provisioning, which consists of the production and distribution of goods and services. The second aspect is the strategy of economizing, which was extensively discussed in the formalist-substantivist debate. Initially, economic anthropology focused almost entirely on the study of provisioning. However, since the 1950's, the study of economizing has gained considerable interest among anthropologists (Hunt 2005, 140).

Production denotes the process of obtaining resources and the process of converting resources into objects and activities that can be used and exchanged. The production of food is usually classified into several systems: hunting and gathering (or foraging), horticulture, agriculture, and industry (Hunt 2005, 140). According to White (1943) this classification is based on the systemic energy input and energy output. Foraging has low energy input and output, while industrial production has high energy input and output.

Distribution refers to how goods and services are allocated within society. In the last fifty years economic anthropology has focused mostly on distribution rather than production (Hunt 2005, 141). There are two main theoretical frameworks regarding the distribution: one that dominated economic anthropology for thirty years was based on the work of the economic historian Karl Polanyi. Polanyi proposed three main modes of distribution: reciprocity, redistribution and market exchange. Another conceptualisation is based on the works of

Mauss and Marx (Hunt 2005, 141). In this view, distribution is divided between gift exchange and commodity exchange. Modes of distribution that do not require the use of money are reciprocity, redistribution, and the gift.

Even though economic anthropology very often only produces taxonomies and low-level generalisations that cannot be compared to quantitative and mathematical theories in economics, there is significant disagreement about the value of grand theory among economic anthropologists (Henrich 2002; Wilk 2002).

2.1.3. HISTORICAL PERSPECTIVE: SUBSTANTIAVISM VS. FORMALISM

According to Hann the beginnings of economic anthropology can be traced to the late nineteenth century when scholars like Tylor, Morgan and Bücher started to inspect how the new ethnographic data could foster the understanding of human evolution. The most important economists of that time were indifferent to their findings, with the exception of Marx. He carefully examined the works of Morgan, Lubbock and others. Using the material from Morgan's *Ancient Society*, Engels wrote *The Origin of the Family, Private Property and the State*. However, Morgan was a lawyer, not an economist. As such, he focused on property, but not on systems of exchange and production (Hann 2007, Ch.1.3.).

The nineteenth-century anthropologists were not really interested in economic topics (Thomas 1991, 11). Early anthropologists were also not trained in economics and therefore could not really make new theoretical contributions to the field of economics. Tylor (1871) only superficially described the most important forms of subsistence and stages of technological advancement. The early phase of economic anthropology can thus be said to range from approximately 1870 to 1940, when both economics and anthropology developed into new academic disciplines (Hann 2007, Ch.1.3.). However, as a distinctive sub-field of research in anthropology, the origins of economic anthropology can be located at the beginning of the 20th century, when C. G. Seligman (1910) and F. Barton (1910) examined issues that belong specifically to the field of economic anthropology (Elardo 2003, 10).

In general, Malinowski is widely recognized as the founder of economic anthropology. He shifted economics "from the margins to the centre of ethnological inquiry" (Thomas 1991, 12). He is also credited for his introduction of the method of intensive and localised fieldwork. The goal of his method was to focus his research on the native point of view instead of observing behaviour and institutions from the standpoint of some grand hypothetical scheme. His most important contributions to the field of economic anthropology are his books *Argonauts of the Western Pacific* (Malinowski 2002/1922), which deals with exchange, and *Coral Gardens and Their Magic* (Malinowski 2001/1935), which deals with property arrangements, technology and work. In the first study Malinowski showed that a complex trading system involving many islands could exist without money, markets, or states (Malinowski 2002/1922, 510–511). Moreover, instead of greed, generosity was the basis of such trading system (Malinowski 2002/1922, 97). Through the study of this system of exchange called the '*Kula*' ring (Malinowski 2002/1922, 81) Malinowski wanted to obtain an insight into the economic interactions of 'primitive' people. He found out that *Kula* exchanges differed significantly from what was previously assumed to characterize 'primitive commerce'. Malinowski noted that whereas C. G. Seligman and others had already described cases of Melanesian trade, their descriptions of exchange involved food and other utilities, which were transported to regions where these were lacking. According to Malinowski, such exchanges fitted neatly into "the usual a priori notion of savage trade … an exchange of indispensable, or, at least, useful things, done under pressure of need by direct barter, or casual give and take of presents, without much ceremony and regulation. Such a conception would almost reverse all the essential features of the Kula" (Malinowski 1920, 98).

Malinowski emphasized that the *Kula* was the exact opposite of the prevailing stereotype about primitive exchange, which was supposed to be non-ceremonial and utilitarian (Malinowski 2002/1922, 84). He claimed that arm shells and necklaces used in *Kula* were exchanged only against each other (Malinowski 2002/1922, 86). They were not some sort of primitive money that could be used for buying food or other utilities (Malinowski 2002/1922, 510–511, 516). Even though he admitted that in the *Kula* exchanges there was also some bartering of utilities involved, he insisted that *Kula* and barter comprised two separated spheres of transactions (Malinowski 2002/1922, 85).

Malinowski dismissed the notion that the "native is a happy-go-lucky, lazy child of nature, who shuns as far as possible all labour and effort, waiting till the ripe fruits … fall into his mouth" (Malinowski 2002/1922, 58). He maintained that this was a false assertion, based on the fact that native people produce an abundance of agricultural products. Natives are not lazy, but work hard and usually create a surplus of agricultural products: "[i]n gardening, for instance, the natives produce much more than they actually require, and in any average year they harvest perhaps twice as much as they can eat … in the olden days it was simply allowed to rot" (Malinowski 2002/1922, 58).

Malinowski also disagreed with the idea that 'primitive' people behave as expected of '*Homo Oeconomicus*' (rational economic man):

> Another notion which must be exploded, once and for ever, is that of the Primitive Economic Man of some current economic text books … prompted in all his actions by a rationalistic conception of self-interest, and achieving his aims directly and with the minimum of effort. Even one well established instance should show how preposterous is this assumption that man, and especially man on a low level of culture, should be actuated by pure economic motives of enlightened self-interest. The primitive Trobriander furnishes us with such an instance, contradicting this fallacious theory. He works prompted by motives of a highly complex, social and traditional nature, and towards aims which are certainly not directed towards the satisfaction of present wants, or to the direct achievement of utilitarian purposes. (Malinowski 2002/1922, 60)

Malinowski demonstrated that Trobrianders invested much time and energy into making their gardens neat and beautiful. The whole purpose of their effort was to show to others how much work someone can put into his garden—an activity that is deemed useless from a strictly 'economic' perspective:

> The most important point about this is, however, that all, or almost all the fruits of his work, and certainly any surplus which he can achieve by extra effort, goes not to the man himself, but to his relatives-in-law. Without entering into details … it may be said that about three quarters of a man's crops go partly as tribute to the chief, partly as his due to his sister's (or mother's) husband and family. (Malinowski 2002/1922, 61)

Instead of 'economizing' their work, Trobrianders spent their time in—from our point of view—unnecessary work and then gave the produce to the families of their sisters. In such cases no direct reciprocity was involved, because a man's family received products from the brothers of his wife and not from his sister's family, to which he originally gave the products. The fact that the people produced twice as much as they needed and then allowed the surplus to decay indicated that they were motivated by considerations and interests beyond a mere satisfaction of material needs.

Malinowski wanted to show that "primitive economics" was not irrational. Regardless of how exotic their practices seemed to be, Malinowski argued that they were as rational as Western economic activities. They were not different because Trobrianders would have an entirely different mentality, but rather because of different cultural premises. According to Parry, Malinowski proposed a model according to which exchange was considered as "essentially dyadic transactions between self-interested individuals, and as premised on some kind of balance" (Parry 1986, 454).

Another major cornerstone of economic anthropology is Marcel Mauss' seminal work on the gift (1954/1925). Mauss has shown that there are social, personal and spiritual elements involved in the exchange of gifts, which are examined in detail in subsequent chapters of this dissertation. Mauss did not agree with Malinowski that exchanges in the Trobriand Islands were basically the same as those in industrialised societies, where independent individuals practice self-interested and rational transactions (Mauss 1954, 71). Alternatively, he proposed that there are actually two different types of exchange. The first was gift exchange, while the other type of exchange was trade (commodity exchange) (Mauss 1954, 18). Mauss' perspective entails that people are not necessarily calculating and autonomous individuals as suggested by Malinowski (Mauss 1954, 69–70). That may hold true for commodity exchange, but not for gift exchange, where objects are not impersonal items that are bartered, but rather inalienable items that create mutual obligations and reciprocal, enduring relationships between exchange participants. Mauss' view on gifts and commodities will be elaborated in Chapter 2.2.2.3.1.

Before World War II, there were also other significant contributions to the field of economic anthropology. The Austrian anthropologist Richard Thurnwald contributed a wealth of material on socioeconomic conditions and Raymond Firth (1936) did extensive work on the economic sphere in the Polynesian island of Tikopia. To attract the attention of economists to all the new ethnographic findings, Herskovits (1940) published his compilation entitled *The Economic Life of Primitive Peoples*, which methodically combined economic ideas and ethnographic findings and thus contributed to the shape of modern economic anthropology.

Thurnwald and Herskovits stressed that the economy in 'simple' societies is a 'social affair' (Thurnwald 1932, xi), which is something that the 'substantivist' school of economic anthropology later also emphasized. On the other hand, the economist Lionel Robbins (1945/1932, 16) defined economics as the study of choices made under conditions of scarcity. This became the prevailing paradigm of the London School of Economics (where Firth became a lecturer in 1933) and was later used as one of the cornerstones by the 'formalist' school of economic anthropology (Hann 2007, Ch.1.3.).

Firth wanted to demonstrate that the tools and concepts used by modern economics were generally valid and laid out the basics for the 'formalist' position in economic anthropology (Hann 2007, Ch.1.3.). Firth thus organized the chapters of his book according to the basic categories of economics. Herskovits did the same for the second edition of his book *Economic anthropology: The Economic Life of Primitive Peoples* (1952) to make the material easier to read for economists.

According to Hann, the aim of Herskovits was to create a dialogue and exchange of ideas between economists and anthropologists. However, a prominent economist Frank Knight quickly criticised him, arguing that non-economists did not comprehend the principles of economics. Nevertheless, Herskovits still felt that a 'comparative economics,' which would combine knowledge from both disciplines, was worth pursuing (Hann 2007, Ch.1.3.).

After World War II, the development of economic anthropology and economics entered into a new phase as both disciplines developed and expanded enormously. According to Hann, economic anthropology truly flourished in the period from the 1950s to the 1970s. It was a time when European states were losing their colonies and there was great interest in the welfare state. At the time economics quickly grew into a positive science that used sophisticated mathematical and econometric methods. Economics wanted to model the 'real world' and started to build complex theories using an expanding set of theorems, formulas and econometric models (Hann 2007, Ch.1.4.). Anthropology and economics thus became widely separated. Economists felt that their knowledge and methods were the only successful way of describing and predicting economic activities. Whatever anthropology had to say was either ignored or overlooked (Wilk and Cliggett 2007, 4).

Wilk asserts that until the 1950s economic anthropology was mainly descriptive, dealing primarily with different ways in which people in various societies made a living. The main disagreement economic anthropologists had with economists was that economics is ethnocentric in that it ignores the influence of culture in determining economic activities. They insisted that economics should take note of anthropological findings and take into account the diversity of economic systems in the world (Wilk and Cliggett 2007, 4).

However, in the late 1950s the relationship between the sub-discipline of economic anthropology and economics experienced a dramatic shift initiated by the work of the economic historian Karl Polanyi (Elardo 2003, 20; Isaac 2005, 14). In 1944 Polanyi published his famous and influential book *The Great Transformation* in which he suggests that the logic of modern market capitalism developed from earlier systems that were based on altogether different principles of economic action (Polanyi 2001, ch. 5).

With the expression 'great transformation' Polanyi (2001, 3) pointed towards the separation between modern societies that are dominated by market exchange, on the one side, and the pre-industrial, non-capitalist, non-Western societies on the other. In capitalist societies, social institutions and the economy started to be 'institutionally separated' from each other (Polanyi 2001, 74, 205).

However, the strongest influence in the field of economic anthropology was not exerted by *The Great Transformation*, but rather by Polanyi's edited book entitled *Trade and Market in the Early Empires* (Polanyi et al. 1957), written together with historians, archaeologists and anthropologists. This book explores how different civilisations and empires in the past had built their economies and, since Polanyi himself was a prominent economist, the book attracted the attention of anthropologists and economists alike (Hann 2007, Ch.1.4.).

In his paper "*The Economy as Instituted Process*," published in *Trade and Market in the Early Empires*, Polanyi suggested there are two meanings of the word 'economics': the 'substantive' and the 'formal'. The 'formal' refers to studying the means for achieving desired results, which involves the intellectual process of economizing and is therefore the study of rational decision making. The 'substantive' refers to the provisioning of material needs, studying the concrete activities of making a living (Polanyi 1957, 243–244).

Polanyi argued that only in modern society did 'formal' and 'substantive' economics begin to become coterminous, because in capitalist economic systems the subsistence activities became subject to the rational economic logic of maximizing individual self-interest that can be formally studied through modern economics (Polanyi 1957, 234). Capitalist societies have the institution of 'the market' and the rational economic logic is at the basis of exchange. However, in non-market societies, the economy is embedded in other social institutions that follow different rules than those that determine market exchange (Polanyi 1957, 247). Economies that are not based on market exchange therefore do not rest on the rational logic of the individual economizing his choice—the main premise of Western economics (Polanyi 1957, 243). In the absence of market exchange, formal economics is meaningless (Polanyi 1957, 244).

Dalton described the problem as: "[p]rimitive economy is different from market industrialism not in degree but in kind" (Dalton 1968, 164). It was found that those who exchange in primitive markets do not seek to receive instantaneous material benefits from exchange, but are rather more concerned with status and role (Joy 2004, 30). According to substantivists, to study economic life in non-market societies one must examine how economic activities are embedded in different societies and how the substantive economy, responsible for people making a living, is structured in each society. It is therefore necessary to first look at non-market economic institutions and then at the practices that bind together social and economic life (Wilk and Cliggett 2007, 7).

According to Wilk and Cliggett the model proposed by the substantivist school is principally relativist. This model claims that in different societies the economy is founded on completely different principles. Each society must be studied on its own terms. The substantivist school claims that every society has a different socio-historical context and cultural pattern that determine the economic activities of its members (Wilk and Cliggett 2007, 8). Members of ‘primitive’ societies follow moral concerns, social rules, cultural values, religious rules, customs and social relationships, instead of making choices based on self-interest and the maximisation of economic profit (Wilk and Cliggett 2007, 9).

The basis of production and consumption in industrialised societies is the maximisation of profits. Conversely, in non-industrialised societies production and consumption are founded on rather different principles, for example redistribution or reciprocity (Plattner 1989, 14).[1] Both reciprocity and redistribution emphasize cooperation and generosity, contrary to the attitude of maximisation in a market-economy, where individuals are encouraged to accumulate wealth and compete with others (Ferraro 2006, 180).

Even though the work of Polanyi invoked some dissent among scholars of economic anthropology, it was actually George Dalton’s (1961) article *Economic Theory and Primitive Society* in *American Anthropologist,* which started the debate that occupied anthropologists for about 20 years (Cook 2004, 88; Elardo 2003, 20). In this article, Dalton assertively refused the ideas of Herskovits and Firth that were prevalent in economic anthropology of that time. At the time both scientists were highly respected and at the peak of their careers: Herskovits was one of the foremost anthropologists of America, while Firth was one of the most prominent British anthropologists, one of the best students of Malinowski, and his successor as Professor of Social Anthropology at the London School of Economics (Cook 2004, 89). They were very important scholars and their influence was far reaching; Dalton was therefore attacking the prevalent paradigm of economic anthropology of the time. Dalton argued that there are “important differences between primitive economy and Western market industrialism which makes formal economic theory incapable of yielding analytical insights when applied to primitive societies” (Dalton 1961, 20).

His claims have sparked a fierce debate between the ‘substantivists’ and the ‘formalists’. Formalists presented an array of arguments against the relativistic approach of the

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[1] Reciprocity implies exchange based on a shared solidaristic commitment to other members of the family, tribe or community. Such exchange is different from market exchange, where one strives to maximise profits, because in reciprocal exchange one’s economic exchange is not inspired by the incentive to maximise individual gain, but is instead motivated by an intricate system of reciprocal social obligations to other group members (Hunt 2005, 398). Redistribution can be found in some non-industrialised societies, for instance in chiefdoms, where goods are redistributed from wealthy individuals to individuals who have less (Hunt 2005, 399).

substantivists. Their criticism coincided with a shift in the methodology of the social sciences, which started around that time; the beginning the of 1960s saw the start of a trend to use more exact, 'scientific' methods in social science (Wilk and Cliggett 2007, 9). According to Wilk and Cliggett there was a desire to modernize anthropology by bringing it in line with the methods and models of physics, that is, to employ rigorous experiments, mathematical modelling, formal hypotheses, null hypotheses, and universal laws with the ability to predict future events. The idea was that the purpose of fieldwork would be to test the laws, instead of just investigate and describe a particular society. Anthropologists with such aspirations felt that economics may not be perfect, but with its positivistic methods it could claim a higher 'scientific' status, than the 'unsystematic' descriptions that were typical for most ethnographies. According to this formalist view, the substantivist school of economic anthropology was a regression into a descriptive sphere of the humanities, not a progression into a 'modern' science with the ability to generate general laws (Wilk and Cliggett 2007, 10). This group of anthropologists adopted for themselves Polanyi's label of 'formalists'. The most prominent anthropologists from this group were Harold Schneider, Scott Cook, Robbins Burling, Edward LeClair, and Frank Cancian (Elardo 2003, 21). Wilk and Cliggett summarized formalists' criticism as follows:

1. The substantivists got their microeconomics wrong; they did not understand that "maximizing" (as used by economists) does not require money or markets. Anything, even love or security, can be maximized.
2. The substantivists were romantics engaged in wishful thinking, not realists.
3. Formal methods can be employed in non-capitalist societies because all societies have rational behaviour and scarce ends and means. Formal tools may have to be adapted and improved but should not be discarded.
4. Substantivists are inductive butterfly collectors who try to generalize from observation, instead of using deduction to explain each instance as an example of a general law of human behaviour. Deduction is preferable.
5. Polanyi got his history wrong; markets, exchange, and trade are found in many early empires and 'primitive' cultures. And anyway, most of the societies in the world are now involved in a cash economy, so substantivism is no longer relevant (Wilk and Cliggett 2007, 10).

According to Elardo, formalists usually assume that the individual makes rational choices with the intention of maximizing whatever he or she deems to be of value. Since this is not restricted to material products or money, but can include culturally determined values or goals, it is supposed to be abstract enough to be able of explaining human behaviour in any context. Thus the term 'goals' does not only signify financial gains or other economic values, but everything that a person values, including, for instance, prestige, morality, love, solidarity, leisure, etc. (Elardo 2003, 7, 52–52). With this kind of broad definition, formalists claimed to be able to apply economic theory to societies that were without price-regulating markets. Burling argues that 'economizing' simply means making choices with the purpose of advancing a certain personal gain:

> One can hardly argue that "economisation," the careful calculation of choices with an eye to one's prospects, is missing simply because the particular institutional framework which helps us to make some economizing decisions (the market) is missing. Primitives are presumably neither more or less rational than any of us, although they may use different institutions through which to express rationality. (Burling 1968, 178)

According to formalists, rational economizing is necessary due to scarcity of resources: "Thus we may restate the postulate of the universality of scarcity in the following terms: that men everywhere are confronted with the fact that their aspirations exceed their capabilities. This being the case, they must everywhere economize their capabilities in the interest of meeting their aspirations to the fullest extent" (LeClair 1968, 195).

In contrast to substantivists, the formalists were not interested in the evolution and classification of economic institutions in different societies, but wanted to understand universal laws of economic behaviour, especially the process of choice and decision-making Wilk and Cliggett 2007, 11). However, formalism was based on axioms such as rational choice and a *Homo Oeconomicus* (discussed in Chapter 2.2.1.4.) who is not a moral person acting on behalf of a collectivity (in Mauss' sense), but an individual subject making 'rational' choices based on his personal desires alone. For the formalist school, the individual is thus the only logically required actor to explain economic activities. Even though adherents of the formalist school took these axioms for granted, recent research casts doubts on the validity of these assumptions and showed their oversimplifying nature (see Chapter 2.2.1.5.).

Even though the fierce debate between both camps lasted for over a decade and faded away without a winner, many economic anthropologists would nowadays accept and use some ideas from both sides (Elardo 2003, 5).

The debate finished in 1970s with the inconclusive and rather banal recognition that both schools were complementary (Eriksen 2001, 83). By the late 1980s it was already considered to be an inadequately formulated discussion that did not properly address the crucial questions about economic activity in non-capitalist societies (Elardo 2003, 5).

According to Wilk and Cliggett, debate between formalists and substantivists was a variant on a much older dispute between 'relativists' who claimed that cultures differ so much that one culture can never fully comprehend another culture—since science is a tool of Western culture, it fails to fully comprehend what is going on in other cultures—and 'universalists' who claimed that all human experiences are basically rooted in a human nature that is the same everywhere and theoretically allows the discovery of fundamental laws of human behaviour, which are not bound to any particular culture (Wilk and Cliggett 2007, 6). According to Cook, these kinds of dichotomies are for the most part

> … products of categorical binary reasoning that thrives on dichotomies and resists the notion of the interaction of opposites, … Reality is categorized into mutually exclusive boxes, viewed as antagonistic rather than mutually constitutive: use value versus exchange value, subsistence versus accumulation, Indian versus non-Indian, production versus consumption, formal versus substantive, material versus immaterial, ideal versus real, economic versus cultural, economy versus society, and so on. Not surprisingly, this type of reasoning yields opposed schools of thought or approaches to knowledge production that, in sociocultural anthropology during the late decades of the twentieth century, came to be identified by labels like 'political economy' versus 'symbolic anthropology' and in economic anthropology by labels like 'formalists' and 'substantivists'. (Cook 2004, 3)

Fifty years later we can see that both camps had some convincing points; the substantivists were advocating the need to study other cultures on their own terms; the formalists claimed that scientific inquiry must generate universal models of human behaviour in all societies. Nowadays applied anthropology uses the ideas, methods and tools of the formalist school. It is recognized that a scarcity of resources exists everywhere in the world. Anthropological fieldwork has, for instance, shown that peasants display rational behaviour and make complex economic choices (Plattner 1989, 15).

On the other hand, it is generally accepted that economic activities are embedded in a variety of social institutions (Wilk and Cliggett 2007, 14). We understand that economy is not a segment of society but rather an aspect of social life (Plattner 1989, 14). This is an extension of what Polanyi has proposed, namely, that economic activities are 'embedded' in social relations and institutions. However, Polanyi assigned embeddedness only (or mostly) to traditional societies, while modern industrial societies have economic activities 'disembedded' from social relations and institutions.

Contemporary economic sociology and economic anthropology, on the other hand, argue that the economy is embedded in both traditional and contemporary societies (Beckert and Zafirovski 2006, 173). Granovetter (1985) has demonstrated that the individual's economic actions are embedded in networks that are built on the basis of strong personal relations (Granovetter 1985, 490). Taking Polanyi's ideas as the basis, the embeddedness concept hypothesizes that even in modern society, economic activities, together with the institution of market, are 'embedded' in social networks and social relations. In industrialised societies, economic activities are affected by actors' relationships with others and with the "structure of the overall network of relations" (Beckert and Zafirovski 2006, 173).

The two most important elements of this new approach are 'embeddedness' in networks of social relations and the interconnectedness of material and non-material motivations, which means that economic activities are "not only driven by economic interest [as assumed in pure economics] but by [values], tradition and emotions as well" (Swedberg 2003, 15). We can obviously see here an echo of Max Weber's ideas.

2.1.4. ECONOMIC ANTHROPOLOGY AFTER THE SUBSTANTIVISTS-FORMALISTS DEBATE

In the 1970s the debate between formalists and substantivists faded away and economic anthropology branched out into several directions (Wilk and Cligett 2007, 14). Since their relevance for the theme of my dissertation is not as great as the formalist-substantivist debate, they will be mentioned only briefly.

In the beginning of the 1970s a new approach that did not belong to either the formalist or substantivist school gained momentum, when the issues raised by Marxism became more important (Wilk and Cligett 2007, 15). Economic anthropologists began to centre their attention on systems of production and examine the search for power by different social groups. As Greaber has pointed out, before 1970 most anthropologists kept aloof from the work of Marx and Engels for two reasons. One was certainly political: in the age of the Cold War, it was simply not wise to refer to Marxist ideas, especially in the USA where Marxists were often persecuted. The other reason was scientific: to keep in line with the ideas of Marxism meant to stick to the evolutionary scheme that Morgan and Engels conceptualised. According to their scheme, all societies were assumed to evolve in strict order through preset evolutionary stages. Since this kind of evolutionism lost its ground in anthropology already quite early in the 20th century, anthropologist who felt sympathetic to ideas of Marxism were in trouble: they had a choice of either going against the basic ideas of Marxism or against common anthropological consensus, which treated the evolutionary ideas of Marx and Morgan as outdated (Graeber 2001, 24).

However, in the 1960s a Marxist anthropology developed. Marxist anthropologists argued that both Formalists and Substantivists had made a mistake by focusing entirely on distribution and exchange (Wilk and Cligett 2007, 16). Neo-Marxism focused mainly on modes of production and the struggle for power by different groups and class interests, instead of studying individual choice like formalism or depicting different economic systems around the world as substantivists did. Neo-Marxists argued that it is necessary to first understand how a society carries on its existence through different modes of production, social inequalities, different forms of exploitation, social relations, and the struggle for power (Plattner 1989, 16).

The disadvantage of this approach is that it is very useful only for the analysis of state-like societies where a ruling class creates and upholds an institution of force for taking a surplus from other citizens who are the actual producers (Graeber 2001, 24). Within the field of economic anthropology Marxism had become a competing third school. Contrary to substantivism, and together with formalism, Marxism claimed universal applicability (Isaac 2005, 21). Since Neo-Marxism assumes that individuals are not free actors in market activities, it contradicted many ideas of modern microeconomics, which is based on the premise of an individual's rational free choice. Neo-Marxism has inspired economic anthropology to pay more attention to the struggle for power and exploitation (Wilk and Cligett 2007, 16).

In 1970s and 1980s economic anthropology became more occupied with problems of development and many economic anthropologists started to work for development agencies. They went out into the field to examine the success of different programs and projects and to see what the effect on people's lives was (Wilk and Cligett 2007, 22).

In the 1980s and 1990s economic anthropology became to a large extent formalist and practically synonymous with studies of economic development in the Third-World countries (Isaac 2005, 21). Economic anthropology started to lose exposure after the 1980s, when 'globalisation' and 'neo-liberalism' started to dominate the world (Hann 2007, Ch.1.1.). There was also a considerable interest in the cross-cultural application of game theory. As described in Chapter 2.2.1.5., experiments with games in different parts of the world have demonstrated that a concern for fairness can cause individuals to deviate from the model of the *Homo Oeconomicus* (Henrich et al. 2004). Since the capitalist economy has shifted from production to consumption (cf. Miller 1996), economic anthropology has also started to pay more attention to consumption in general. It is considered that the anthropological debates in the 1960s were mostly about exchange; the debates in the 1970s were mainly about production, while the centre of attention in the 1980s moved to the study of consumption (Graeber 2001, 26). Since the studies of consumption offer very interesting insights into the relationship between commodity exchange and gift exchange, they will be analysed in Chapter 3.3.5.

According to Hann (2007, Ch.1), after the debate between formalists and substantivists was over, the substantivists' antinomy of capitalist and non-capitalist economies has taken the form of a dichotomy between 'commodities' and 'gifts,' regarded as representing exchange in capitalist and non-capitalist societies respectively, as originally suggested by Marcel Mauss and later on revived especially by Chris Gregory's book *Gifts and Commodities* (1982). In the subsequent chapters of my dissertation I will examine this dichotomy and show that elements that were traditionally considered to be in the domain of substantive economies can be found in hard-core market exchange practices as well; and in Chapter 4.1. I will also suggest a possible explanation for this phenomenon.

2.1.5. CONTEMPORARY ISSUES

According to Ensminger, contemporary theoretical issues in economic anthropology can be divided into five main topics: "the new institutionalism; debates about wealth, exchange, and the evolution of social institutions; the relationship between small producers and the wider world; the role of commodity change and the formal/informal sector; and the role of grand theory" (Ensminger 2002, xi). Some of the most important issues concern the proper role for agency, rational choice, and methodological individualism in the analysis of behaviour in small-scale societies. There are also powerful discussions over the role of strategic action versus behaviour determined by social norms (Ensminger 2002, x).

The subfield of economic anthropology has progressed from the debates that engaged economic anthropologists in the 1960s and used contributions from both perspectives (Hann 2001, 23). The sub discipline of economic anthropology has shifted its interests from the debates that dominated the 1960s to other issues. The formalist-substantivist debate that once occupied most economic anthropologists no longer provides a compelling basis for research or discussion (Lie 1997, 347). The range of topics dealt with by contemporary economic anthropology is much wider than those addressed by the generation of Polanyi and Herskovits (Hann 2001, 23). The sharp distinction between the industrial and non-industrial economies, between market and non-market (e.g. gift) exchange, between “the West and the rest” that once dominated anthropology has lost its strength and importance (Lie 1997, 347).

According to Wilk, at the beginning of the 1970s, economic anthropology experienced a transformation: there was a decrease in university employment and anthropologists started to take applied jobs. Many economic anthropologists have begun to work in foundations, organisations dealing with the social services and various government agencies. Before that transformation occurred, economic anthropology was concerned mainly with theoretical issues. However, in the mid-1970s it was already extremely difficult to find a society anywhere in the world whose members would be isolated from Western goods, audiovisual media or state politics. Therefore, in the mid-1970s the discipline quickly shifted from the research and analysis of ‘primitive’ societies to the study of developed societies. Economic anthropologists have rapidly changed their focus from purely theoretical concerns and academic debates to more social issues, which also included a change in their methods and their goals. The discipline has quickly recognized the problems of poor health, exhaustion of natural resources, overpopulation, social difficulties, and political conflict that were evident all over the world (Wilk and Cliggett 2007, 15).

Rich and poor countries are divided by a widening economic gap (Landes 1998). Economic anthropology has the capacity to discern the underlying reasons for this inequality in economic performance. In the last decade the World Bank (1997) has displayed an increasing interest in the role of social capital and institutions to help understand why many developing economies are underperforming. Even though economics has a much stronger and more formal theoretical framework, it lacks the bottom-up understanding of economic activities that economic anthropology is able to provide (Ensminger 2002, x).

However, in our post-post-modern era it is difficult predict the future direction of economic anthropology (Ensminger 2002, xviii). The discipline still has its core issues, though not the ones that fuelled the debate between the formalists and substantivists in the past.

2.2. MARKET ECONOMY AND GIFT ECONOMY

2.2.1. MARKET ECONOMY

2.2.1.1. BASIC CHARACTERISTICS OF THE MARKET ECONOMY

To understand how markets function has always been one of the basic concerns of the science of economics. Economic historian Mark Blaug (1985, 6) says: "The history of economic thought … is nothing but the history of our efforts to understand the workings of an economy based on market transactions." The science of economics originated in the study of markets and for that purpose developed the concepts of preference maximisation, rational choice, market equilibrium, and economic efficiency (Grossbard-Shechtman and Clague 2001, 1).

The usual definition of the market is: "Generally, any context in which the sale and purchase of goods and services take place. There need be no physical entity corresponding to a market" (Pearce 1986, 263). Exchange in the market can be performed by means of barter, money or credit (Narotzky 1997, 58). Classical economists such as Adam Smith (1982 [1776], 117–120) considered barter to be the original form of exchange.

According to Bohannan and Dalton (1971, 152), the characteristics of a 'market economy' are that: (a) the sale at a money price is determined by impersonal supply and demand forces; (b) the buyers and sellers depend on such market exchanges for their livelihood; (c) the market prices for resources and finished goods crucially influence production decisions and therefore the allocation of resources, including labour, into different lines of production.

According to Lie, the concept of the market in neoclassical economics does not take into consideration social relations, technology, or institutions. Neither does it take into account basic sociological concerns like norms, power, and social networks. The argument goes that the advantage of such a reduced and highly abstract model is that it can be applied universally. Since such an abstract model does not depend on any particular social structure or institution, it allows scientists to use its analytical tools for various types of markets and non-market spheres as well. Instead of analyzing different types of markets around the world or through time, such an approach uses the market model to explain different modalities of the market, regardless of these markets' specific internal relations or institutions (Lie 1997, 342–343).

One of the main premises of a market economy is that the market is a self-regulating system in which the type and extent of production, prices and economic decisions are determined by supply, demand, the free interaction of producers, sellers and buyers, and free competition (Dupré 2001, 121). In a market economy, people usually buy in 'anonymous' shops which sell 'anonymous' commodities (Carrier 1995, 114). 'Anonymous' refers here to the idea that neither the seller in the shop nor the commodities relate socially to the buyer *a priori*. A good example is a supermarket, where self-service reduces necessary contacts between buyers and sellers to a minimum and thus facilitates a high degree of impersonality.

2.2.1.2. A HISTORICAL PERSPECTIVE: FROM THE GIFT ECONOMY TO THE MARKET ECONOMY

According to Bijsterveld most scholars agree that in the West a significant transformation from a system governed mainly by a 'gift economy' took place in the transitional period between the years 1050 and 1200. In that period we can observe the transition from a 'gift economy' to a 'market' and 'monetary' economy, with marked changes in the social, economic, political, religious, and legal conditions corresponding to gift-giving (Bijsterveld 2001, 144). According to Little, this transition was marked by the gradual shift from a gift economy, where "prestige, power, honour, and wealth are all expressed in the spontaneous giving of gifts ... The act of giving is more important than the thing given" to a market economy oriented towards profit, where "one expects everything to have an assigned value" (Little 1978, 3–8, quoted in Bijsterveld 2001, 144). The attitude of profit making began to dominate material exchanges.

Carrier has pointed out that even though an impersonal kind of trade existed to some extent already before the rise of capitalism, it was only from about 1800 onwards that the whole social system started to assume highly impersonal characteristics. In societies that are characterized by a market economy people perceive commodities as impersonal and anonymous objects. This impersonality is the result of changes in production and trade that were initiated around 1800 and in the course of the 20th century fully developed into the system of market exchange that we live in today (Carrier 1995, 75).

Carrier further says that in the last two-hundred years or so, people in industrialised societies experienced a growing alienation from the process of production, which was less and less under their control. There also emerged a growing alienation in the social relations among the producers. Factory workers became a mere anonymous part of the production process, with minimal social relationships prevailing among them. This was in stark contrast to the strong social relationships that had characterised earlier systems of production, where production units were family operated. In household production units people were mutually connected and interdependent (Carrier 1995, 39–40). Their obligation to work was a family obligation and not an obligation to a complete stranger, such as the owner of a factory in industrialised societies. Workers in household units did not constitute a transient labour force, selling their work to the owner of a factory, but a part of the family structure that operated the business. However, in industrial factory production, workers were no longer connected to their co-workers in a web of close personal relationships, but rather experienced themselves as isolated and alienated from their co-workers. If production is solely in the hands of the producer, the products are not anonymous, but bear the mark of that producer. Conversely, if the process of production is alienated from producers, people tend to perceive products as impersonal and anonymous commodities (Carrier 1995, 39).

According to Carrier, in the mid 1800s, people in Great Britain gradually started to work more and more in factories and institutions outside of their households. Therefore, people commenced to distinguish an economic sphere from the household sphere of life as representing two distinct poles. Production shifted from the household unit to a factory removed in space from the household. The introduction of heavy and complex machinery in factory production meant that workers no longer owned the equipment and tools that were involved in production, thus intensifying the process of alienation even further. Mechanisation also promoted more routine work and producers became more or less part of a purely mechanical process that alienated them from their work and removed the input of their personality and creativity from their products (Carrier 1995, 45–55).

Carrier has pointed out that besides changes in production, there was also a significant change in the nature of trade, which became more and more impersonal (Carrier 1995, 61). We can trace the development of this kind of trade back to the 18th century, even though according to Macfarlane (1978), people in England had practiced impersonal trade for money already since the thirteenth century.

Carrier asserts that before the emergence of impersonal trade, which started to emerge in the eighteenth century, the kind of trade that most people were involved in included rather personal and long-lasting relations among exchange participants. Most people in Europe were village peasants, characterized by a life in a localised area and by economic self-sufficiency. Therefore, most of the trade was done among people who personally knew each other. Trade was performed on local markets, where local producers and customers met and traded. For most people, their economic activities never extended beyond the local market. Trade mainly consisted of the transfer of goods from local producers to local consumers without any commercial intermediaries (Carrier 1995, 63).

Carrier (1995, 63) describes how at that time England, for instance, had a kind of a dual economy with two separate spheres (cf. Biddick 1989). In the first sphere there was subsistence and farming production in the village. In the second sphere there was local trade. All households were engaged in both spheres to a greater or lesser degree. However, even though it belonged to the commercial sphere, trade was not governed by purely economic but by moral norms. Crowley (1974, 6) describes the trading principles operative in early colonial America in the following manner: "It was the traditional view that exchange … was a social matter involving reciprocity and redistribution: competition, in the sense of one man's gaining at the expense of another, was a violation of this traditional ethic." According to Carrier (1995, 65), at that time economic transactions were not separated from social relations. Trade before the eighteenth century was based on an economic model that was very different from the one we know today in capitalist societies. Thompson (1971, 78) calls it a 'moral economy', which is based on different principles from the economy put forward by Adam Smith and others, which underlies— the modern market economy.

Carrier (1995, 69) further explains that when the English towns expanded, their need for subsistence items increased. Urban regions were forced to import more and more subsistence products from ever larger surrounding areas. Although already in the seventeenth century English towns were filled with retail shops (Chartres 1977, 49), at the time the typical shop did not yet function as a trading company. It was rather the place where an artisan sold his or—less commonly—her wares. The typical early trade relationship was markedly personal. The setting, the objects sold and the transaction—all involved and even required close personal involvement by the buyer and seller.

According to Carrier, trade did not take place in special areas reserved for only this purpose. Instead, economic transactions took place at the home of the seller. Shops were usually part of the sellers' houses and were not architecturally separated from private homes. Merchants typically resided 'over the shop' and shopkeepers who produced artisan items usually had their workroom on the ground floor of their home. Selling activities were performed in a front room on the ground floor or outside, in front of the house, in a covered area dedicated to that purpose. Thus for a shopkeeper, home and shop were not separate domains, but rather acted as a single economic unit. The shop was not an independent business that the shopkeeper owned. The family supported its business, and business supported the family (Carrier 1995, 70). "Household expenses were often charged to the business … [and] business expenses were often charged to the household. The business and the household can be separated only for analytical purposes: in reality they were interwoven parts of a single function" (Alexander 1970, 189).

Carrier described how the shops dealt with a small clientele, which meant that buyers and sellers were engaged in social and economic relationships, thus making their dealings relatively personal. Most economic exchange involved long-lasting personal relationships between buyer and seller. Items that were sold were not anonymous commodities, but rather possessions of the seller bearing his/her mark. The seller was not separated from the place where the sale took place—since the shop was typically a part of his house. Trade was based on the principles of social relationships and even long-distance or large-scale trade was done in a network of personal relationships (Carrier 1995, 74).

At the beginning of the eighteenth century, the legal structures upholding local trade started to disappear (Beier 1985, 173). This change became even more pronounced during the second half of that century, especially in urban areas. The result was more impersonal styles of trade that affected the sellers, buyers, items traded, and social relations (Pocock 2003, ch.13).

Carrier describes how in Britain by the end of the eighteenth and the beginning of the nineteenth century trade began to manifest a more alienated and impersonal form of exchange. Then, by the middle of the nineteenth century, there emerged a new, alienated form of commerce. Seller and buyer were increasingly becoming strangers—autonomous individuals who did not know each other. Sellers acted as inactive and impersonal mediators between producers and buyers. Sellers were no longer producers and owners of their products, but rather a paid labour force, alienated from their work and the objects they sold. The exchange of goods started to assume characteristics of commodity transactions that were made in an impersonal way. The relationship between buyer and seller did not matter anymore; what became important was the relation between people and objects (Carrier 1995, 74–79).

Carrier (1995, 50) describes how in the second half of the eighteenth century factory production developed, which resulted in a uniformity of products. The standardisation of production and products meant that people could rely on their previous experience about the purchased items, which reduced the necessity of having to maintain close relationships with the seller in order to be assured of the quality of the product (Carrier 1995, 75). It also eliminated the need for bargaining (Alexander 1992, 86–88).

According to Carrier, all these changes affected the people's perception about the social identity of the objects bought and sold. The buying-selling transaction became increasingly impersonal: a perfect stranger was able to make a purchase without difficulty in the same manner that had been possible previously for established customers only (Carrier 1995, 62). All those changes laid out the foundation for the dominant economic paradigm of the 20th century: the market exchange, in which anonymous exchange partners trade anonymous commodities.

2.2.1.3. CLASSICAL ECONOMICS

Parallel to these changes, theories about this newly emerging economic system started to appear. In Europe, the science of economics started as the study of moral philosophy and human nature (Wilk and Cliggett 2007, 40).

Adam Smith's *The Wealth of Nations*, published in 1776, is usually taken to mark the beginning of the classical economics that dominated economic thought until neoclassical economics developed in the 1870s (Wilk and Cliggett 2007, 51). One of the most fundamental questions in classical economics concerning the role of exchange in a market economy was how the value of things exchanged in the market is determined. The items exchanged must be compared somehow, and the exchange partners must accept their comparative value. The introduction of money facilitated comparison by offering a common ground on which all things were compared (Wilk and Cliggett 2007, 51).

Classical economists like Adam Smith, John Stuart Mill, Karl Marx, David Ricardo, and Thomas Robert Malthus, regarded 'value' as dependent on the costs of production (Weintraub 2002, Ch.1). They suggested that labour is the most important factor that determines 'the relative or exchangeable value of goods' (A. Smith 1982 [1776], 131):

> The value of any commodity, therefore, to the person who possesses it, and who means not to use or consume it himself, but to exchange it for other commodities, is equal to the quantity of labour which it enables him to purchase or command. Labour, therefore, is the real measure of the exchange value of all commodities. ... What is bought with money or with goods is purchased by labour as much as what we acquire by the toil of our own body. That money or those goods indeed save us this toil. They contain the value of a certain quantity of labour, which we exchange for what is supposed at the time to contain the value of an equal quantity. Labour was the first price, the original purchase-money that was paid for all things. It was not by gold or by silver, but by labour, that all the wealth of the world was originally purchased; and its value, to those who possess it and who want to exchange it for some new productions, is precisely equal to the quantity of labour, which it can enable them to purchase or command. (Smith 1982, 133)

The reason that labour is selected as the measure of value is because labour alone

> … at all times and places, may be said to be of equal value to the labourer. In his ordinary state of health, strength, and spirits; in the ordinary degree of his skill and dexterity, he must always lay down the same portion of his ease, his liberty and his happiness. The price which he pays must always be the same, whatever may be the quantity of goods which he receives in return for it. … Labour alone, therefore, never varying in its own value, is alone the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared. It is their real price; money is their nominal price only. … Its [labour's] real price may be said to consist in the quantity of the necessaries and conveniences of life which are given for it; its nominal price, in the quantity of money. (Smith 1982, 136)

According to Weintraub, classical economics was not able to explain why prices in the real world were not always in direct proportion to the labour cost involved and why people were sometimes ready to pay more than an object was 'worth' according to the classical theory of value. Therefore, theories of value belonging to the school of classical economics, which assumed that value is inherent in an object, were progressively replaced by the idea that value has more to do with the relationship between the object and the individual who purchased the object. They suggested that value does not depend only on the costs of production, but also on other subjective elements (Weintraub 2002, Ch.1).

Later the philosopher and economic thinker John Stuart Mill (2005/1868) proposed that the value of a product depends on its value as perceived by the consumer, rather than on the actual cost of producing the product. The value that the product has for the user was defined in terms of 'utility'. Products have different prices not because of the different amount of labour invested in their production, but because of the differences in their utility for their buyers (McEachern 2006, 130; Wilk and Cliggett 2007, 59).

2.2.1.4. NEOCLASSICAL ECONOMICS AND RATIONAL CHOICE THEORY

From the 1870s onwards, political economy developed into the 'neoclassical' economics, which nowadays dominates modern economics (Dupré 2001, 120). If classical economics was concerned with the macro-sociological level of analysis—the economic processes of society at large—neoclassical economics focused its analysis on the micro-level, on the individual's economic actions and decisions (Plattner 1989, 6). The focus of analysis has thus shifted from the examination of overall social relations to the study of individual choice. Neoclassical economics redefined its basic question as the examination of how "universal economic 'man' allocated his scarce resources among his competing, and unlimited, wants" (Gregory 1982, 26).

'Neoclassical economics' has been an extremely influential school of economics from the twentieth century onwards, especially in the United States. The prefix 'neo' suggests that its framework is built upon the ideas of the 'classical economics' of the 19th century (McCain 2007, Ch.2.1).

According to Weintraub, neoclassical economics is a collection of implicit axioms and assumptions, which are the basis of various economic theories: 1. People have rational preferences among outcomes. 2. Individuals maximize utility and firms maximize profits. 3. People act independently on the basis of full and relevant information. These basic assumptions are not discussed since they define the common ground of neoclassical economics, or even economics in general (Weintraub 2002, Ch.1). Even though there are differences among particular schools and there is no clear consensus about the precise nature of neoclassical economics, its assumptions are shared by several different schools of economics. All of them share two basic ideas: the economic actor as a rational, utility maximizing individual, and the fundamental function of the market (Dupré 2001, 120).

Yang and Lester also suggest that there is a common element in the various definitions of economics as these appear in the standard introductory textbooks of economics, namely, the study of economic activity centring on choice (Yang and Lester 1995, 433). According to neoclassical economics, the buyer always tries to maximize the result he obtains from the purchase. To get the maximum result, the buyer increases the amount of purchased items until what he gains from an additional unit is exactly balanced by the cost of obtaining it. In this manner the buyer maximizes the 'utility'[2] derived from obtaining a particular item. This principle of the maximisation of utility (McEachern 2006, 273) stipulates that individuals always shape their actions and decisions in accordance with it. The individual will always choose the option that provides the largest benefit, the highest value or the maximal satisfaction. He will compare different alternatives and evaluate how much 'utility' he derives compared to the costs in money, time or energy involved (McEachern 2006, 273).

The assumption of 'maximizing' has been for many years one of the most fundamental ideas of microeconomics. This assumption says that "all human behaviour can be viewed as

[2] Nevin (1973, 104) defines 'utility' as an "expression of welfare, or pleasure, or enjoyment, or satisfaction, derived from the use, possession or consumption of goods and services." The concept of utility thus represents a measure of satisfaction or positive outcome that an object can provide to the individual.

involving participants who maximize their utility from a stable set of preferences and accumulate an optimal amount of information and other inputs in a variety of markets" (Becker 1976, 8). As Becker declares, the economic approach "is applicable to all human behaviour" and to all types of human societies (Becker 1976, 8).
Here I would like to critically reflect that from the anthropological perspective, such axioms and assumptions ignore the cultural differences between societies and instead project Western values about individual desires and 'rationality' on the whole world. Yet according to this assumption, individuals always try to calculate the best possible outcome and therefore think before they act. They will always select those options that bring them the maximal results for the lowest costs. In order to rationally weigh different choices they should have the necessary information about the costs, results, etc. involved in the different options
Neoclassical economics thus deals with decisions that people make in a situation of scarce resources to attain the best possible outcome. In this manner economics explains economic activities as a constant effort aimed at increasing one's utility (Wilk and Cliggett 2007, 59). In neoclassical economics all economic actors (individuals, households or companies) are conceptualised as rational actors who always strive to optimize their decisions to yield the best possible outcome. A consumer in the standard neoclassical model is therefore an extremely rational individual who always attempts to maximize the outcome of his activity by selecting an 'optimal' solution and thereby maximizes the 'utility' (McEachern 2006, 128). In this analysis, the concept of diminishing marginal utility is very important. It says that the utility from additional units obtained does not increase linearly, but in a diminishing way, to subsequently peak at a certain point, after which it starts to decline: "The marginal utility generated by additional units of any product diminishes as an individual consumes more of it, holding constant the consumption of all other products" (Lipsey and Chrystal 2007, 44).
For instance, for a thirsty man, one cup of water has great utility. A second cup of water will provide additional utility, but at a certain point, when a man has quenched his thirst, any additional cup of water will not continue to add any more utility. Furthermore, when his stomach is full of water, any additional cup will even decrease the utility of water consumed (McEachern 2006, 127). If marginal (additional) value would simply increase without peaking at a certain point, and if there were unlimited resources, there would be no need for making a rational choice. In that case, everyone would just accumulate as much as they

physically could. However, in the real world humans (and also animals) have to make choices[3] all the time, regardless of their culture or social background (Plattner 1989, 9).

Rational choice is one of the most important concepts in neoclassical economics. Since the marginal value curve reaches its peak at a certain point, an individual has to make a rational decision about the level of his activity that will generate the highest utility for his input. Therefore, an individual always chooses which utility/input ratio is the most favourable for him. In other words, his input will be only to the point where net marginal return (marginal value minus marginal cost) is greatest (Plattner 1989, 9).

Rational choice theory is appealing to many scientists due to its simplicity (Zafirovski 2003, 43). The definition of rationality in neoclassical economics is not based on mental states such as gratification, satisfaction or happiness, but refers to the behaviour that maximizes the input by an economic agent, performed under conditions of a scarcity of resources. In economics, rational behaviour is thus defined as behaviour that maximizes value (Rachlin 1995, 397), while the concept of rationality is defined as "the choices made by a person acting to maximize utility with full information about the situation" (Yang and Lester 1995, 434).

The beginning of the rational choice theory can be found in the mid-18th and early 19th century, when the Scottish 'moral sense school' proposed the concept of rational behaviour and suggested it could be effective in explaining various social phenomena. Adam Smith, as one of the representatives of that school, used the concept of rational choice to explain market relations (Ruzavin 2004, 94). Adam Smith (1986 [1776], 119) suggested that a market-economy is regulated through the principle of individual economic rationality and selfishness: "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self-interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages."

The science of economics thus from the very beginning treated humans as rational beings who strive to achieve maximum goals with minimal costs. This idea was conceptualised in the model of *Homo oeconomicus* and we can say that economics usually conceptualizes human beings as calculating, rational and unemotional maximisers who always tend to optimize their actions (Kirchgässner 2008, 59).

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[3] Since the notions of rationality and choice are culturally defined, to say that man must make choices all the time is a truism, if one cannot identify how utility is conceptualised in the first place within a given culture.

2.2.1.5. SOME CRITICISMS OF THE *HOMO OECONOMICUS* MODEL

Even though the concept of rational economic agents has an axiomatic status in modern economics and represents one of its cornerstones, many scholars feel that its theoretical justification is problematic because it characterizes a choice where models of human behaviour are based on logical elegance instead of on empirical data (Gerrard 1993, 52). For the purpose of studying human economic actions, economics had to make some fundamental assumptions about human behaviour, activities and choices. As McCain has pointed out, one might expect that since psychology knows the most about human behaviour, the science of economics would draw upon the knowledge about human beings from psychology, instead of making its own assumptions. However, this was not the case. For the most part, economics used assumptions that not many modern psychologists nor social anthropologists would fully support. They would argue that the assumption that people are highly rational and self-interested ignores the fact that a vast number of human decisions are made emotionally and that pure self-interest contradicts altruistic and ethical norms and values that in any society play an important role as well (McCain 2007, Ch.1.2.1.).

If the validity of the 'rational choice' model is challenged so often in everyday life, what is then left of its universality? Since the theory of rational choice presupposes rational actors, their deviation from the normative rational behaviour impairs the universal validity of the theory (Archer 2000, 36). A common neoclassical way out of this dilemma is to assume that people still always choose the option that best advances their ethical, social, and aesthetical or whatever other values they hold. Some economists (Stigler and Becker 1977) therefore extend the concept of subjective value to also include psychological items like social appreciation, emotional fulfilment, efforts to avert fear and guilt, etc.

Economists have worked hard to demonstrate that very often behaviour that seems pro-social[4] is actually based on direct material self-interest, reciprocal selfishness, or the aspiration to gain social prestige. The advocates of the *Homo oeconomicus* model argue that:

> Many non-economists see the homo economicus as a neurotic creature pursuing all the time his own material sell-interest. Yet the basic hypothesis of rational behaviour does not refer to the content of the preferences, but rather to the idea that individuals try to do the best they can according to their own subjective ordering of social states. For some, this ordering will be dominated by material self-interest. For others, however,

[4] Working for the benefit of others; altruistic behaviour and actions with consideration of societal benefits (Dovidio 2006, 21).

> their "self-interest" may consist in the pursuit of a higher moral ideal. (Schokkaert 2007, 142)

Therefore, such scholars feel that the applicability of this model in explaining human behaviour is not really challenged:

> I think that it has become pretty clear in recent years that the analytical tools of economics have worked very well in explaining (or making sense of) social interactions in general and pro-social behaviour in particular. This is true even for "extreme" cases, such as the tendency for people to give non-monetary gifts at occasions like birthdays or Christmas. (Schokkaert 2007, 143)

Homo oeconomicus is thus assumed to always choose the optimal solution. In the real world however, people do not always behave in this way. Even when they intellectually know what is the most suitable or the optimal action, for many reasons they may decide not to take that action. People may indulge in excessive eating, intake unhealthy substances, spend too much money for buying things they do not need, etc. They also often study too little, do not meet the deadlines, do not take proper care of their health, etc. Since economics was not able to explain all human behaviour only on the basis of a rational *Homo oeconomicus* it began to set some such activities aside and label them as 'anomalous' (Thaler 1991, xii).

In order to explain irrational behaviour, cognitive theories (Kahneman et al. 1982) suggest that rational decisions are distorted by cognitive or perceptual biases (i.e., anomalies). According to this theory, every anomaly in rational decision-making can be justified by a context, where an anomalous decision becomes acceptable and hence the anomaly disappears.

Especially the fast growing field of experimental[5] and behavioural[6] economics has been concerned with cognitive and emotional biases that affect economic decisions. It has

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[5] *The Social Science Encyclopedia* describes experimental economics as follows:

> There was a time when the conventional wisdom was that, because economics is a science concerned with complex, naturally occurring systems, laboratory experiments had link to offer economists. But experimental economics has now become a well-established tool of economic research. The initial impetus for this transformation came from studies of individual choice behaviour. As economists focused on microeconomic theories which depend on individuals* preferences, the fact that these are difficult to observe in natural environments made it increasingly attractive to look to the laboratory to see if the assumptions made about individuals were in fact descriptive of their behaviour. (Roth 1996, 279)

[6] Godden describes behavioural economics in the following way: "Behavioral economics seeks to provide economic analysis with a more realistic, psychological foundation by examining the ways in which various aspects of individual and collective psychology influence economic decision making" (Godden 2009, 127)

successfully demonstrated that economic agents often lack the rationality that is assigned to them by *Homo oeconomicus* model (Wilk and Claggett 2007, 37). Behavioural economics was introduced about fifty years ago and questioned the validity and applicability of the concepts of rationality and maximisation of utility, which are at the core of orthodox economics (Yang and Lester 1995, 434). With his pioneering work, Simon (1955; 1957) challenged the notion of rationality that prevailed in economics at that time. According to Simon, people have limited access to information, and their decisions are furthermore constrained by perceptual, intellectual and cognitive capabilities. Simon argued that individuals do not possess an infinite capacity for processing information (Simon, 1997, 389). In order to more realistically describe the human capacity for decision-making and problem solving, he proposed that people have only a "bounded rationality" (Simon, 1997, 291).

Critical assessments point out that game theory actually demonstrates the limitations of the neoclassical economic approach (Hargreaves-Heap and Varoufakis 1995, 2). However, the experiments have shown that players hardly ever play according to these theoretical predictions, which are based on the expectation that self-interested, rational players, because in reality, they are usually not as selfish or as strategic as is to be expected from the theoretical models, but rather base their decisions on social factors, such as reciprocity and equity (Sanfey 2007, 598). In another experiment it was demonstrated that students who attended economics courses began to be more self-centred and less cooperative compared to what they were at the beginning of the course (Frank et al. 1993).

Some recent research studies in this field have demonstrated that people in small-scale societies from all around the globe do not interact with each other to maximize their own interest, but are instead very considerate of others. Henrich and his colleagues (Henrich et al. 2004) have performed some experiments in fifteen small-scale societies to test the assumption that "people's preferences are 'self-regarding' and 'outcome-oriented' " (Henrich et al. 2004, 1). Three types of economic experiments were performed (Henrich et al. 2004, 11). For instance, the results of the Ultimatum Game[7] were not in accordance with the assumption that

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[7] In the Ultimatum Game two players receive some money. The first player has to decide how to divide and allocate the money. If the second player accepts his choice, they split the money according to the proposal of the first player. However, if the second player feels the division is unfair, he can reject the offer, in which case neither player receives anything (Henrich et al. 2004, 11-12).

In practice people do not play in an 'economically rational' way. Unfair offers are usually rejected by the second player. Also, usually the first player gives a good share to the second player. Both behaviours are not in line with the *Homo oeconomicus* model (Henrich et al. 2004, 11-12).

the individual always wants to maximize his gain (Henrich et al. 2004, 26). According to the *Homo oeconomicus* model, the natural choice of the first player is to give as little as possible and to retain as much as possible. On the other hand, following the *Homo oeconomicus* logic, the second player naturally wants to accept even the most minimalist offer, because little is better than nothing.

Contrary to the expectation, in all 15 small-scale societies, players assigned considerable amounts of money (more than players in industrialised societies) to the other player and declined to accept offers that were close to zero (Henrich et al. 2004, 19–20).

Such experiments indicate that people are inclined towards cooperation. Conventional neoclassical economic models (as discussed in Chapter 2.2.1.4.) are predicated on the assumption that individuals act in a self-interested, rational manner in order to maximize their gain. However, empirical research has revealed not only that people tend to consider the interests of other people, but take social norms of fairness and cooperation into account when doing so.[8]

The *Homo oeconomicus* model has been widely criticised by economists and social anthropologists alike. Cross-cultural comparison has offered empirical data, which demonstrated that this model cannot claim the universality assigned to it by economists. Various scholars (Louis Dumont, Bronislaw Malinowski, Marcel Mauss, Karl Polanyi, Marshall Sahlins, Maurice Godelier), to mention just a few most prominent have demonstrated that in non-market societies, people make choices on the basis of the principle of reciprocity, which entails a logic different from the *Homo oeconomicus* model.

Most anthropologists agree that such descriptions are inadequate for describing the type of exchange that is involved in the exchange of gifts. They say that the exchange of gifts follows a different set of rules and an entirely different logic that will be described in the next chapter.

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[8] As Platenkamp has pointed out, this is an important issue. When considerations of equity and cooperation enter the decision-making processes, culture does too—since such norms are always culture-specific. The extreme reductionism of evolutionist models tries to explain 'behaviour' by reference to the 'survival value' of such behaviour to the individual and/or the species (or even of all species), but culture refers neither to the one nor to the other. Such theories themselves might be the product of a Western cultural ideology that tends to negate the impact of culture upon the presumably self-assertive 'behaviour' of the individual. In that sense, evolutionism and the neo-liberal economy are subject to the same cultural-paradigmatic imperatives (Platenkamp 2008b).

2.2.2. THE GIFT ECONOMY

2.2.2.1. BASIC CHARACTERISTICS OF THE GIFT ECONOMY

In our everyday life experience we are all familiar with gift giving. The basic idea of a gift is that a person gives something of his own to someone else. In such an exchange there is no price or repayment negotiated or determined. The item or service is simply given and that is that (Laidlaw 2000, 621).

As Fisher has pointed out, usually we like to think of giving gifts as being acts of love, generosity, friendship and kindness. There is some unspoken notion, that giving a gift is mostly an altruistic act. However, in the back of our minds there is always the idea that a gift has to be returned at some point in the future: no one would indefinitely give birthday gifts or send Christmas cards to somebody who never reciprocates. Therefore, there is always some unspoken, vague expectation, that a gift will be returned sometime in the future; perhaps not tomorrow and probably not in the exact equivalent amount, but still returned. By accepting a gift the receiver becomes invariably indebted to the giver and acquires the social obligation to return the gift. Therefore, by accepting a gift, the receiver actually agrees to enter into a relationship with the giver. The expectation of being reciprocated sometime in the future therefore produces a strong social bond between the giver and the receiver of the gift (Fischer 2004, lect. 16).

In giving a gift the donor does not expect an immediate compensation as is the case in market exchange, but rather a future return in the form of a counter-gift, or sometimes in the form of an increase in prestige and power. To reciprocate a gift received immediately and with an item of equal value in fact implies that one rejects the social relationship that one is being offered (Fischer 2004, lect.16). For example, if I give a gift to someone, and he immediately gives me back the same item, he signals that he does not want to enter into any relationship with me.

This is exactly what is supposed to happen in market exchange. One goes to the shop, for instance, takes a sandwich, immediately gives to the seller the equivalent amount of money and they are done. After the transaction is over, the buyer and seller are not obliged to maintain a social relationship. If one buys a sandwich, this purchase is not motivated by a desire to have a relationship with the seller, but only by the desire to acquire a sandwich.

2.2.2.2. ECONOMIC ANALYSIS OF GIFT EXCHANGE

For economists the very existence of gifts has always posed a problem, because the model that describes human behaviour as based purely on self-interest, can hardly explain unilateral acts of giving things away without getting something in return (Frank 1992, 319; Graeber 2001, 8; Fennell 2002, 85). To account for such purportedly 'anomalous' behaviour within the axiomatic framework of economics, theoretical approaches were developed to interpret the reciprocal nature of giving gifts. Such theories suggest that gift giving is not really a gratuitous act but is based on the expectation of reciprocation (Rose 1992, 298–302). In order to explain why people would give things to others without expecting an immediate return, economics postulated that gift givers have the incentive to increase their own prestige, love, affection, appreciation, honour, power, social status, gratitude, respect, self-esteem, loyalty, etc. In other words, the gift giving would not be 'altruistic' after all, but motivated by the desire for immaterial returns.

However, even though people almost always acquire something in return for the gifts they give, one should not necessarily equate gift giving with market transactions, because this model fails to fully explain even the simple practice of giving presents in Western societies (Fennel 2002, 87). According to Fennel, typically, gift giving in the industrialised societies starts its life by the conversion of completely impersonal money through the act of purchasing an object that will serve as a gift. This conversion of a highly liquid medium of exchange (money) into an illiquid object that loses its value immediately, just by the mere act of purchase,[9] makes no sense according to the basic logic of neoclassical economics (Fennell 2002, 85). Namely, the original money has more economic value[10] than the purchased object that is then given as a gift (Waldfogel 1993; Posner 1997, 572). Moreover, taking into account that the gift-giver always has an incomplete knowledge about the needs and preferences of the receiver, the 'utility' of the gift is much less than if the receiver would purchase the needed item himself (Klamer 2003, 246).

Besides, the counter-gift that is implicitly expected will have the same characteristics. In an economically developed society with extensive markets and the existence of money as a well-

[9] A 50 € banknote remains 50 € when given to someone. However, when 50 € is spent for a book, the book can afterwards (typically) not be sold for 50 €, but for less, because by the mere act of purchase it becomes a second-hand item.

[10] 50 € of money received as a gift, can (typically) buy more than what someone would be able to buy by bartering the gift item which cost the donor 50 €.

established generalised medium of exchange, such transactions do not seem to follow strict market-economic logic (Fennell 2002, 85). However, despite all these problems, extensive gift giving exists in industrialised societies and is governed by conventions and rules that are not necessarily written down (Caplow 1984).

The illiquidity of the gifts and counter gifts is not explicable were gift giving considered a form of purely economic exchange. Economic theories cannot fully describe the function that gifts have. Fennell proposes that gifts have two unique functions that differentiate gift exchange from simple market exchange: "illiquidity and empathetic dialogue" (Fennell 2002, 99), the latter referring to the gift's capacity to establish "meaningful human connections that market exchange cannot provide" (Fennell 2002, 99)—or in other words, personal relationships.

Due to its open character the gift transfer significantly differs from an act of economic exchange, because in gift exchange "the what, how, when, (and also often the 'from whom') of the return is undetermined at the moment of the gift" (Klamer 2003, 246).[11] In gift exchange it is not economic value, but other factors that determine the exact nature of the counter-gift.[12] If I help a friend to solve a problem with his computer, I do not expect him to pay me for my help—that would even be insulting. The nature and timing of his counter gift is to quite some degree undetermined at the moment I offer my help. It may take the form of a dinner invitation in a restaurant, it may be a nice book for my birthday or it can be valuable help offered in return sometime in the future. Strictly speaking, I cannot be certain that he will ever do it, but this uncertainty is overruled by trust, which is an important element in any relationship of friendship. Therefore, the value of the gift cannot be measured in terms of monetary value, but rather in terms of "some other value that the gift giving affirms or enhances, like the value of the friendship" (Klamer 2003, 246).

Gift exchange therefore poses a problem to formal economists who still do not agree upon how to handle the moral dimension in gift exchange (Klundert and Ven 1999, 3). On the one hand there are authors who see the moral dimension[13] as 'incommensurable' with what

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[11] However, this is not true in all cases. In some cases, it is clear when the gift should be returned: Christmas gifts at Christmas time, birthday gifts at birthdays, and business gifts at the next business meeting. In such cases it is also expected that the counter-gift will be roughly equivalent to the initial gift. Sahlins calls such exchanges 'balanced reciprocity' (Sahlins 1972, 193-194).

[12] According to Sahlins it is 'social distance' that determines the nature of the counter-gift (Sahlins 1972, 196).

[13] Classic economics does deal with a certain morality of market exchange (Wilk and Cliggett 2007: 50-51); it is just that it defines its Moral Good as the benefits of individually oriented profit making, which by itself would

economics traditionally considers economic activities (e.g. Etzioni 1988; Van Staveren 1999). On the other, there are attempts to interpret moral values as preferences, similar to all other economic preferences. That means that all people's choices are explained as maximizing utility (the best and most famous example being Nobel laureate Gary S. Becker[14]).

2.2.2.3. ANTHROPOLOGICAL ANALYSIS OF GIFT EXCHANGE

2.2.2.3.1. MARCEL MAUSS

In the mid 1920s the French ethnologist Marcel Mauss described in his famous and seminal essay *The Gift* (1954) how anthropologists were discovering societies where economic life was based on utterly different principles, societies, where most objects moved back and forth as gifts under the guise of generosity. The early descriptions provided by Boas (1897) of the Kwakiutl institution of *potlatch*[15] and by Malinowski (2002) of the Trobriand *Kula* exchange system indicated that there might exist systems of exchange which operate on completely different principles from our own economics. In these systems individuals were not primarily concerned with the amount of wealth they could accumulate, but rather with the question of how much they could give away.

In *The Gift: forms and functions of exchange in archaic societies* Mauss mainly analysed the exchange practices in (what he labeled) 'archaic' societies. For his purpose of cross-cultural comparison he utilised ethnographic reports from the Northwest Coast of Canada, Polynesia, Melanesia, ancient Rome, India and Germany. Mauss wanted to identify the basic principles pertaining to gift exchange. However, he was not interested only in exchange but also in the difference between Western societies and pre-industrial societies.

Mauss endeavoured to demonstrate that economic activities in small scale or archaic societies merely seem to be primitive, excessive or irrational (Mauss 1954, 74–75). They only appear

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'automatically' generate the moral order of society as a whole—epitomized in the famous dictum of "private vice, public benefit" taken from the title of Mandeville's book (1714). The 'moral dimension' of gift exchange implies a different sort of morality, springing from the mutual obligations of the exchange parties.

[14] Topics covered by Becker (1976) include law and politics, crime and punishment, time and household production, allocation of time, consumer behaviour, irrational behaviour, marriage, fertility and the family, and social interactions (altruism, egoism).

[15] According to *The Dictionary of Anthropology*, "*potlatch* is a Nootka Indian word for 'gift' that describes a competitive gift exchange in which contenders for social rank organize elaborate feasts that include large distributions of possessions, and sometimes their destruction, in order to enhance the givers' prestige. Rivals were expected to respond by even more elaborate ceremonies or face humiliation" (Barfield 2005, 372).

to be such from the perspective of our own culture, which is based on legal contracts instead of solidarity and mutual trust (Mauss 1954, 34). Mauss questioned the postulate adopted by the advocates of 'free market' economics that human beings are basically driven by an aspiration to maximize profit in the form of material possessions, pleasure, and comfort (i.e. utility), and that all human interactions and their motivations can consequently be analysed in economic terms (Mauss 1954, 74–75). He noted that social anthropologists had researched and described societies in which the whole of economic life was based on completely different principles (Mauss 1954, 2). In such societies most objects moved back and forth among the members of society as gifts, movements generated by what seemed to be unselfish generosity (Mauss 1954, 18, 36). In such small-scale societies the exchange of gifts was at the basis of these economic systems in which goods and services were 'traded' without the explicit calculation of who has given what and how much to whom. This system of economy obviously contradicted the calculative, rational, and impersonal nature of market exchange, which traditional economics assumed to be universal for all societies (Mauss 1954, 74–75). Mauss named these kinds of systems 'gift economies' (Mauss 1954, 31) and suggested that this kind of system is not limited to 'primitive' societies only: "We contend that the same morality and economy are at work, albeit less noticeably, in our own societies" (Mauss 1954, 2).

Mauss has pointed out that the purpose of gift exchange is the relationship between exchange participants: "The exchange of presents did not serve the same purpose as trade or barter in more developed communities. The purpose that it did serve was a moral one. The object of the exchange was to produce a friendly feeling between the two persons concerned, and unless it did this, it failed its purpose" (Mauss 1954, 18).

Even though all societies know gift giving, in some societies gift exchange is the most important form of exchange (Rouchier et al. 2002, 375). The things exchanged in gift economies include tangible and non-tangible items like food, craft, spells, women, children, dances, songs, etc. (Mauss 1954, 3).

As O'Neil has pointed out, in the past, before contemporary globalisation practices entailed an increased communication among cultures, foraging, pastoralist, and horticultural societies were more isolated and self-sufficient than contemporary industrialised societies. Therefore, their economic systems functioned differently from our present-day large-scale, industrial societies. In these small-scale societies, financial gain was not the principal incentive for the circulation of goods and services. Interactions among members of small-scale societies were personal and face-to-face, because they were either between kinsmen or lifelong friends. This kind of social and economic life is very different from that in large-scale, industrial societies, where complete strangers work together in factories or offices and live in large, depersonalised social environments. Small-scale societies rarely have impersonal trade as we know it in market economies. The circulation of goods and services is carried out through the exchange of gifts or barter. In either case, the exchange usually involves intensive social interaction between exchange participants (O'Neil 2007, Ch.2).

According to Mauss, in gift economy societies the distribution of goods and services is done primarily through the exchange of gifts (Mauss 1954, 1). In a gift economy one does not deal with strangers like in market economies (Thomas 1991, 14). Since members of such societies very often have some kind of kin relation to each other, the kinship network secures economic circulation. In such societies kinship bonds provide a strong moral obligation for giving and returning gifts, thus ensuring reciprocity among the exchange partners (O'Neil 2007, Ch.2).

At first glance one would conclude that a gift is given voluntarily. However, Mauss noted that gifts are "in theory voluntary, disinterested and spontaneous, but are in fact obligatory and interested. The form usually taken is that of the gift generously offered; but the accompanying behaviour is formal pretence and social deception, while the transaction itself is based on obligation and economic self-interest" (Mauss 1954, 1).

We know that in our own society giving a gift is often performed under the pretence of pure generosity. However, the giver expects to receive something in return later (Fischer 2004, lect.16). By accepting a gift the receiver becomes invariably indebted to the giver and accepts the social and moral obligation to return the gift. From an economical standpoint, this looks like repaying the initial gift with interest, which is actually the rule in the case of financial credit (Gregory 1982, 52). Nevertheless, Mauss has pointed out that repaying a gift with 'interest' had nothing to do with profit making. He maintained that gifts simply act as a means of creating obligations by establishing and maintaining social relations and building alliances between exchange participants (Mauss 1954, 80). He argued that gift giving is a form of contract ruled by three main obligations: the obligation to give, the obligation to receive, and the obligation to repay (Mauss 1954, 10–11). Giving a gift thus involves an expectation of reciprocity, which should be fulfilled. Failing to fulfil these obligations leads to the loss of dignity or even worse: "To refuse to give, or to fail to invite, is—like refusing to accept the equivalent of a declaration of war; it is a refusal of friendship and intercourse" (Mauss 1954, 11). On the basis of ethnological research all over the world, Mauss has put forward a model of ‘exchange in archaic societies’.[16] He disagreed with the idea then prevailing among economists, that small-scale and ‘archaic’ societies have ‘natural economies’ which produce for subsistence rather than exchange and where exchange is based on barter (Mauss 1954, 3; Gregory 1982, 18).

As Mauss has pointed out, at that time it was assumed that even before the introduction of money, human societies used rational and maximizing forms of exchange, directly bartering one thing for another, and it was believed that in time people invented money as a means more convenient than bartering (Mauss 1954, 34–35). Mauss’ analysis of case studies from different parts of the world and from different historical periods led him to conclude that “it appears that there has never existed, either in the past or in modern primitive societies, anything like a ‘natural’ economy” (Mauss 1954, 3), because “we see that a part of mankind, wealthy, hard-working and creating large surpluses, exchanges vast amounts in ways and for reasons other than those with which we are familiar from our own societies” (Mauss 1954, 31).

He observed that in these societies prevailed a system based on shared communal gift giving, which followed strict rules of conduct (Mauss 1954, 10–11). Mauss called the obligatory gifts ‘*prestations*’ (French *prestations*) (Mauss 1954, 3). Those prestations, which involved entire families or groups he called ‘total prestations’, because such prestations involved many social aspects (Mauss 1954, 3). Such gift giving was what Mauss has called a ‘total social phenomenon’, (French *faits sociaux totaux*)[17] because it had a multiplicity of functions: economic, moral social, aesthetic, religious, and legal:

> In these ‘early’ societies, social phenomena are not discrete; each phenomenon contains all the threads of which the social fabric is composed. In these total social phenomena, as we propose to call them, all kinds of institutions find simultaneous expression: religious, legal, moral, and economic. In addition, the phenomena have their aesthetic aspect and they reveal morphological types. (Mauss 1954, 1)

Mauss observed that such gift exchange was a very different form of transaction from the market exchange we know from modern societies, hence he analysed the development of commercial exchange (1990, 4). As Parry (1986, 457) put it, Mauss pursued an “archaeology of contractual obligation.” He was interested in the ways that the market operated before the development of its main instruments like formal contracts and money: “We seek a set of more

[16] As explicitly obvious from the title of his book: *The Gift: Forms and Functions of Exchange in Archaic Societies.*

[17] Lit. ‘total social facts’.

or less archaeological conclusions on the nature of human transactions in the societies which surround us and those which immediately preceded ours, and whose exchange institutions differ from our own" (Mauss 1954, 2).

He traced the origin of the modern economy to gift exchange, instead of barter: "Economic evolution has not gone from barter to sale and from cash to credit. Barter arose from the system of gifts given and received on credit …" (Mauss 1954, 35). Therefore, he proposed that the gift exchange systems observed in Melanesia, Polynesia and among some American Northwest Coast Indian societies represent a form of economy that precedes market exchange (1954, 35). He argued that the gift was the first social contract that enabled alliances and peace amongst social groups to be established, for gift exchange is the foundation of solidarity and social cohesion in small-scale societies (Mauss 1954, 14).

Mauss thus traced the development of contractual obligation from mutual obligation that binds the recipient and the giver to the gift exchange (Mauss 1954, 3, 49). He also described how the characteristics of the gift, involved in such mutual obligations, were gradually abandoned and replaced by contractual obligations in the course of social evolution (Mauss 1954, 34–35, 45)—but not completely so, for the elements of this archaic system of gift exchange survive in modern societies (Mauss 1954, 2, 69–70). Therefore, he argued, it is not correct to think of a modern man as an 'economic animal' or '*Homo oeconomicus*,' who is interested only in gain and economic maximizing calculations (Mauss 1954, 74).

Mauss suggested that the gift seems to be a 'transitional' form of exchange which is situated between 'total prestations' and the 'pure individual contract' that dominates transactions in industrialised societies. As such, gift exchange seems to be an intermediate stage in the evolution of exchange forms. Both total prestations and gift exchange represent a form of exchange where transactors and the objects that are transacted are intertwined. However, the system of total prestations involves all areas of society simultaneously. Mauss regarded gift exchange to be the combination of moral obligation and interest. Gifts are "prestations which are in theory voluntary, disinterested and spontaneous, but are in fact obligatory and interested. The form usually taken is that of the gift generously offered; but the accompanying behaviour is formal pretence and social deception, while the transaction itself is based on obligation and economic self-interest" (Mauss 1954, 1).

In his further analyses Mauss explains how "economic relations become increasingly differentiated from other types of social relationship" (Parry 1986, 466). However, this change affects not only the way people transact, but also how they perceive economic transactions as being rational and impersonal, while perceiving social transactions as being personal and affective (Carrier 1995, 10). According to Mauss, the market exchange that dominates in industrialised societies represents the third stage of that development. This third stage, Parry suggests, is distinguished by the separation of the moral obligation from the economic interest. According to Parry (1986), industrial societies have two distinct spheres: on the one hand, the sphere of monetary market transactions which seems to have nothing to do with moral obligations, and, on the other hand, the world of gifts and charity, where those that benefited in the first sphere give 'free gifts' to inferiors and see this act as not being motivated by some sort of obligation, but rather as an act of their own free will.

2.2.2.3.2. CHRIS A. GREGORY

After Mauss, Gregory has been the most widely cited and the most important author regarding the analysis of the gift (Carrier 1995, vii; Laidlaw 2000, 619). He proposed a strict distinction between gift exchange and commodity exchange and criticised the approach of neoclassical economics as being inadequate for explaining gift economies:

> The concepts 'gift' and 'commodity' have no meaning within the Economics approach and the phenomena to which they refer are captured by the categories 'traditional' goods and 'modern' goods. This distinction is a distinction within the category 'goods' and, like the concept 'goods', has no objective empirical basis. As a consequence, theorists who use the Economics approach tend to confuse general economic categories with historically specific categories. For example, they tend to perceive non-capitalist economies in terms of inappropriate categories relevant only to capitalism such as 'profit', 'interest', 'capital', etc. (Gregory 1982, 9)

Gregory explicitly stated his intention to align anthropological research findings with Marxist political economy (1982, x; 1997, 42). His formulation of the distinction between commodities and gifts is thus to a great extent based on the work of Karl Marx:

> Marx was able to develop a very important proposition: that commodity-exchange is an exchange of alienable things between transactors who are in a state of reciprocal independence … The corollary of this is that non-commodity (gift) exchange is an exchange of inalienable things between transactors who are in a state of reciprocal dependence. This proposition is only implicit in Marx's analysis but it is … a precise definition of gift exchange. (Gregory 1982, 12)

Since in a gift economy there is no tendency to accumulate capital and to increase the efficiency of production, the motive for profit maximisation is absent (Gregory 1982, 93). Therefore, productivity in such economies is much lower than in a capitalist economy (Gregory 1982, 93). In societies with a gift economy the exchange of goods and services is not based on a purely economic calculation, but on other principles. Contrary to a market economy, where both production and exchange aim to maximize profits, in a gift economy this is not the case, because it serves as a means for creating and maintaining social cohesion (Gregory 1982, 91).

Another important feature of items that are exchanged in a gift economy is their non-alienation from the producer. According to Gregory, "[t]he key to understanding gift giving is apprehension of the fact that things in tribal economics are produced by non-alienated labour. This creates a special bond between a producer and his/her product, a bond that is broken in a capitalistic society based on alienated wage-labor" (Gregory 1987, 524).

Gregory argued that since gifts and commodities produce dissimilar types of debt, they also differ in the types of relationships they produce between transactors.

> … [T]he 'gift' … refers to the *personal relations* between people that the exchange of things in certain social contexts creates. It is to be contrasted with the *objective relations* between things that the exchange of commodities creates. The theory of gifts and the theory of commodities are compatible and together they stand opposed to the theory of goods with its focus on the *subjective relationship* between consumers and objects of desire. (Gregory 1982, 8; original emphasis)

According to Gregory, commodity exchange creates quantitative relationships that enable the exchange parties to remain independent after the transaction is over (Gregory 1982, 45). On the other hand, gift exchange creates qualitative relationships between givers and receivers that make them reciprocally dependent (Gregory 1982, 42). Therefore, gift exchanges keep the exchange partners indebted even after the transactions have been completed. They cannot 'walk away cleanly' as is the case of commodity exchange (Belk 2005, 17).

In a kinship-based society gifts pertain to "the social conditions of the reproduction of people," while commodities pertain to "the social conditions of the reproduction of things in a class-based societies" (Gregory 1980, 641).

Gregory therefore suggests a strict dichotomy between both systems. He argues that gift exchange represents the "exchange of inalienable objects between people who are in a state of reciprocal dependence that establishes a qualitative relationship between the transactors" (Gregory 1982, 100), while commodity exchange represents the "exchange of alienable objects between people who are in a state of reciprocal independence that establishes a quantitative relationship between the objects exchanged" (Gregory 1982, 101). In Gregory's neat and widely quoted formulation, commodities are "*alienable* objects transacted by aliens; gifts are *inalienable* objects transacted by non-aliens" (Gregory 1982, 43; original emphasis).

2.2.2.3.3. OTHER SCHOLARS

Numerous scholars expounded their ideas about gift exchange. It is a vast field with discussion going into very diverse directions; therefore I will just briefly describe the main contributions (as they are relevant for my thesis) of some of the most important authors.[18]

Lévi-Strauss' theory of exchange ('alliance theory' or 'general theory of exchange') is based on a structuralist approach. Contrary to Mauss, who dealt mostly with the exchange of things, while mentioning the exchange of people as gifts only very briefly (cf. Mauss 1954, 108), for Lévi-Strauss the exchange of women constituted the central part of his analysis. If Mauss said that reciprocity of gift exchange establishes social cohesion, Lévi-Strauss added that it is the exchange of women among social groups, which enables social cohesion; women are thus the most valuable gift, indeed, the "supreme gift" (Lévi-Strauss 1949: 65). In all societies, the institution of marriage actually represents the exchange of women by male groups, who create alliances in this way. According to Lévi-Strauss, we can treat kinship systems as a sort of communication among social groups (Lévi-Strauss 1963: 61). He suggested that in every society there exists communication on three levels: kinship (exchange of women), economy (exchange of goods and services) and language (exchange of words); therefore the study of kinship systems, economics and linguistics actually research the same phenomenon on different levels:

> A society consists of individuals and groups which communicate with one another. The existence of, or lack of, communication can never be defined in an absolute manner. Communication does not cease at a society's borders. These borders, rather, constitute thresholds where the rate and forms of communication, without waning altogether, reach a much lower level.... In any society, communication operates on three different levels: communication of women, communication of goods and services, communication of messages. Therefore kinship studies, economics and linguistics approach the same kinds of problem on different strategic levels and really pertain to the same field. (Lévi-Strauss 1963: 296)

Another important contribution to theory of comes from Sahlins. He suggested that gift exchange and commodity exchange should be treated as the two farthest points of a continuum in modes of exchange, rather than binary oppositions (Sahlins 1972, 191). According to Sahlins, the most important factor that determines the position of a particular mode of exchange on this continuum is "kinship distance" (Sahlins 1972, 191). Between close

[18] In Slovenia several authors have also discussed various aspects of gift giving (cf. Grilc 1994; Grilc 1995; Močnik 1996; Šterk 1998; Godina 2006).

relatives gift exchange dominates; between complete strangers, commodity exchange is the most important and often the only mode of transaction (Sahlins 1972, 196). His view of reciprocity will be presented in greater detail in Chapter 2.2.2.4.3.

Strathern also supported the distinction between gift and market economies. She has argued that the West is founded on the belief that an individual self can act "freely to alienate its possessions or to acquire possessions which become a separable component of its identity" (Strathern 1988, 159). Conversely, gift-based societies function differently because there "persons simply do not have alienable items, that is, property at their disposal; they can only dispose of items by enchaining themselves in relations with others" (Strathern 1988, 161).

According to Cheal, gifts belong to what he calls a 'moral economy':

> Within a moral economy the social significance of individuals is defined by their obligations to others, with whom they maintain continuing relationships. It is the extended reproduction of these relationships that lies at the heart of a gift economy, just as it is the extended reproduction of financial capital which lies at the heart of a market economy. Between these two principles there is a fundamental opposition, as a result of which any attempt to combine them in the same social institution is likely to result in strain and conflict. (Cheal 1988, 40)

Cheal also criticises the economic approaches as being insufficient and inadequate for explaining gift exchange, because: "Where relationships of this kind are concerned, theories which claim that all social ties are composed of economic relations 'in the last instance' can only obscure the nature of social practices" (Cheal 1988, 41). According to Cheal, the prevailing economic approaches tend to trivialize gift behaviour in modern societies by trying to fit gift exchange into the economic discourse in three different ways: firstly by 'capitalist transformation', which treats gifts as unimportant survivals from a pre-industrial era; secondly, by 'emotional sequestration' that claims gifts belong to the sphere of family relations, which is separated from the public and economic realm;[19] and thirdly, by 'economic rationalisation', which treats gifts as self-interested exchange (Cheal 1988, 4–8).

Cheal also criticises Gregory and Strathern for 'trivializing' gift behaviour in industrialised societies (Cheal 1988, 6), where "gift giving in fact makes a vital contribution to contemporary social life" (Cheal 1988, 4). Indeed, industrialised societies spend extensively, so that gifts should not be regarded as a "minor appendage to life in capitalist societies"

[19] Later Carrier (1995) elaborated on this point by saying that what he calls "the ideology of the perfect gift" (Carrier 1995, 15) actually originates from an ideology, which assumes autonomous individuals behave according to the neoclassical economists' models (Carrier 1995, 157-160).

(Cheal 1988, 6). For example, Christmas gifts in the United States represent one of the most important economic motors for retail sales (Hunt 2005, 398). He further suggests that since family life in industrialised societies has become more reduced in scope, the importance of gifts has increased. Gifts become symbolic media "for managing the emotional aspects of relationships" (Cheal 1988, 5). Cheal (1988, 11) thus considers the model of the gift economy, as proposed by Gregory, to be poorly applicable to modern societies and that it cannot be considered to be a general theory of the gift.

Discussing the inalienability of the gift, Weiner has challenged "the anthropological belief that it is the expectation of a return gift that motivates exchange in 'primitive' society" (Weiner 1992, 149). According to her, it is not the "idea of a return gift that generates the thrust of exchange, but the radiating power of keeping inalienable possessions out of exchange" (Weiner 1992, 150). She argued that exchange also expresses identity and produces hierarchy in terms of ranked or valued difference.

Godelier later extended this idea. In his book *The Enigma of the Gift*, he focused his analysis on sacred objects, which we do not give away, but rather keep. He discussed "things that are given, things that are sold and things that must not be given or sold, but kept" (Godelier 1999, 1).

On the basis of his extensive fieldwork among the Baruya, Godelier had already earlier suggested that an object can be a gift for exchange within a tribal community, while for exchange outside the community it may become a commodity (Godelier 1977, 128). In other words, he has shown how a single natural object (salt in the case of the Baruya) can assume different social forms depending upon the social context.

2.2.2.4. GIFT AND RECIPROCITY

2.2.2.4.1. MODELS OF RECIPROCITY

Our societies are full of gifts, given at special occasions as well as in everyday life. Gifts can be material or non-material—for instance help to friends, hospitality, care—and are normally given disinterestedly (Komter 2007, 95), or at least on the pretence of disinterestedness and generosity. Doing favours to others is the norm in many religious and secular moral systems. Such norms are expressed in different manners: in the obligation to give gifts, to care for a guest, and so forth. In ancient times, but even today in many cultures, hospitality was considered a moral obligation. Finley even considers it a "general human obligation" (Finley, 1988, 101).

According to Herzfeld, in Antiquity hospitality was most probably based on reciprocity. A person extending his hospitality to a stranger was able to expect a similar hospitality when venturing into unknown territory (Herzfeld 1987, 78). Such a mechanism is socially advantageous because it reduces hostility, promotes trade and increases connections among people in general.[20] Recently, studies in experimental economics have confirmed (what anthropologists have already known) that reciprocity and fairness are a human universal (Schnegg 2006, 1072). Schrift thus suggests that the gift "addresses fundamental issues of intersubjective interaction" (Schrift 1997, 18).

Since the exchange of gifts is a universal human phenomenon (I do not know of any evidence to the contrary), gift giving evokes the question regarding the nature and origin of the compelling force that causes the recipient to reciprocate the gift. Therefore, already at the beginning of his seminal essay on this subject, Mauss (1954, 1) has asked the question: "What is the principle whereby the gift received has to be repaid? What force is there in the thing given which compels the recipient to make a return?"

Since Mauss the answer to this important question of what motivates people to make a return gift has crystallized into two distinct theoretical models. The first model is based on 'the spirit of the gift' and the second model rests on the 'principle of reciprocity' (Yan 2002, 67). 'The spirit of the gift' model originates from the work of Mauss, who found the answer to the above-mentioned question in the words of a Maori sage named Ranaipiri (Mauss 1954, 8). He pointed out that a 'spirit of the gift', which the Maori named *hau*, causes gifts to be reciprocated. *Hau* is a mystic power that resides in the forest and also in gifts (Mauss 1954, 9). Since *hau* always wants to come back to its origin, an object given as a gift compels the receiver to make the counter gift and thus to return the *hau* back to that origin. Mauss argued that the *hau* in the gift therefore forces the recipient to return the *hau* by means of making a counter gift (Mauss 1954, 9).

Mauss' explanation is a generalisation of a single ethnographic case, made in order to explain a wide variety of gift-giving phenomena all over the world. His explanation was criticised by scholars who considered gifts as a significant form of social communication and economic exchange, rather than a sort of metaphysical phenomenon (Yan 2002, 67). The first one to mention is Malinowski. He published his ethnography on exchange in Melanesia prior to Mauss' book. In his book *Crime and Custom in Savage Society* (Malinowski 1985/1926, 7) he suggested that the reciprocal exchange of gifts is motivated by unwritten sanctions that may

[20] This was already noticed by Malinowski, for instance (Malinowski 2005, 259) or (Malinowski 2006, 149).

be invoked if any exchange party does not follow the rules of reciprocity. Giving is motivated by the expectation of a return gift, and counter-giving is motivated by a fear that the partner will cease to give if not properly reciprocated. He suggested that: “The savages have a class of obligatory rules, not endowed with any mystical character, nor set forth in ‘the name of God’, not enforced by any supernatural sanction but provided with a purely social binding force” (Malinowski 1985/1926, 51). All these rules are “arranged into well-balanced chains of reciprocal services” (Malinowski 1985/1926, 46).

Lévi-Strauss criticised Mauss for uncritically accepting the native Maori explanation:

> In the case in point, instead of applying his principles consistently from start to finish, Mauss discards them in favor of a New Zealand theory—one which is immensely valuable as an ethnological document; yet it is nothing other than a theory. The fact that Maori sages were the first people to pose certain problems and to resolve them in an infinitely interesting but strikingly unsatisfactory manner does not oblige us to bow to their interpretation. Hau is not the ultimate explanation for exchange; it is the conscious form whereby men of a given society, in which the problem had particular importance, apprehended an unconscious necessity whose explanation lies elsewhere. (Lévi-Strauss 1997, 55–56)

Firth argued that Mauss confused the *hau* of the gift with the *hau* of the giver (Firth 1959, 419–420). He suggested that it is not the object given as a gift that is crucial for constructing the obligation, but the person who gives the gift. He pointed out that among the Maori the main factor in social interactions is the idea of reciprocity (called *utu*) (Firth 1959, 412, 419–420; MacCormack 1982, 287).

Yan also argued that the social force of the gift is constructed by “the spirit conveyed by the gift” (Yan 1996, 216) and not by a metaphysical quality conceptualised as “the spirit of the gift” (Yan 1996, 217).

Sahlins attempted to demystify the ‘spirit of the gift’ by a reinterpretation of the original text from the Maori informant Ranaipiri. On the basis of a new translation, he proposed that the *hau* corresponds to a general principle of increase, ‘profit’ or ‘fertility’ (Sahlins 1972, 160, 167). He also highlighted the importance of the principle of reciprocity that is involved in exchange and classified exchange into a tripartite structure: generalised reciprocity, balanced reciprocity and negative reciprocity (Sahlins 1972, 191–210).

Until recently the model based on the principle of reciprocity has been dominant in anthropological analysis of gift giving (Osteen 2002a, 5), which is not surprising, taking into account its relative parsimony. Nowadays, so many anthropologists tend to explain gift giving using the concept of reciprocity that the term has become almost a cliché (Yan 2002, 67). In theories, which explain the phenomenon of returning the gift on the basis of reciprocity, gift giving is usually reduced to some kind of dyadic transactions between self-interested individuals, while ignoring social norms, or the Maussian supernatural explanations (Parry 1986, 455). Parry noted that for some scientists "the gift is always an 'Indian gift'—that is, one 'for which an equivalent return is expected'—and the notion of a 'pure gift' is mere ideological obfuscation" masking the "supposedly non-ideological verity that nobody does anything for nothing" (Parry 1986, 455).

2.2.2.4.2. WHAT IS RECIPROCITY

In spite of this generally accepted notion of reciprocity involved in gift exchange, there is no clear consensus about the meaning of the term itself. MacCormack, for instance, writes that the term is surrounded by a "somewhat baffling mist of uncertainty" (MacCormack 1976, 89), and delineates numerous usages of the term that were put forward by different anthropologists.

To examine the possible variety of definitions, I have also collected definitions from several encyclopaedias:

The *Encyclopedia of Social and Cultural Anthropology* describes reciprocity as "[m]utual exchange or obligation. More generally, the relation between people in an economic system, the obligations they have towards each other in such a system, or the practices they engage in relation to one another" (Barnard and Spencer 1996, 619). In this definition we can notice the economic bias, because it considers economic relations as "the more general."

The Dictionary of Anthropology defines reciprocity in economic terms as "a principle for organizing an economy in which exchanges are between those who are (more or less) equals and tend strongly to balance out in the long run, where both parties are free to withdraw from the exchange pattern, and where money and price are not involved. All economies have exchanges based on the principle of reciprocity, but some economics have nothing else, particularly societies without social stratification, money, and prices" (Hunt 2005, 398).

The Handbook on the Economics of Giving, Reciprocity and Altruism points out that "[a] gift or favour motivated by another gift, for instance the return gift of an initial gift, constitutes the very important social relation of reciprocity. This is very different from a self-interested exchange where each transfer (or favour) is provided under the condition that the other is provided, and hence is not a gift (in the proper sense of the term)" (Kolm et al. 2006, 25).

Gregory wrote on 'Exchange and reciprocity' in the *Companion Encyclopedia of Anthropology* the following:

> The concepts of 'exchange' and 'reciprocity' are closely related. This much is clear from the Oxford English Dictionary, which defines exchange as 'the action, or act of, reciprocal giving and receiving', and reciprocity as 'mutual action, influence, giving and taking'. Indeed the words are often used as synonyms. However, in the anthropological literature over the past century the term 'reciprocity' has acquired a special meaning, and a distinction between exchange and reciprocity of great theoretical importance has arisen. The distinction turns on fine differences in meaning between the words 'mutuality', 'giving', 'receiving' and 'taking', and to understand these nuances it is necessary to situate the anthropological theory of exchange in the broader historical and theoretical context from which it has emerged. (Gregory 1994, 911)

Even though the notion of reciprocity was already implicit in Mauss' original work, more explicit definitions of the term began to be provided in the 1960s, especially by Polanyi, Gouldner and Sahlins.

For Gouldner reciprocity as an exchange mechanism is "the pattern of exchange through which the mutual dependence of people, brought about by the division of labour, is realised" (Gouldner, 1960, 169–170) and "a mutually gratifying pattern of exchanging goods and services" based on a general set of obligations (Gouldner, 1960, 170).

The moral aspect of the principle of reciprocity is rendered by the concept of 'the norm of reciprocity'. Gouldner thus defined "a generalised moral norm of reciprocity which defines certain actions and obligations as repayments for benefits received" (Gouldner 1960, 170). The extent of the obligation corresponds with "the recipient's need at the time the benefit was bestowed, the resources of the donor, the motives imputed to the donor, and the nature of the constraints which are perceived to exist or to be absent" (Gouldner 1960, 171). Gouldner defined reciprocity as a moral norm: "If you want to be helped by others you must help them" (Gouldner 1960, 173).

One of the well-known usages of the term reciprocity is a part of Polanyi's classification of the various types of economy. He conducted extensive historical and cross-cultural analyses of numerous societies and found three main modes of integrating economy into society: reciprocity, redistribution and exchange:

> Empirically, we find the main patterns to be reciprocity, redistribution and exchange. Reciprocity denotes movements between correlative points of symmetrical groupings; redistribution designates appropriational movements toward a center and out of it

> again; exchange refers here to vice-versa movements taking place as between “hands” under a market system. Reciprocity, then, assumes for a background symmetrically arranged groupings; redistribution is dependent upon the presence of some measure of centricity in the group; exchange in order to produce integration requires a system of price-making markets. It is apparent that the different patterns of integration assume definite institutional supports. (Polanyi 1957, 250)

For Polanyi, ‘exchange’ then refers to a market-economy, a typical characteristic of capitalism, while ‘redistribution’ refers to a system where some central authority collects items from every member in the society and then redistributes these items again: “The production and distribution of goods is organised in the main through collection, storage, and redistribution, the pattern being focused on the chief, the temple, the despot, or the lord” (Polanyi 2001, 52).

According to Polanyi reciprocity takes place especially in symmetrically organized non-market economies such as kinship systems:

> Only in a symmetrically organized environment will reciprocative behaviour result in economic institutions of any importance … Reciprocity behaviour between individuals integrates the economy only if symmetrically organized structures, such as a symmetrical system of kinship groups, are given. ... Reciprocity, which plays a dominant part in some Melanesian communities, occurs as a not unimportant although subordinate trait in the redistributive archaic empires, where foreign trade (carried on by gift and counter gift) is still largely organized on the principle of reciprocity. (Polanyi 1968, 128, 129, 132)

Polanyi suggested that reciprocation does not need to be confined to both exchange parties but can extend to other parties as well, as long as the norm of symmetry is respected, meaning that several groups can be symmetrically related to each other, even when they are not directly interacting reciprocally (Polanyi 1968, 129). The benefiting group or individual will return the favour either to the original giver or to a third party that is somehow connected to both of them:

> A group which deliberately undertook to organize its economic relationships on a reciprocative footing would, to effect its purpose, have to split up into subgroups the corresponding members of which could identify one another as such. Members of Group A would then be able to establish relationships of reciprocity with their counterparts in Group B and vice versa. But symmetry is not restricted to duality. Three, four, or more groups may be symmetrical in regard to two or more axes; also members of the groups need not reciprocate with one another but may do so with the

> corresponding members of third groups toward which they stand in analogous relations. A Trobriand man's responsibility is toward his sister's family. But he himself is not on that account assisted by his sister's husband, but, if he is married, by his own wife's brother—a member of a third, correspondingly placed family. (Polanyi 1968, 129)

2.2.2.4.3. GENERALISED, BALANCED AND NEGATIVE RECIPROCITY

Sahlins proposed a different approach. In his book *Stone Age Economics* (1972), he categorized social relations on the basis of the form of reciprocity that is dominant in each transaction:

> Reciprocity is a whole class of exchanges, a continuum of forms [...] At one end of the spectrum stands the assistance freely given. The small currency of everyday kinship, friendship, and neighborly relations, the "pure gift" Malinowski called it, regarding which an open stipulation of return would be unthinkable and unsociable. At the other pole, self-interested seizure, appropriation by chicanery or force requited only by an equal and opposite effort on the principle of *lex talionis*, "negative reciprocity" as Gouldner phrases it. The extremes are notably positive and negative in a moral sense. The intervals between them are not merely so many gradations of material balance in exchange, they are intervals of sociability. The distance between poles of reciprocity is, among other things, social distance. (Sahlins 1972, 191)

He suggested that there are three types of reciprocity found in human societies all over the world, and labelled them as generalised, balanced, and negative reciprocity (Sahlins 1972, 193–195). Generalised reciprocity refers to exchange that does not imply an immediate return (Sahlins 1972, 193). Such exchanges are sometimes labelled as altruistic, because people usually believe that altruism does not involve any reciprocity (Sahlins 1972, 193). Contrary to that belief, Sahlins maintains that such exchanges do involve reciprocity, although in such cases the obligation to reciprocate is never explicitly expressed:

> "Generalised reciprocity" refers to transactions that are putatively altruistic, transactions on the line of assistance returned. The ideal type is Malinowski's "pure gift." Other indicative ethnographic formulae are "sharing," "hospitality," "free gift," "help," and "generosity." Less sociable, but tending toward the same pole are "kinship dues," "chiefly dues," and "*noblesse oblige*." Price refers to the genre as "weak reciprocity" by reason of the vagueness of the obligation to reciprocate. (Sahlins 1972, 193–194)

In generalised reciprocity, the motivation to give seems to be the satisfaction of the need of the recipient, rather than the immediate or future return for the giver. In generalised reciprocity there is not necessarily a direct relation between the person giving a gift and the person giving a counter-gift. Also, there is no direct correlation between the values of the gift and the counter gift (Sahlins 1972, 194). Besides that, the lapse of time between the gift and the return gift is undetermined. In generalised reciprocity, short-term gain or return is not a consideration. What really matters is the maintenance of the relationship and of the social structure as a whole.

Generalised reciprocity thus exists in social contexts in which everyone is somehow and to some extent indebted to other members of the group. Thus social cohesion is created and maintained (Sahlins 1972, 194). In such groups the return gift or favour is usually made to someone else, rather than to the person who made the initial gift or favour. What the giver immediately receives, however, is the sense of satisfaction and of social closeness. In industrialised societies this kind of exchange mostly takes place in a family circle, whereas in non-industrialised societies generalised reciprocity engages large kin groups.

The second form of reciprocity that is characteristic for non-market economies is what Sahlins labelled 'balanced reciprocity' (Sahlins 1972, 193). In 'balanced reciprocity' transactions tend to be equivalent and fair exchange is the norm (Sahlins 1972, 194). Balanced reciprocity thus signifies a direct exchange in which reciprocity is in perfect balance (even when not explicitly stated). Such an exchange is not primarily centred on gift giving, but rather on exchanging items of equivalent value (even though Sahlins does not discuss what determines the value of the objects exchanged):

> Balanced reciprocity is less 'personal' than generalized reciprocity. From our own vantage-point it is 'more economic'. The parties confront each other as distinct economic and social interests. The material side of the transaction is at least as critical as the social: There is more or less precise reckoning, as the things given must be covered within some short term. So the pragmatic test of balanced reciprocity becomes an inability to tolerate one-way flows; the relations between people are disrupted by a failure to reciprocate within limited time and equivalence leeways. It is notable of the main run of generalized reciprocities that the material flow is sustained by prevailing social relations; whereas, for the main run of balanced exchange, social relations hinge on the material flow. (Sahlins, 1965, 194–195)

Such simultaneous exchanges were ethnographically manifested in some friendship contracts, material transactions, and peace agreements (Sahlins 1972, 194). In balanced reciprocity, the return is expected within a specific time period (Sahlins 1972, 194). The material dimension of the exchange is not separated from the social relations, but embedded in them. Exchange is simply a medium for producing and reproducing social relationships. Sahlins suggests that balanced reciprocity occurs in social environments with relations of medium social distance, for instance distant kin members, members of the same tribe from different localities, friends, neighbours, etc. (Sahlins 1972, 199). Balanced reciprocity is a very informal type of exchange; no legal contract, but social consequences enforce the trustworthiness of such exchange partners (Sahlins 1972, 194).

Since balanced exchange establishes equivalences, it appears that market exchange would fit into this type of exchange as well. Nevertheless, Sahlins suggests that market exchange actually falls in the third category, which he calls ‘negative reciprocity’ (Sahlins 1972, 195). Such exchanges are dominated by selfishness on the part of the exchange partners with no consideration for balancing the exchanges (Sahlins 1972, 195). Such is supposed to be an exchange between strangers who will never again see each other and are not motivated to behave altruistically (Sahlins 1972, 199). What dominates such exchanges are exploitation, suspicion, material gain and pure self-interest—that is, the interest of each exchange partner to maximize his own advantage:

> Negative reciprocity is the attempt to get something for nothing with impunity, the several forms of appropriation, transactions opened and conducted toward net utilitarian advantage. Indicative ethnographic terms include “haggling” or “barter,” “gambling,” “chicanery,” “theft,” and other varieties of seizure. Negative reciprocity is the most impersonal sort of exchange. In guises such as “barter” it is from our own point of view the “most economic.” The participants confront each other as opposed interests, each looking to maximize utility at the other’s expense. Approaching the transaction with an eye singular to the main chance, the aim of the opening party or both parties is the unearned increment. (Sahlins 1965, 148–149)

As described in Chapter 2.2.1.4., the dominant principle of neoclassical economics is the minimisation of costs and the maximisation of profits. Thus, a person wants to gain as much utility as possible for as little investment as possible (due to scarce means and budget constrains). According to this logic, if the person is able to get something for nothing (Sahlins 1972, 195), he will gladly do so. Negative reciprocity thus depicts exchange behaviour that exists in the neoclassical model of market exchange.

Pryor proposed etymological explanations, showing the English word for ‘barter’ comes from the Old French word ‘*barater*’ which means “to cheat” (Pryor 1977, 121; *The American*

Heritage Dictionary of the English Language 2007; *Online Etymology Dictionary* 2009).[21] Exchange based on 'negative reciprocity' thus presupposes a minimum amount of trust between the exchange participants. According to Sahlins the type of exchange is dependent on the type of reciprocal social relation between the exchange partners, which is determined by what he calls the 'social distance' between them: "The span of distance between those who exchange conditions the mode of exchange. Kinship distance, as has already been suggested, is especially relevant to the form of reciprocity. Reciprocity is inclined toward the generalised pole by close kinship, toward the negative extreme in proportion to kinship distance" (Sahlins 1972, 196).

If an exchange of gifts depends on the social closeness of exchange partners, the opposite is also true—the exchange of gifts upholds and creates social closeness: "if friends make gifts, gifts make friends" (Sahlins 1972, 186).

The exchange of gifts is normally reciprocal—receiving a gift obliges the receiver to return the gift at some later time. This results in an ongoing cycle of giving, receiving and returning gifts. If someone breaks the obligation to give, receive or reciprocate, this is understood as a rejection of the relationship. Reciprocity thus serves as a binding mechanism that strengthens the cohesion of society (Komter 2007, 103). Therefore, the 'norm of reciprocity' is the essential 'starting' and 'stabilizing' mechanism that enables social interaction (Gouldner 1996, 65). Reciprocity, on the one hand, initiates relationships, because it obliges the recipient to return the favour, while, on the other hand, it also strengthens existing relationships. Through the reciprocal exchange of gifts and favours social solidarity is built up. In her foreword to the English translation of Mauss' *The Gift* Mary Douglas pointed out that "the theory of the gift is a theory of human solidarity" (Douglas 2001, xiii). Solidarity does not need to be based on religious norms. It can be based solely on the belief that exchanging help, cooperation, gifts and services supports the collective interest of all members (Komter, 2007, 101, 104).

2.2.2.4.4. EVOLUTIONARY EXPLANATIONS OF RECIPROCITY

Another facet of explaining the phenomenon of reciprocity comes from a completely different paradigm, reducing culturally specific forms of exchange, which are by definition subject to

[21] However, the *Oxford Dictionary of English* (2005) says barter probably derives from Old French barrat, 'defraud'. More interesting is its link (also of Old Irish mrath and Welsh brad) with Old Norwegian barditta, 'strife'. This suggests a meaning not of 'cheating' but of competition or even warfare. Both are forms of reciprocity, and not per definition negative ones. Only Christian theology condemned these as 'morally bad'.

and shaped by different human cultural repertoires, to the competitive behaviour among members of different animal species. As Stanford has pointed out, altruistic behaviour

> is difficult to maintain in the face of opportunities for selfish behavior. The common behavioral denominator even for social animals is individual nutrition, survival and reproduction. Generous sharing that carries no self-directed benefit is a paradox, as first noted by the evolutionary biologist Robert Trivers. It is resolved by Darwinian theory only if we hypothesize that the favor will be returned at a later date, either by being shared with the giver or through some other social currency such as support in a conflict or perhaps by being groomed (Stanford 2001, 113)

The evolutionary advantages of reciprocal behaviour ('reciprocal altruism') have been examined and promoted by biologists such as Trivers (1971) and Dawkins (2006b).

To explain the evolution of reciprocal behaviour, Trivers proposed the concept of 'reciprocal altruism' in his famous article *The Evolution of Reciprocal Altruism* (1971). With the model of reciprocally altruistic behaviour he attempted to demonstrate "how selection can operate against the cheater (non-reciprocator) in the system" (Trivers 1971, 35). He suggested that organisms, which are not kin-related can develop altruistic behaviour:

> The model presented here is designed to show how certain classes of behavior conveniently denoted as "altruistic" (or "reciprocally altruistic") can be selected for even when the recipient is so distantly related to the organism performing the altruistic act that kin selection can be ruled out. The model will apply, for example, to altruistic behavior between members of different species. It will be argued that under certain conditions natural selection favors these altruistic behaviors because in the long run they benefit the organism performing them. (Trivers 1971, 35)

His idea of reciprocal cooperation is nicely epitomized in the sentence "you scratch my back and I'll scratch yours" (Trivers 2002, 5). Trivers' concept of reciprocal altruism represented a significant idea in our understanding of how cooperation evolved.[22]

Dawkins suggested that reciprocal behaviour has evolutionary advantages over purely selfish behaviour, for by providing help to others an individual receives the help from other members, thus having the benefit of the collective group strength and of mutual cooperation.[23]

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[22] Regarding genetic predisposition to such behaviour Trivers wrote:

> There is no direct evidence regarding the degree of reciprocal altruism practiced during human evolution nor its genetic basis today, but given the universal and nearly daily practice of reciprocal altruism among humans today, it is reasonable to assume that it has been an important factor in recent human evolution and that the underlying emotional dispositions affecting altruistic behavior have important genetic components. (Trivers 1971, 48).

A group of organisms can increase its fitness and receive competitive advantage by developing cooperation (Dawkins 1987). For each member of the group the benefits obtained through cooperation are much greater than the cost involved (Dawkins 2006b, 100). Psychologist Ronald Cohen has therefore concluded that "[b]ecause giving is such an adaptive feature for the maintenance of social life, it is so ubiquitous among human societies" (Cohen, 1978, 96). Ridley proposed that the tendency to reciprocate a gift could be labelled as originating in "human instinct" (Ridley 1996, 121).

A large body of research, conducted over several decades in the fields of psychology, economics, sociology and anthropology demonstrates that human beings are not only utility maximisers. As Schnegg has formulated it: "*Homo reciprocans* may be a much more adequate model of man than its forefather *Homo Oeconomicus*" (Schnegg 2006, 1072).

According to Schnegg, evolutionary theory explains that cooperation between organisms can be achieved in at least two ways. The first is kin-selection and the second is reciprocal

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[23] Dawkins very clearly exposed the advantages of altruistic behaviour in his BBC documentary (available on the internet), *Nice Guys Finish First* (Dawkins 1987).

Furthermore, Dawkins emphasized that his book, *The Selfish Gene*, was completely misunderstood as scientifically justifying selfish behaviour. Dawkins explains that the idea of the selfish gene implies that the unit of natural selection is a selfish gene, and not a selfish organism, a selfish group, or selfish species (Dawkins 2006a, 15). He continues:

> The most obvious way in which genes ensure their own 'selfish' survival relative to other genes is by programming individual organisms to be selfish. There are indeed many circumstances in which survival of the individual organism will favour the survival of the genes that ride inside it. But different circumstances favour different tactics. There are circumstances—not particularly rare—n which genes ensure their own selfish survival by influencing organisms to behave altruistically. (Dawkins 2006a, 16)

To prevent further misunderstandings of his book, he has written a new preface to *The Selfish Gene,* where he says:

> I can readily see that 'The Selfish Gene' on its own, without the large footnote of the book itself, might give an inadequate impression of its contents. Nowadays, an American publisher would in any case have insisted on a subtitle.
>
> The best way to explain the title is by locating the emphasis. Emphasise 'selfish' and you will think the book is about selfishness, whereas, if anything, it devotes more attention to altruism. The correct word of the title to stress is 'gene' and let me explain why. A central debate within Darwinism concerns the unit that is actually selected: what kind of entity is it that survives, or does not survive, as a consequence of natural selection. That unit will become, more or less by definition, 'selfish'. Altruism might well be favoured at other levels. (Dawkins 2006b, viii)

altruism. Cooperation between kin can to some degree be explained within the framework of Darwinism and evolutionary theories, postulating that helping kin will enhance the possibility for transmitting kin-common genetic material.[24] However, for quite some time, such theories have had trouble explaining why some organisms should do favours to other, genetically unrelated, members (Schnegg 2006, 1072).

Another obvious problem in explaining cooperation within the framework of Darwinism is that the norm of cooperation can be subverted by cheating selfish individuals, who exploit the good will of others. From the perspective of natural selection, cheating individuals would have a survival advantage over 'naïve', helpful individuals, who spend their time and energy helping others instead of pursuing their own interest.

However, ethological studies show that reciprocal behaviour is not limited only to human beings. The behaviour of sharing and reciporocity can be also seen in other species (Stanford 2001, 113). De Waal has suggested that among chimpanzees the sharing of food and mutual grooming can be considered a prototypical example of the reciprocity that otherwise exists in more complex and elaborate forms among human beings (De Waal 2006, 136, 161). He observed that chimpanzees quite clearly follow the rule of reciprocal help. If anyone disobeys the rule or reciprocity by not sharing food with others, or by not grooming others, he will not be reciprocated[25] (De Waal 2006, 153–154).

Another avenue of research that provided valuable insights into the evolution of cooperative behaviour was proposed by Game theory.[26] Game theory has become a popular approach for

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[24] Nevertheless, such theories can not account for the fact that different cultures have different kinship systems. In other words, different cultures define in a radically different manner who is kin and who is not.

[25] Without being *a priori* closed to explanations which might come up with the progress of science in the future, it is important not to overstretch the consequences of the above mentioned theories. Even though we can obviously find reciprocity among animals, reciprocity observed in different animal species can not be equated with gift giving practiced among human beings. As discussed in previous chapters, gift giving has a cultural background with implicit, yet unspoken culture-specific rules. What we know at the moment is that objects and services (like grooming) can reciprocally circulate among members of some animal species. Yet, with our present knowledge we are not in a position to say that they do it due to cultural reasons and with cultural rules as humans do. Reciprocity is an essential element of gift giving, yet gift giving can not be reduced to reciprocity or mutuality. As primatologist De Wall says: "Reciprocity can exist without morality; there can be no morality without reciprocity" (De Wall 1996, 136).

[26] According to the 'Game theory' entry in *Encyclopaedia Britannica* (2009), Game theory is a:

"Branch of applied mathematics that provides tools for analyzing situations in which parties, called players, make decisions that are interdependent. This interdependence causes each player to consider the other player's modelling human exchange interactions (Rouchier et al. 2002, 368). In Game theory the importance of reciprocity was discovered in a somewhat unusual way, when game theorist Robert Axelrod (2006) wanted to find the best strategy for the iterated 'Prisoner's Dilemma' game.[27] In 1981 Axelrod organized an international computer tournament in which scientists competed by developing different computer algorithms, attempting to achieve the best result in mutual games between the programs (Davis 1997, 145). To general surprise the winning strategy was a remarkably simple strategy called 'Tit-for-Tat', submitted by Anatol Rapoport (Davis 1997, 148). This simple algorithm had only two rules: on the very first move, the program displayed a cooperative behaviour. Then, each succeeding move simply echoed what the other payer did (Davis 1997, 148). This strategy was therefore based on cooperation and reciprocity.

To find out how the norm of reciprocity may be responsible for commencing cooperation among people, Rider (1998, 203) proposed "a game-theoretic interpretation of Marcel Mauss' '*The Gift*'." He suggested that both gift and reciprocity might have their origin in the conflicting nature of prehistoric societies (Rider 1998, 203–204). In such a Hobbesian state of society, everyone was supposedly preying upon everyone else. However, predation is costly because it requires allocating time and energy to stealing instead of to production (Rider 1998, 204). It is also risky: the predator can lose his life or get injured while stealing from his

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possible decisions, or strategies, in formulating his own strategy. A solution to a game describes the optimal decisions of the players, who may have similar, opposed, or mixed interests, and the outcomes that may result from these decisions."

[27] MIT Professors of Economics Drew Fudenberg and Jean Tirole describe 'Prisoner's Dilemma' as follows:

> The story behind the game is that two people are arrested for a crime. The police lack sufficient evidence to convict either suspect and consequently need them to give testimony against each other. The police put each suspect in a different cell to prevent the two suspects from communicating with each other. The police tell each suspect that if he testifies against (doesn't cooperate with) the other, he will be released and will receive a reward for testifying, provided the other suspect does not testify against him. If neither suspect testifies, both will be released on account of insufficient evidence, and no rewards will be paid. If one testifies, the other will go to prison; if both testify, both will go to prison, but they will still collect rewards for testifying. In this game, both players simultaneously choose between two actions. If both players cooperate (C) (do not testify), they get l each. If they both play non-cooperatively (D, for defect), they obtain 0. If one cooperates and the other docs not, the latter is rewarded (gets 2) and the former is punished (gets - 1). Although cooperating would give each player a payoff of 1, self-interest leads to an inefficient outcome with payoffs 0. (Fudenberg and Tirole 1991, 9-10)

defending opponents (Rider 1998, 204). Ridler suggests that in time, actors in such conditions would develop a relationship that would preserve "the distribution of goods established by this predatory exchange but at a lower cost" (Rider 1998, 205). They would strive to "end the predation, thus saving the loss of life and limb, and reallocate that labour to production" (Rider 1998, 205). Once cooperation was established, the norm of reciprocity could develop, which served as a socially stabilizing exchange mechanism (Rider 1998, 207). The obligation to return the gift is, according to Ridler, not based on the *hau* of the gift, but on a simple tendency to escape the Hobbesian society and create alliances (Rider 1998, 208). Sahlins has also found parallels between Hobbes and Mauss: "Thus the close correspondence between the two philosophers: including, if not exactly the gift, at least a similar appreciation of reciprocity as the primitive mode of peace" (Sahlins 1972, 178).[28] Since reciprocity is a basic and important stabilizing social mechanism common to all human societies (at least I am not aware of any society where it would not be present in one form or another), as well as some non-human groups, it should be no surprise to locate traits of this mechanism in market exchange transactions as well, which will be examined in the subsequent chapters.

2.2.2.5. GIFT EXCHANGE IN MODERN SOCIETIES

In a gift economy goods and services are transacted without an explicit requirement for equivalent immediate or future reciprocation, as it is the case in barter or monetary transactions, where the expected return is explicitly determined before the actual transaction can take place (Klamer 2003, 243). As already mentioned, if a friend does me a favour, it would be insulting and possibly damaging for our relationship to pay him for his help. If our friendship were recently established, such an immediate payment would indicate that I do not really consider him to be a friend, but rather someone to whom I do not want to be indebted. From a friendship relation it is expected that I will reciprocate his favour sometime in the future—maybe already the same day by offering him a drink at the bar, or sometime in the future. In a gift economy people are relatively indifferent about direct and explicit reciprocity, because the equivalence between things in gift exchange is defined by transactors' relationships rather than the monetary or other value of things exchanged (Carrier 1995, 170).

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[28] Already at the end of the 19th century Tylor argued that societies have had the choice between "marrying out or dying out" (quoted in Lewis 1990, 46), that is, between exogamy—hence exchange and reciprocity—or nothing (Lewis 1990, 46). Also, Lévi-Strauss (in the introductory chapters to his *Elementary Structures of Kinship* (1969)) argued the same thing, that the woman given in marriage to others is a kind of "super-gift."

It is wrong to assume that the principles of a gift economy operate only in simple or 'primitive' societies. Cheal has suggested that in spite of the vast transformations that occurred with industrial modernisation, gift exchange still has a very important role in the social life of industrialised societies. This may be different from that in traditional societies, but it would be wrong to say that gift giving in industrialised societies is insignificant (Cheal 1988, 19). Gift giving extensively occurs even in industrial societies. Gifts are given at birthdays, weddings, Valentine's Day, Christmas, New Year's Day, Mother's and Father's Day, jubilees, etc. Gifts are also given to charity, to the church, to beggars, to friends etc. According to Carrier, Christmas shopping is not "a sign of a distasteful commercialism that has been imposed on the genuine, familial core of the season" (Carrier 1995, 16). Christmas shopping practices rather "express and strengthen people's sense of the distinction between the family and commercial world" (Carrier 1995, 16).

Carrier suggests that "the ideology of the gift" that prevails in modern society reflects two important features of such societies (Carrier 1995, 15). Firstly, even though the gift must strongly reflect the identity of the giver, most people in industrial societies have only commodities to give as gifts. This situation is the result of historical development in industrial societies, where family life and economic production began to be perceived and lived as two distinct spheres. People increasingly perceived the sphere of the family as a purely social entity, which is disembedded from the economic sphere of production and trade. Secondly, people in industrialised societies believe that "the gift should be purely disinterested: it should express only affection and carry no taint of obligation or expectation of return" (Carrier 1995, 15) and "that people in gift relations are free and independent of each other" (Carrier 1995, 16). According to Carrier, people in Western societies very often believe in an "ideology of the free gift" (Carrier 1995, 156), even though in reality gifts are not disinterested at all.

In industrialised societies people usually do not have the time or the skills to produce their own gifts. Therefore they usually buy a commodity and then transform it into a gift (Carrier 1995, 178). In order to change a commodity into a gift, people use various strategies of decommodification that add personal and symbolic meaning to them: removing price tags, wrapping, adding a gift card, etc. (Belk 1993, 90; Searle-Chatterjee 1993, 185; Carrier 1995, 174–175). The commodity is otherwise an anonymous item, devoid of any personal features that would connect it to the gift giver. It was not produced by the gift giver, but by an unknown labourer in a factory somewhere else. Therefore it is necessary to infuse it with some personal qualities that would carry the message of a personal touch, and symbolize the effort that was put by the donor into the preparation of the gift. By wrapping gifts in nicely coloured paper people add a personal and sentimental component to the object, thus removing its commodity status (Searle-Chatterjee 1993, 184–185; Carrier 1995, 174–175). However, a commodity is never the same as something that one personally prepares and produces as a gift. If a child gives as a present to its parents a picture that it has painted, it is definitely more personal and sentimental than if it gives a box of chocolate candies bought in the shop. Ralph Waldo Emerson has thus described his reservation about giving a commodity as a gift, because it is "a cold, lifeless business when you go to the shops to buy me something, which does not represent your life and talent, but a goldsmith's" (Emerson 1983, 536).

The common insight of anthropologists is that generosity and reciprocity are abundant within the family, while exchange relations at the margins are more impersonal and calculating. Carrier, for instance, argues that people perceive the family as the domain of gift relations (Carrier 1995, 173). The sphere of the family is contrasted with the sphere of the outside world, where economic calculation and monetary transactions prevail. Most family relations operate on the principles of the gift economy, where parents and children exchange food, money, time, etc. without expecting direct monetary reciprocation.[29] The same can be found in environments where people live closely connected to each other, for example in a village where inhabitants tend to give priority to gift exchange over commodity exchange and where "most exchanges are constructed as 'gift' " (Toren 1993, 147).[30]

In relatively small social groups such as villages, extended families, and regional communities, people keep track of the gifts and favours by means of the individual reputation established by giving these. In large-scale societies this becomes very difficult due to the large number of interactions. Some authors suggest that a gift economy would be hard to

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[29] This is what Sahlins described as "generalized reciprocity" (Sahlins 1972, 193-194).

[30] My personal observations confirm this particular finding: I have spent the major part of my life in the city, but several years ago I moved to the countryside, where my grandparents used to live. I have regularly observed that people in my environment definitely and very clearly operate most of the time according to the principles of the gift economy. Even though local people constantly help each other, the consideration of payment is never even brought up. Tools are freely lent among households and valuable things are often given to others without any consideration of reciprocation. The most impressive fact is that this behaviour is not restricted to my close neighbourhood, but extends over a range of several kilometres, covering villages and towns. Local professionals would charge only a symbolic sum of money for their work, once they discovered that I actually live here and that I have my family roots in this area. Therefore, the principles of the gift economy observed in societies on the other side of the globe are strongly present in my contemporary society as well.

operate once the social group in question exceeds the so-called 'Dunbar number'.[31] Since the gift economy is based upon a high level of mutual trust, fellow feeling and knowledge about exchange partners, the network of people that are engaged in a gift-economy can probably not be of unlimited size. Therefore, the gift economy can probably fully and effectively operate only in groups that are smaller in size than the Dunbar number (Hyde 1983, 88–89).

However, in modern societies, the establishment and maintenance of relationships facilitated by modern technology, is potentially much larger, and such relationships may have at least some of the features defining face-to-face relationships. I will analyse this phenomenon in Chapter 3.3.1. Here I can briefly mention some cases from Western societies that seem to—at least to some extent—operate according to the principles of the gift economy.

Bergquist and Ljungberg have suggested that academic research contains some of the features of a gift economy. Scientists give their research results to others by publishing them in journals and conferences without normally expecting payment or royalties for it.[32] What they receive in return is an increase in their status and reputation. An author's reputation is normally in direct proportion to the number of other scholars that quote him and use his knowledge (Bergquist and Ljungberg 2001, 308). In a scientific community the highest status is not gained by those who posses the most knowledge, but by those who have contributed the most to the general pool of knowledge. This resembles a gift economy, where one wins by giving away.

Another example of a modern gift economy is the free software community, where programmers make their source code available to the public (Raymond 1999, 65–112). Since programmers most often do not receive any monetary compensation for their work, their programming effort can not be explained in terms of traditional cost–benefit economic rationality. Even though everyone can copy, modify and improve the code, the original programmer gains prestige and respect (Bergquist and Ljungberg 2001, 308).

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[31] The British anthropologist Robin Dunbar (1992; 1993) suggested that a person could only sustain a limited number of non-superficial relationships. On the basis of his analysis he concluded that, like other primates, humans also have a cognitive limit regarding the number of stable and meaningful social relations they maintain, and estimated that number to be 148, or roughly 150. According to him, this cognitive limit is related to neocortex size, which determines how many interconnections in the social network one can process and mentally maintain. Whether the Dunbar limit is the right estimate or not is not really important for our discussion. What is important is rather the logic: it is reasonable to assume, that people can not maintain profound relationship (which gift exchange requires) with thousands or even an unlimited number of people.

[32] On the contrary, the author must often pay for the publication of academic books.

One of the most widespread and truly global examples of a modern gift economy is the famous open-source encyclopaedia Wikipedia. Everyone can contribute to it by writing an article or editing existing articles. Even though Wikipedia contains more than 3 million articles,[33] none of its countless authors and editors receive any payment for it. This kind of enterprise cannot be explained in terms of any kind of market, rational, self-interested logic that is supposed to dominate activities in modern societies.

Yet another example of gift exchange in the industrialised world is the practice of gift giving in the contemporary business environments. One aspect is the phenomenon of corporate donations directed toward giving (sometimes large sums of) money for humanitarian purposes. According to Lombardo, corporate philanthropy establishes long-term relationships between the giver and receiver, and creates a network of mutual obligations between organisations (Lombardo 1995). Another aspect of gift giving in the business world is that of so-called 'business gifts' exchanged among business partners. Zucker (1986) researched how corporate gift giving creates trust among exchange participants. Darr (2003, 49) observes that invitations to lunch or dinner among business partners serve to cement existing business relationships. Darr's findings indicate that corporate "gifting formed the social basis for a moral economy that allowed the ongoing exchange of commodities" (Darr 2003, 49). The moral economy in the corporate world is described by Grint (1998, 328) as "the pattern of work relationships that are rooted in social, moral, and symbolic norms and traditions, in contrast to the 'market economy' where relationships are presumed to be based wholly in individual rational evaluations of effort, cost and reward." The existence of reciprocal relationships helps businesses to "to protect themselves from the harsh realities of the market" (Darr 2003, 49). Gift giving in the business world can be highly ritualised and can follow certain conventions. It is a good example of how a gift economy is not restricted only to 'archaic' societies, but exists in high-tech, highly rational and competitive business environments, where it helps business partners to establish mutual trust and friendships that lubricate their business relationships.

Thus gift giving and gift economies are obviously not characteristic of small-scale societies only. It is not some kind of 'archaic' form of exchange but rather a fundamentally social form of exchange that can be found in all societies, regardless of their technological advancement or social complexity.

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[33] As stated on its home page (last accessed on December 17th, 2009).

2.2.3. THE ‘MARKET ECONOMY’ VS. ‘GIFT ECONOMY’ DEBATE

2.2.3.1. MARKET EXCHANGE VS. GIFT EXCHANGE

As discussed in Chapter 2.2.2.3., various social anthropologists support the idea that there exist two types of exchange relations: commodity relations and gift relations. Even though Gregory most systematically developed the idea that gift exchange is a form of exchange contrary to commodity exchange, he later asserted that he constructed the sharp difference between pure gift and pure commodity merely to describe how modern Papuans shift from one system of exchange to another Gregory (1997, 10).

The traditional understanding about the distinction between gifts and commodities that is widely accepted in social anthropology is that commodity exchange is about establishing equivalencies between the values of objects that are exchanged, while gift exchange is mainly concerned with relations between people that partake in the exchange transaction (Graeber 2001, 32). Appadurai remarked that “the tendency to see these two modalities of exchange as fundamentally opposed remains a marked feature of anthropological discourse” (Appadurai 1986, 11). As already described in Chapter 1.1., social anthropology thus traditionally distinguishes between two types of exchange in human societies. This distinction is based upon the degree of sociability that is involved in the exchange (Kaplan 2005, 224–225).

2.2.3.2. SOME CRITICISMS OF THE GIFT-MARKET DICHOTOMY

Even though the distinction between gifts and commodities can be useful for analytical purposes, several social anthropologists have suggested that the mutually exclusive contrast between gifts and commodities is unjustified (Appadurai 1986, 11; Parry 1986, 465; Carrier 1990, 20; Gell 1992; Parry and Bloch 1993, 8). They propose that this sharp opposition should be discarded. In their view, the dichotomy between ‘their’ (i.e. traditional societies’) socially embedded, culturally determined gift-economy and ‘our’ (i.e. Western societies’) impersonal, rational market economy is based on Western ethnocentric premises, the artificial formalisation of the concept of ‘pure gift’ in the West and the romanticisation of gift exchange in traditional societies. As Gell (1992, 142) has pointed out: “By and large, ‘Maussian’ gift institutions have had a favourable press in anthropology, and ‘commodities’ an unfavourable one. ‘Gift-reciprocity-Good/market-exchange-Bad’ is a simple, easy-to-memorise formula.”

Osteen noted that social scientists generally consider commodities "as the sign of a fall from grace, a demonic phenomenon emerging horns intact from capitalism's drive toward total commodification" (Osteen 2002b, 229). Various religious movements also consider commodities as something that is contaminated with evil and something that should therefore be renounced (Miller 1995, 145). In the history of Western intellectual thought we can also find a clear antagonism to market exchange, considered unnatural and corrupt, and the spread of its logic to the social sphere of life (Helgason and Palsson 1997, 454).

Even though Mauss described gift exchange as containing both elements of altruism and self-interest, later analyses accentuated the sharp distinction between the 'Utopian gift economy' that Parry and Bloch describe as "non-exploitative, innocent and even transparent" (1993, 9) and contemporary commodity exchange that Marx associated with alienation (Marx 1992, 324–386) and fetishism (Marx 1999, 42–50).

However, according to Parry and Bloch, this dichotomy might not truthfully represent the reality but rather originate from the fact that "our ideology of the gift has been constructed in antithesis to market exchange" (Parry and Bloch 1993, 9). They suggest, "the idea of the purely altruistic gift is the other side of the coin from the idea of the purely interested utilitarian exchange" (Parry and Bloch 1993, 9).

Thomas noted that in anthropology the gift appears to be a plain inversion of the commodity (Thomas 1991, 15). He pointed out that the obligation to return the gift and the superiority of the gift-giver are "ethnographic generalisations" (Thomas 1991, 17), which are "constantly repeated in Maussian economic anthropology" (Thomas 1991, 17), even though "other kinds of gifts … have been extensively witnessed and interpreted ethnographically but have not been incorporated into theoretical abstraction" (Thomas 1991, 17).

Parry describes a form of gift-giving in India called *dan(a)* (lit. 'alms'),[34] where the gift is completely alienated from the donor. Moreover, since such a gift contains the donor's sins, it must never be returned to the donor (Parry 1986). Since *dan(a)* can also be given in cash, it demonstrates that money is not necessarily a purely depersonalised instrument of exchange, because it contains and conveys the moral qualities of the donor (Parry 1993, 67).

Parry (1993) also discusses cases in which the traditional characteristics of gift exchange and commodity exchange do not accord with the commonly accepted principles, particularly

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[34] *Dan(a)* is a religious gift given to religious priests (*Brahmans)*. Parry describes *dan(a)* as "a voluntary and disinterested donation made without ostentation or expectation of any kind of this-worldly return, whether material or immaterial" (Parry 1993, 66).

concerning their different moral evaluations (Parry 1993, 65). He shows that in some cases[35] the moral evaluation of gifts and commodities is actually the inverse of what one would expect: gift exchange corresponds to an ominous moral danger (Parry 1993, 74), while commodity exchange is characterized by moral neutrality (Parry 1993, 79). He also discusses some cases where the evaluation of gift exchange as morally positive and unproblematic, as opposed to morally questionable or negative commodity exchange, is to a large extent absent (Parry 1993, 86).

On the basis of his ethnographic research conducted in Northern London, Miller (2001) suggested that the roles of gifts and commodities could sometimes be reversed (as nicely epitomized in the title of his article *Alienable Gifts and Inalienable Commodities)*. In his ethnography he describes how gifts can sometimes become a kind of alienable object (Miller 2001, 101), while provisioned commodities may in some cases display inalienability (Miller 2001, 109).

In a similar vein, Yan (2002) observed that in rural China, contrary to accepted social anthropological understanding; unilateral gift giving in certain environments[36] does not oblige the recipient to return the gift. Moreover, the gift does not increase the power and prestige of the donor, but rather affirms and enhances the status of the recipient.

Appadurai focused on the destiny of the objects exchanged and suggested that while some things "make only *one* journey from production to consumption" (Appadurai 1986, 23; original emphasis), other objects can move in an out of commodity status. In modern societies gifts typically begin their 'social lives' as commodities (Appadurai 1986, 13–16). The processes of selecting an object and then giving it as a gift 'singularize' the object and remove its commodity status (Kopytoff 1986, 73–77). However, the object can in time return to the status of a commodity (Appadurai 1986, 13–16).[37]

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[35] He took the example from his fieldwork in the sacred North Indian pilgrimage city of Benares. On the one hand, he describes the Brahmans in Benares, who take alms (*dana*) that entail moral perils. On the other, he describes the traders in Benares, whose, often explicitly deceptive, trade (commodity exchange) is perceived as morally unproblematic.

[36] Yan took the example from his field work in Xiajia village in northeast China. He found that there is "a one way flow of gifts from lower to upper social strata within the Chinese socialist hierarchy" (Yan 2002, 68), where "the recipient not only ignores the obligation of return, but also remains superior to the donor" (Yan 2002, 68).

[37] Carrier has noticed that some commodities selected as gifts may have properties more appropriate to serve as such: "By having presents be frivolous, luxurious or otherwise special, they are distinguished from the concern for ordinary utilities that leads people to purchase commodities more routinely" (Carrier 1995, 174), like bread

Therefore, the term commodity is appropriate only for describing one phase of an object's 'career' (Appadurai 1986, 42) in the longer history of its 'social life' (Appadurai 1986, 13), as the object move through different 'regimes of value' (Appadurai 1986, 15). Commodity is therefore not an object's absolute state, but "lies at the complex intersection of temporal, cultural, and social factors" (Appadurai 1986, 15). This "can be disaggregated into (1) the commodity phase in the social life of any thing; (2) the commodity candidacy of any thing; and (3) the commodity context in which any thing may be placed" (Appadurai 1986, 13). As a result, the commodity is not an object, but one type of a system of relations. In the same book, Kopytoff argues that complete non-commodification and total commodification are two extreme conditions that are rarely present in reality (Kopytoff 1986, 75, 87).

2.2.3.3. GIFT EXCHANGE AS CALCULATIVE PROCESS

Even though Mauss (1954, 1) noted that the gift is a combination of generosity and self-interest, some other scholars have suggested that gift exchange probably involves economic calculations to a larger extent than was generally assumed. This economic calculation in gift exchange can be seen both in traditional societies and capitalist societies (Humphrey and Hugh-Jones 1992, 6). Gell likewise stated that conventional definitions overemphasize the contrast between gift exchange and commodity exchange, and that "gift exchange is much more like commodity-exchange than [Gregory] is prepared to recognize" (Gell 1992, 144).

Gouldner argues that understanding a gift relationship "requires investigation of the mutually contingent benefits rendered and of the manner in which the mutual contingency is sustained" (Gouldner 1960, 164). Such a view suggests that gift exchange is, after all, not that different from market exchange, because in the long run both of them utilise the same rational, self-interested premises.

One of the most influential analyses of gift transactions has been Bourdieu's. He stressed the role of time between gift and counter-gift and noticed that very often the only thing that makes gift exchange different from simple barter is the mere lapse of time between gift and counter-gift.

> The interval between gift and counter-gift is what allows a relation of exchange that is always liable to appear as irreversible, that is, both forced and self-interested, to be

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or milk, for instance. Platenkamp (1995) has argued that, in the case of the Tobelo, what distinguishes commodity from gift objects is the capacity of the latter to embody the qualities of 'life' and 'reputation' that are valued in the social relations in question. These values are signified in their decorations. Hence, commodities are not decorated, gifts are.

> seen as reversible. … [T]he lapse of time that separates the gift from the counter-gift is what allows the deliberate oversight, the collectively maintained and approved self-deception, without which the exchange could not function. Gift exchange is one of the social games that cannot be played unless the players refuse to acknowledge the objective truth of the game. (Bourdieu 1990, 105)

This temporal separation of gift and counter-gift allows for the idea that there is no obligation to make a return gift, the belief that the gift is given out of pure love and generosity. In reality, both gift-giver and receiver engage in a symbolic negation of the economic calculation that is involved in gift exchange. This delayed repayment enables exchange participants to 'forget' there is an obligation to repay the gift and creates the appearance of giving without expecting a reward. Market exchange implies an instant transaction, while gift exchange projects the return into the future, thus disguising the self-interested, economizing calculation involved in gift exchange. According to Bourdieu's perspective, it can essentially be said that a gift is merely an indirect delayed exchange of goods or services.

Here we can see how much Bourdieu wants to 'economize' the gift. It sounds like a Marxist argument: the real reality ('objective truth') is based on economic self-interests; it is just that the actors themselves are not aware of it. His argument also reflects the Western notion of the gift as a token of pure generosity, while in reality people are often aware of the fact that a gift serves to create friendships, build alliances and strengthen kinship ties. What makes the gift different from a commodity is not merely the indefinite lapse of time between gift and counter-gift, but its capacity to create and manage social relationships.

Also, the very use of the word 'capital', which Bourdieu uses to describe non-economic values, indicates his intention to 'economize' the gift: Bourdieu emphasizes that the gift is a form of non-economic capital, which includes 'symbolic capital', described as "prestige and renown attached to a family and its name" (Bourdieu and Nice 1977, 179); "social capital," defined as "obligations … and the advantages of connections or social positions, and trust;" and "cultural capital," which refers to one's knowledge, expertise, experience and/or connections. Since gift giving increases these non-economic forms of capital, gift exchange represents an adaptive strategy to an "economy of insecurity," enabling social groups to build loyalty among their members (Bourdieu and Nice 1977, 60).

According to Bourdieu, we must therefore "extend economic calculation to all the goods, material and symbolic, without distinction, that present themselves as rare and worthy of being sought after in a particular social formation—which may be 'fair words' or smiles, handshakes or shrugs, complements or attention, challenges or insults, honour or honours, powers or pleasures, gossip or scientific information, distinction or distinctions, etc" (Bourdieu and Nice 1977, 178).

Arjun Appadurai developed this argument further in the introduction to his edited book *The Social Life of Things* (1986). Extending Bourdieu's analysis, Appadurai strongly suggests that we should take into account the 'calculative dimension'[38] of gifts (Appadurai 1986, 13–14). He argued that: "The exaggeration and reification of the contrast between gift and commodity in anthropological writing has many sources" (Appadurai 1986, 11). One of them is "the tendency to romanticize small-scale societies [and] the proclivity to marginalize and underplay the calculative, impersonal, and self-aggrandizing features of non-capitalist societies" (Appadurai 1986, 11). What social anthropologists have described as gift exchange in small-scale societies would in reality be no simple act of generosity, but—like commodity exchange—a calculated and self-interested act.

The most influential philosophical treatise about gifts is Derrida's *Given Time: I. Counterfeit Money* (1992), in which he analyses paradoxes concerning the gift. He argues that a genuine gift implies several conditions: First, the gift should not imply any reciprocity, otherwise it would enter into an 'economic' cycle of calculation and interest, thus making the object given not out of pure generosity, but out of economic exchange. "The gift must remain aneconomic" (Derrida 1992, 7). Second, the receiver should not treat the gift as something that creates an obligation or indebtedness. Third, the giver should not treat the gift as something that would increase his prestige or give him any kind of symbolic recognition (Derrida 1992, 14). According to Derrida, "the gift is the impossible. Not impossible, but the impossible. The very figure of the impossible" (Derrida 1992, 7). "For there to be gift, it is necessary that the gift not even appear, that it not be perceived or received as gift" (Derrida 1992, 16). And even though gifts are impossible, we still maintain the practice of giving away object that we call gifts.

> For there to be a gift, there must be no reciprocity, return, exchange, countergift, or debt. If the other gives me back or owes me or has to give me back what I give him or her, there will not have been a gift, whether this restitution is immediate or whether it is programmed by a complex calculation of a long-term deferral … if the donee gives back the same thing, for example an invitation to lunch … the gift is annulled. It is annulled each time there is restitution or countergift … The simple identification of the gift seems to destroy it … At the limit, the gift as gift ought not appear as gift:

[38] Already much earlier Malinowski described gift obligations as calculated in Part Three of his book *Coral Gardens and their Magic* (Malinowski 2001/1935).

> either to the donee or to the donor. It cannot be gift as gift except by not being present as gift. (Derrida 1992, 12, 14)

According to Derrida, the gift must be given without anything expected in return and received without any feeling of indebtedness to the giver. Therefore, the circle of reciprocal giving and receiving actually annihilates the gift. He argues that one gives a true gift only when he expects nothing in return, and that one receives a true gift only when he does not have to give something back in return.

Derrida's philosophical reflections, which are not based on empirical research in other societies, deserve some critical remarks here: it is obvious that the impossibility of the gifts he declares comes from how he defines the gift. His definition clearly reflects the Western ideology of the pure, disinterested, altruistic gift. If one defines the gift differently (not in Derrida's terms—as something that is freely given and without any expectation for return—but rather as something whose purpose is to build and manage social relationships), the gift has nothing of this impossible character.

Several theorists describe gift exchange as what Parry describes "essentially *dyadic* transactions between *self-interested individuals*, and as premised on some kind of *balance*" (Parry 1986, 454).

Thomas (1991, 17) pointed out that "virtually everything in capitalist society can have a monetary value placed upon it. Even things like personal relationships, reputations, and parts of the body which are usually thought of in non-monetary terms are occasionally priced for insurance, litigation, or blackmail."

Neoclassical economists like Garry Becker also present human relations as constant cost-benefit analyses by the actors involved. Margaret Radin suggests that such 'market rhetoric' explains everything that does not strictly fit into market exchange simply as market failure (Radin 1996, 7, 22).

Concordant with this line of thought, the economist Philip Mirowski also offered an analysis of gift exchange. He argued that even though the gift has been "constitutive to any number of anti-neoclassical social theories in the twentieth century" (Mirowski 2001, 433), all of them have proved to be unsuccessful as social theory because "the modern concept of the 'gift' is itself incoherent" (Mirowski 2001, 433). Mirowski concludes that "all further attempts to capitalize on the gift will go the way of their predecessors, and worse, attempts to base social theory upon it actually serve to strengthen the neoclassical orthodoxy" (Mirowski 2001, 434).

2.2.3.3.1. CRITICISMS

However, treating gift exchange as an economic transaction actually poses many difficulties that can hardly—if at all—be explained in terms of economisation theories. For instance, the conversion of liquid cash into illiquid gifts does not seem to obey purely rational economic logic. Waldfogel's (1993) observed that students evaluated the Christmas gifts received as of considerably lesser economic value than what those gifts had actually cost. I have mentioned some more problems of the gift's illiquidity in Chapter 2.2.2.2.

Another theory conceptualising gift exchange as a calculative process is the 'social exchange theory',[39] which describes gift giving as a process of exchange in which individuals rationally maximize their own interests. According to Social Exchange theorist Blau, the generosity that is involved in gift giving only appears to be altruism, while in reality the gift giver always expects some return, either directly or indirectly. He describes gift transactions as the "voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others" (Blau 1964, 91). Emerson has pointed out that this assumption is evident from the theory's vocabulary, including concepts such as "reward, reinforcement, cost, value, utility, resource, comparison level, transaction, profit, outcome, etc" (Emerson 1976, 337).

Komter argued that even though most gift-givers in contemporary industrialised societies believe that their gift giving is motivated by altruistic motives, the most widespread motive for gift exchange is to achieve a balanced reciprocity in which the giver expects to be

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[39] *Encyclopedia of Psychology and Behavioral Science* defines 'social exchange theory' as follows: "Social exchange theory is based on the assumption that human beings will form and sustain relationships if they believe that rewards they derive from such relationships will exceed costs" (Craighead et al. 2002, 1558).

The five fundamental propositions of 'social exchange theory' were formally developed by Homans (1974):

1. "for all actions taken by persons, the more often a particular action of a person is rewarded, the more likely the person is to perform that action" (Homans. 1974, 16);
2. "if in the past the occurrence of a particular stimulus, or set of stimuli, has been the occasion on which a person's action has been rewarded, and the more similar the present stimuli are to the past ones, the more likely the person is to perform the action, or some similar action now" (Homans. 1974, 22);
3. "when a person's action does not receive the reward he expected, or receives punishment he did not expect, he will be angry and he becomes likely to perform aggressive behavior" (Homans. 1974, 43);
4. "the greater the profit a person receives as a result of his actions, the more likely he is to perform the action" (Homans 1974, 31);
5. "the more often in the recent past a person has received a particular reward the less valuable any further unit of that reward becomes for him" (Homans 1974, 29).

reciprocated equivalently. Most gift givers and receivers are motivated by both generosity and a desire to be recognized (Komter 1996, 110, 117). Berking suggests that this might be due to the people's need to explain their actions in terms of the prevailing ideology of self-interest, which—more or less—dominates industrialised societies. According to Berking (1999, 145), people in some capitalist Western societies feel uncomfortable in regard to the ideas of altruism and communalism, thus explaining their generosity in terms of individual self-interest. However, I think that since in Europe altruism and social solidarity are of a high value, and often even religiously sanctioned, it is difficult to generalize about the "ideology of industrialised societies" as Berking does.

Gregory has vigorously criticised such theories. He argued that the motivation of the gift giver is not profit maximisation because "the gift transactor's motivation is precisely the opposite to the capitalist's: whereas the latter maximises net incomings, the former maximises net outgoings. The aim of the capitalist is to accumulate profit while the aim of the 'big-man' gift transactor is to acquire a large following of people (gift-debtors) who are obligated to him" (Gregory 1982, 51). Here we can see the difference between the acquisition of objects (which is the purpose of commodity exchange) and the acquisition of social relations (which is the purpose of gift exchange).

Parry has also criticised the Western idea of the autonomous, independent individual that, motivated by his own will, freely decides to give a gift, without being forced by any external obligation to do so. In his analysis the prevailing idea that gifts are 'free and unconstrained' is what he calls the "elaborated ideology of the 'pure gift'" (Parry 1986, 466). According to Parry (1986, 466), this kind of thinking is just an extension of the axiom of neoclassical economics that "those who make free and unconstrained contracts in the market also make free and unconstrained gifts outside it." The "ideology of the pure gift may thus itself promote and entrench the ideological elaboration of a domain in which self-interest rules" (Parry 1986, 469). According to Parry, the perfect altruist is just the inverse picture of *Homo oeconomicus*.

2.2.3.4. INTEGRATING GIFT AND COMMODITY EXCHANGES INTO A SINGLE SOCIAL PROCESS

In analyzing the distinction between gifts and commodities, models have been put forward proposing to integrate the two types of exchange. Such models entail the idea that commodity exchange and gift exchange do not represent two mutually exclusive societal forms, but rather two ideal types of exchange that jointly appear in one configuration or another in any economy.

Bloch and Parry linked commodity exchange and gift exchange to short-term and long-term cycles of exchange, arguing that both types of exchange, rather than being mutually exclusive, tend to co-occur in individual societies. They suggested that in many non-modern societies one could identify the existence of "two transactional orders" (Parry and Bloch 1993, 23–30): the social sphere and the economic, impersonal sphere. In the social sphere the transactions "are concerned with the reproduction of the long-term social or cosmic order" (Parry and Bloch 1993, 24). In this realm people transact to maintain a long-lasting structure of relationships to which they belong. On the other hand, the economic, impersonal sphere consists of "short-term transactions concerned with the arena of individual competition" (Parry and Bloch 1993, 24), where people are not concerned with relationships and lasting obligations towards each other.

Thomas (1991, 18, 22, 33–34) and Miller (2001, 113) stated that the two types of transactions are indeed intertwined with one another and frequently there are components of both present in any particular exchange situation.

Also Carrier suggested that "society contains a capitalist-sphere, a sphere of Maussian commodity exchange, existing together with a non-capitalist sphere, a sphere of Maussian gift exchange, though … this dichotomy is a simplification of a muddier reality" (1995, ix).

Because commodities dominate capitalist societies, Carrier suggests that gifts in industrialised societies have different meanings than they have in societies where gift relations dominate (Carrier 1991, 131). However, he sees the difference between gifts and commodities as "quantitative rather than qualitative" (Carrier 1991, 132), because they are not two distinct categories, but rather two extremes of the same continuum. Since "many gift transactions contain an element of alienation and individualism, just as many commodity transactions are tinged by mutual obligation" (Carrier 1991, 132), both categories are "polar terms that define a continuum along which one can place existing transactions and friendships" (Carrier 1995, 190). From his point of view, the terms are not empirical descriptions but, rather, analytical tools (Carrier 1995, 192).

Carrier criticised Mauss for constructing the dichotomy between the Western and non-Western societies, thus exemplifying the desire to reduce the complex nature of non-Western societies to its mirror image (Carrier 1995, 200). Further, he said that anthropology has an 'orientalist' (referring to Said 1978) tendency to characterise "entire societies in terms of distinctive forms of circulation: societies of the gift and societies of the commodity" (Carrier 1995, viii). This simple characterisation of Western and non-Western societies would reflect the common distinction that Westerners make in their everyday life, when they separate the spheres of work and home (Carrier 1995, 210). This "essentializing approach … predisposes anthropologists to adopt a polarizing approach, one that casts the West and the alien society in a polar opposition" (Carrier 1992, 191).

2.2.4. CONCLUSION

Economic anthropology endeavours to understand economic actions and interactions in societies around the world. It eclectically uses concepts from different economic paradigms, primarily focuses on micro-level economic phenomena, uses mainly qualitative methods (especially ethnographic observations) and tries to get a holistic image of the society. In contrast to the discipline of economics, which treats economy as a discrete sphere of social life, economic anthropology considers economic activities as embedded in society.

Economic anthropology started to flourish in the 1950s when the debate between formalists and substantivists emerged. Formalists wanted to incorporate the methods and concepts of formal economics into economic anthropology. On the other side, substantivists claimed that the logic and methods of formal economics were inappropriate for studying economic activities in non-industrialised societies. According to substantivists, the economy in non-industrialised societies does not represent a separate sphere of life, which could be studied in isolation, but is rather embedded in society. Economy in such societies is interwoven with other spheres: religious, social, moral, political, etc. Members of non-industrialised societies thus do not act as autonomous self-interested economic maximisers of profit. Production and distribution in such societies are rather founded on reciprocity and redistribution, which emphasize cooperation and generosity.

After the dispute between formalists and substantivists ended in the 1970s, the dichotomy of capitalist and non-capitalist economies was gradually replaced by a debate over dichotomy between 'commodities' and 'gifts', which represented modes of exchange in capitalist and non-capitalist societies.

The distinction between gifts and commodities was initially conceptualised by Mauss in 1925, and later systematically developed by Gregory. According to this view, gifts and commodities represent two distinct types of exchange. The purpose of gift exchange is to create and manage relationships between exchange participants, while the economic value is subordinated. The purpose of commodity exchange is the economic exchange of items and services. This impersonal system of exchanging anonymous commodities in the market economy has thus been contrasted with the gift economy, which is supposed to exist in non-industrial and pre-industrial societies and, as remnants, in modern industrialised societies.

Mauss suggested that exchange of gifts was the first form of exchange. It was the predominant form of exchange in archaic societies, while commodity exchange is a later development. Commodity exchange in its contemporary form started to develop in the last several hundred years, especially with the rise of industrialisation. The primary importance of reciprocal relationships among exchange partners, which dominated exchanges in the gift economy, was gradually replaced by a focus on material gains and a profit orientation. Trade started to become more and more impersonal. Also, the spheres of home and production started to be more and more separated, while industrial production resulted in an alienation of products from producers. Therefore, people began to perceive commodities as impersonal and anonymous objects.

Parallel to these changes, the science of economics started to develop. It endeavoured to formulate theories, which would describe the economy. One of the fundamental assumptions of neoclassical economics, which dominates economic thinking in capitalist societies, is that human beings are rational maximisers of utility who always seek to find the optimal solution (*Homo oeconomicus*). However, this assumption has been criticised in recent decades on both theoretical and empirical bases.

Concordant with the assumption that human beings are by nature calculating economic actors, there were attempts to explain gift exchange in purely economic terms. My perspective is that the economic argument is certainly applicable to some situations, such as when people exchange gifts with the clear, calculated expectation of receiving something back in return. However, it is wrong to generalize such calculated gift exchange to all gift exchange situations that occur all over the world. Such an economic perspective does not take into account the wide variety of gift exchange practices from all across the world, but rather generalises from the standpoint of Western practices, paradigms and culture-bound thinking. It is a rather ethnocentric view of gift exchange, in line with the 'formalist' school of economic anthropology.

I also maintain that in considering what a gift is, differences between various authors are down to mere confusion about terminology. When different authors argue what are the qualities of the gift, it often seems as if they are actually not discussing the same thing. Namely, the term 'gift' is usually overstretched to depict a wide variety of transactional forms that exist all over the world, while these forms do not necessarily overlap in the descriptions of various authors. Therefore, a closer inspection of the concepts put forward by various authors reveals that different concepts of what the gift represents are not necessarily mutually exclusive, but rather describe slightly different forms of exchange, where all of them are labelled by the same term: ‘the gift’. Therefore, for the sake of my research, I will carefully operationalise the term ‘gift’ in the subsequent chapters.

The literature review shows that we may group authors into three groups, based on their models of exchange:

- authors who maintain a strict mutual exclusiveness of gift and commodity;
- authors who claim that gift exchange is in reality just a form of commodity exchange (economistic model);
- authors who consider gifts and commodities as two poles of the same continuum, while individual transactions may fall anywhere between these two extremes.

My own position is in line with the third option. I still do maintain that the conventional anthropological conceptualisation of gifts and commodities is a valid and useful model. However, it is only a model: every model is just an ideal and simplified representation of reality. It is very useful for understanding and approximately modelling the phenomena of the real world. Nevertheless, in reality we rarely come across our ideal, model types, but rather find mixed types, as proposed by scholars who consider exchange not as a dichotomous phenomenon, but as a continuum of exchange forms.

Therefore, the purpose of my research will be to examine whether features of gifts and commodities can be interwoven. In the past numerous scholars have already demonstrated that gift exchange may include elements of commodity exchange; thus I have decided to examine the relationship of gifts and commodities from the opposite angle, to find out if contemporary commodity exchange can contain features of gift exchange.

3. PART II: THE RESEARCH

3.1. DEFINING AND OPERATIONALISING THE RESEARCH QUESTION

Even though the term ‘gift economy’ brings to mind a romantic image of a highly integrated and cooperative society, people do not always want to be engaged in the network of social ties and obligations that gift exchange creates. As Hyde puts it, “[t]here are times when we want to be aliens and strangers” (Hyde 1983, 68). Sometimes we just want to go to a café, anonymously get a coffee there and not engage in any of the socializing that a coffee at a friend’s house would inevitably bring about. Both commodity exchange and gift exchange therefore have their place in everyday life.

On the basis of Mauss’ essay, Gregory wrote his famous and widely quoted book *Gifts and Commodities* (Gregory 1982). Gregory developed an analytical distinction between gifts and commodities. Since Gregory is (in the area of exchange) the most extensively quoted scholar after Mauss, I have decided to test the validity of his dichotomous model, where gifts and commodities represent two separate realities.

As discussed in Chapter 2.2.3., some scholars have recently started to question this dichotomy of gifts and commodities. In their criticism of the categorical difference between gifts and commodities most authors have focused on showing that gift exchange can include elements that are otherwise characteristic of commodity exchange. Strathern noticed that “the gift is more under attack than the commodity” (1993, 6). Therefore, the purpose of my analysis was to examine whether market exchange transactions can contain elements that are usually attributed to gift exchange.

3.1.1. THE BASIS OF MY RESEARCH QUESTION

The starting point of my research was my observation that marketing practices have changed significantly in past decades. This observation led me to the question, whether the role of commodities has changed due to this shift in marketing practices, which often mimic gift exchange.

Mauss laid out the basis for the traditional anthropological understanding of commodity exchange as different from gift exchange in 1925, when mass-scale production and marketing of industrial products were faithful representatives of impersonal market relations. The gift exchange vs. commodity exchange contrast was thus initially conceptualised almost a century ago, but the mass-production, marketing and selling practices in industrialised societies have evolved and changed significantly since then. Namely, at the turn of the previous century, the prevalent business concept was the so-called ‘Production Concept’ (Kotler and Keller 2006, 15). According to Kotler and Keller, this is one of the oldest concepts in business, which practically completely dominated industrial production in industrialised societies about a century ago. This concept assumes that customers favour products that are low-priced and are widely available. Companies that follow this particular business concept focus on attaining very efficient production, lowering costs and widely and massively distributing their products (Kotler and Keller 2006, 15). These are otherwise some of the main features of the industrial revolution that marked production and trade in industrial societies of that period (see Chapter 2.2.2.1).

As described in Chapter 2.2.2.1., economies before the rise of industrialism were dominated by small scale production and local markets, where the producer was also the seller and personally knew all of his customers. There was a one-to-one relationship between producer and buyer: the producer knew the preferences of his customers and also their creditworthiness: “Not only were shopkeepers likely to have stamped their wares with their identities in significant ways, their relationships with their customers were likely to be relatively personal … Customer and tradesman were not, then, independent economic actors but were linked in a durable, personal, social and economic relationship” (Carrier 1995, 71). Such trade was relatively personal and different from the commodity exchange that the industrial revolution produced. This kind of economic exchange was not entirely different from economic exchange in small-scale societies, characterized by what Mauss has described as a gift-economy, because even though “[m]arkets are found before the development of merchants, and before their most important innovation, currency as we know it” (Mauss 1954, 2), such economic exchange was characterized by personal relationships, moral relations, obligations and non-alienation.

As already mentioned in Chapter 2.2.1.2., the industrial revolution which took place in the 19th century enabled unprecedented mass production. According to Palmer, large factories gained a significant competitive advantage over small-scale producers. However, such mass production greatly diminished the possibility of a company having a direct relationship with its customers, who were just too many and living too far away. The producer was no longer able to have a dialogue with his customers, but instead had to rely on impersonal, one-way communication carried on through advertising (Palmer 2000, 517).

With the rise of industrialism, alienation and impersonality started to dominate production and trade. Carrier delineates five basic changes in retail trade that occurred around 1900:

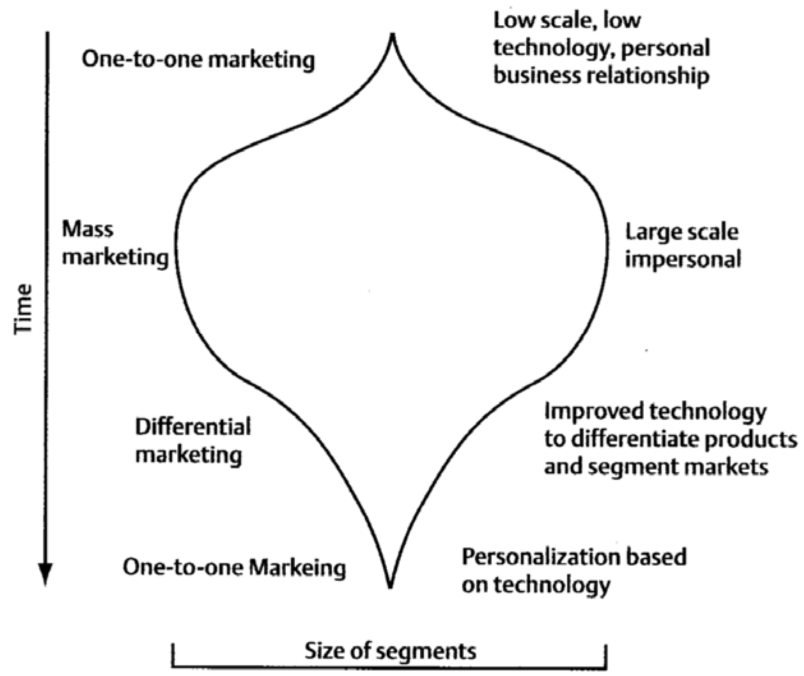
> The first of these is the growing scope, and hence impersonality, of retail firms, as stores got bigger and chain stores (in the U.S.) and multiples (in the U.K.) became more common. Second is changes in the nature of credit, which severed an important link between storekeeper and customer. Third is changes in labor relations in stores, which alienated the sellers from the store and from their work. Fourth is the shift to passive distribution. Sellers were less and less actively involved in selecting and transforming their wares, and so were more likely to be alienated from what they sold. Fifth is a related phenomenon, the appearance of national brands and advertising by manufacturers. This alienated the shopkeeper from the goods being circulated and from the customer who bought them. (Carrier 1995, 13–14)

However, after World War II, the centre of attention started to move from distributive functions to other aspects of marketing (Parvatiyar and Sheth 2000, 10). If the market economy of the early 20th century was mainly characterized by mass production of anonymous and impersonal commodities, the latest stages of market economy introduced increasingly more personal approaches in presenting and selling commodities (Sheth and Parvatiyar 2000, 137). Commodities started to be increasingly marketed and traded in a manner that did not rigidly fit into traditional conceptualisations of commodity exchange.

According to Palmer, modern technology is again allowing companies to deal with customers on a one-on-one basis. For instance, customer details can be massively collected, stored, analysed and retrieved from a computer database, thus emulating the personal link that in the past existed between producer and buyer (Palmer 2000, 518). Also, modern computer-assisted machinery enables the production of highly customized products tailored to customers' needs and desires. Instead of dealing with an average, anonymous customer, producers are now once again able to deal with individual customers whose personal needs and preferences are known (Palmer 2000, 519). Therefore, a standardized product offering, based on mass production, can be replaced with a customized product offering based on customized production. One-way, mass advertising can now be replaced with a more individual dialogue with customers, and, instead of just trying to attract customers for generating sales, companies can work on customer retention by establishing a relationship with them (Palmer 2000, 519).

Palmer (2000, 518) illustrates the evolution of marketing (see Figure 3.1) as the development from personal, one-to-one marketing (which existed in small-scale economies), through impersonal marketing (which emerged with the rise of industrialism and large scale production), finally returning to one-to-one marketing and personalised production, which is enabled by modern technology.[40]

Figure 3. 1: Evolution of marketing



Source: Palmer 2000, 518, Figure 20.1. , by permission of Oxford University Press

Recent decades have also been marked by other significant changes in production, buying, selling and marketing. For instance, the proportion of industrial products produced, marketed and purchased solely for their utilitarian purposes has decreased. An Armani jacket is not just clothing that covers the person, but carries various meanings that set it light years apart from an almost identical low- or medium-budget jacket without a brand name—not only in terms of the price, but also in terms of customer's perception. Even a bottle of milk is nowadays not just milk anymore, but serves other intangible purposes as well.

[40] Even though one-to-one marketing tries to emulate the personalised exchange that existed before the rise of industrialism, it is significantly different from gift exchange: social-anthropological models of exchange (as described in Chapter 2.2.2.) hold that the basic goal of gift exchange is to create relations by means of objects. Conversely, the basic goal of commodity exchange is to use relations in order to sell or buy things. In both cases we find objects and relations, but the hierarchy of interests is different. The goal of one-to-one marketing is not the creation of interpersonal relationships. Rather it merely uses relationships to enhance sales. In one-to-one marketing the hierarchy of interests is still that of commercial commodity exchange.

The consumer's needs are not satisfied only by the practical applicability of consumer goods, but also by the symbolic function they possess, the social relations they build and the psychological gratification they provide. General consumer choice in market economies has ceased to be directed mainly by the price and physical characteristics of a product. Other features have started to greatly influence it as well—features, which are very often not functional or tangible. In the last couple of decades companies have recognized these elements of consumer choice and increasingly begun to produce and market their products in a way that infuses commodities with intangible qualities, blurring the sharp contrast that had distinguished commodities from gifts.

Several decades ago, industrial commodity exchange was predominantly impersonal, relationship-less and with no long-term obligations on either side. The traditional approach to selling, which dominated commodity exchange until fairly recently, did not pay much attention to anything besides the momentary sale effect. There was a good reason for that: according to Wright, until the late 1960s, due to weak consumer production, there was a shortage of goods on the market. In the 1950s and even in the 1960s, it was quite common to have a waiting queue for some goods, for instance TVs or washing machines. People were used to the great deprivation of World War II and usually accepted the situation uncomplainingly. If someone wanted to buy a refrigerator or a washing machine, he had to be prepared to wait for three months, pay in advance and also pay the full price (Wright 1999, 5). At that time demand was much greater than supply, so customers had no alternatives, and the producer (or supplier) was in a very powerful position in regard to the customer. The producer (or seller) had all the power; "it was the producer that was king" (Wright 1999, 6.). Since producers knew they would sell almost anything they produced, they were able to invest most of their energy and resources into improving production, instead of focusing on selling. Gradually production capabilities increased manifold and in the 1960s and 1970s companies focused on what we now call 'transactional marketing': volume production, mass selling and market share (Christopher et. al. 2002, 2, Boone and Kurtz 2005, 318). All that was important was "how to make a sale" (Bruhn 2002, 1).

However, due to increased production in the recent decades, markets have become saturated with goods and thus hypercompetitive. This new situation has forced companies to pay more attention to already existing customers: how to keep them and sell to them again. Rather than just acquiring new customers and then forgetting about them immediately after the sale, loyalty building has become more and more important (Boone and Kurtz 2002, 318). Elements of loyalty, commitment and trust among exchange participants have started to be more and more present in market exchange. Instead of focusing on individual, short-term transactions, companies slowly started to put more emphasis on the longevity of a business relationship (Kracklauer et al. 2003, 116).

Contemporary commodity exchange is no longer predominantly about selling better products for lower prices than the competitor, but contains other important symbolic elements as well. Porter's (1980) influential work[41] *Competitive Strategy: Techniques for Analysing Industries and Competitors* describes three general types of strategies that businesses in market exchange nowadays generally use to gain a competitive advantage over their competitors: the cost leadership strategy,[42] the differentiation strategy[43] and the focus strategy[44] (Porter 1980, 39).

In some businesses, the selling price is central and may be by far the most important factor for customers comparing competing products. To be competitive in such a business a company has to ruthlessly control its production and distribution costs to achieve lower prices than its competitors do (Kotler and Keller 2006, 56). Price competition is typical for undifferentiated commodities,[45] where all that the buyer cares about is getting the lowest price (Kotler 2003, 49). For a buyer, electricity is simply electricity and it does not matter where it comes from or who is selling it. If we leave aside the quality of service among different providers, the buyer chooses the product solely on the basis of its price, regardless of the origin of electricity (however, even that is changing nowadays with introduction of so-called 'green electricity' or 'eco-electricity', which takes into consideration the origin of electricity). In this kind of trade, the seller can be competitive only by offering lower prices than his competition. Ward

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[41] In the domain of business strategy, Porter is regarded as the most influential author. For instance, Eng says that "the arguments underlying the generic strategies advocated in Porter's, Competitive Strategy (1980) have influenced much of the current thinking in strategy formulation" (Eng 1994, 43).

[42] Pursuing this strategy, a company aims to lower the cost of production as much as possible (Porter 1980, 40).

[43] Pursuing this strategy, a company aims to differentiate its products or services from its competitors' and present them as somehow unique (Porter 1980, 39).

[44] Pursuing this strategy, a company aims to serve a very specific target group (Porter 1980, 38-39).

[45] Undifferentiated commodities are for instance stocks (Kotler 2003, 49); also (more or less) commodities sold on the 'commodity market', for instance electricity, wheat, petrol, corn, coal, iron ore, sugar, crude oil, aluminium, ethanol, wheat, soybeans, rice, silver, gold, etc. Undifferentiated commodities which are important only for use and exchange value also fit neatly into this category: 1kg of white sugar, distilled water for ironing, pure ethanol, ordinary postal stamps, ordinary postal envelopes, etc. In this category we can also place all generic, 'no-name' products sold in discount shops, where all that the customer cares for, is how to get 'the most bang for his buck'.

explains this point as follows: “Where the main basis of competition is on price, because there is no customer-perceived difference among competing products, the relevant competitor analysis should concentrate on cost benchmarking. In this commodity-based, price-conscious environment, the lowest-cost supplier will normally win and relatively small cost differences can be critical” (Ward 2003, 527).

By competing in price, the seller admits that his product is in no way different from other similar products, i.e. it is in no way unique. Other similar products can, therefore, be perfect substitutes. This type of trade neatly fits into the concept of an impersonal market exchange of anonymous commodities.

However, for the contemporary consumer, this kind of trade rarely occurs, because commodities are now usually differentiated in some other way besides price (Kotler 2003, 50; Kotler and Keller 2006, 376). As Kotler and Keller say:

> Today, branding is such a strong force that hardly anything goes unbranded. So-called commodities do not have to remain commodities. A commodity is a product presumably so basic that it cannot be physically differentiated in the minds of consumers. Over the years, a number of products that at one time were seen as essentially commodities have become highly differentiated as strong brands have emerged in the category. (Kotler and Keller, 2006, 297)

Most sellers usually try to differentiate their product (or service), i.e. present it as somehow unique and incomparable to other similar products. By adding symbolic value to its product or service, a seller can charge a unique (much higher) price compared to a non-differentiated similar product. As Levitt puts it: “The new competition is not between what companies produce in their factories, but between what they add to their factory output in the form of packaging, services, advertising, customer advice, financing, delivery arrangements, warehousing, and other things that people value” (Levitt 1969, 2).

Due to differentiation, most commodities are no longer merely anonymous, impersonal, lifeless, alienable items, but are infused with qualities that can resemble features of the gift. For instance, commodities are usually branded, and brands are inalienably linked to the producer. When you buy a bottle of Coca-Cola, you do not buy the trademark or the brand, which is symbolically and legally[46] inalienable to the company. This inalienable nature of the brand of the commodity makes it comparable with the inalienable nature of the gift.

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[46] The company protects its ownership of these distinct characteristics through registered trademarks, patents and copyrights (Kotler and Keler 2006, 274).

In social anthropology the similarity between gifts and commodities was well examined by Carrier, who suggested an analytical distinction between 'commodity' and 'possession' (Carrier 1995, 10). He noted that a commodity could be alienated, while the possession is inalienable, because it shows the attachment of persons to objects (Carrier 1995, 10). He demonstrates that in some catalogue advertising commodities can be personalised and manipulated to become a possession (Carrier 1995, Ch. 6). He describes three ways through which catalogues perform this mimicry of gift exchange: first, by imparting on commodities the personality of designers or people that importantly contributed to the manufacture of the product; second, by connecting the object with the person who sells it, and third, by connecting them with people who already have them (Carrier 1995, 129). All these three strategies aim to present commodities as neither alienated nor anonymous objects "produced by anonymous people and purchased from anonymous people by anonymous users" (Carrier 1995, 15), but rather as something personal. In such a manner the commodity acquires the social identity these people attach to it (Carrier 1995, 127, 129).

3.1.2. THE RESEARCH QUESTION

Recent decades have thus brought increasingly personal approaches to commodity exchange. Due to such marketing strategies commodities no longer fit neatly into the gift exchange vs. commodity exchange dichotomy as conceptualised by Gregory. My research will (from a specific angle) verify whether the contemporary commodity exchange is really completely independent from the qualities traditionally attributed to gift exchange: it will examine whether contemporary marketing adds to commodity exchange any elements, which are otherwise characteristic of gift exchange. My research will therefore check contemporary marketing principles, ideas and practices for the possible presence of qualities traditionally attributed to gift exchange.

My research question is:

Do methods of contemporary marketing, as described by marketing textbooks, add to commodity exchange features of gift exchange and if so, under what conditions?

On the basis of my operationalisation, which is performed in Chapter 3.1.4., I conducted the analysis along five research sub-questions that relate to the distinction between commodity exchange and gift exchange:

1. Do commodity exchange transactions create a relationship between exchange partners and, if so, under what conditions?

2. Do such commodity exchange transactions create social obligations as a kind of moral debt between exchange partners and, if so, under what conditions?
3. Are commodities always fully alienated from the giver (i.e. the producer or the seller) and, if so, under what conditions?
4. Do commodities embody a quality of the giver (i.e. the producer or the seller) and, if so, under what conditions?
5. Do commodities impose an aspect of the identity of the giver upon the receiver and, if so, under what conditions?

3.1.3. THE CONCEPTS PERTAINING TO THE RESEARCH QUESTION

The following terms and concepts from my research question require definition and explanation: The term ‘features’ denotes characteristics, attributes, qualities, traits.[47] The term ‘contemporary’ narrows the analysis to contemporary practices of market exchange, denoting a time frame of roughly the last 20 years, when relationship marketing practices started to gain prominence. During this period the phenomenon I study manifests itself most clearly.

The two key concepts of my research question are ‘gift exchange’ and ‘market exchange’. As already discussed in the earlier chapters, in anthropological literature the term ‘gift’ is usually not used in the everyday sense of ‘a present’, wrapped up in nice paper and given at special occasions with the kind of ceremonial behaviour that goes along with gift-giving. However, some anthropologists that study the exchange of presents might use the term ‘gift’ in this sense as well (for example David Cheal in his book *The Gift Economy* (1988)).

For Mauss (as elaborated in Chapter 2.2.2.3.1.), the term ‘gift’ has a much broader meaning: it is an object or service that is transacted in the framework of social, rather than purely monetary relations. Gifts encompass a variety of material and non-material things, like advice, labour, services, ideas, names, titles, etc. The term ‘gift’ therefore does not describe the object or service that is given, or the various forms and ceremonies that go along with giving. Rather, what makes a gift is the relationship within which the transaction takes place (Carrier 1991, 122).

Since Mauss’ seminal essay, numerous scholars have extensively elaborated his ideas. Therefore, it is better to speak of a ‘Maussian’ model,[48] rather than ‘Mauss’’ model (Carrier 1995, 18). According to Carrier, this model recognizes two distinct and opposing forms of

[47] The Compact Oxford English Dictionary (2009) defines 'a feature' as “a distinctive attribute or aspect”.

[48] From now on, I will refer to the model described and used in Carrier’s book as the ‘Maussian’ model.

social relations, based on commodity exchange and gift exchange. Relations based on commodity exchange are supposed to be impersonal and short-lived. Obversely, relations based on gift exchange are supposed to be personal and long lasting. Objects transacted in commodity exchange are anonymous, impersonal items that are valued for their use and exchange value. On the other hand, objects transacted in gift exchange are personal possessions that bear the identity of the giver (Carrier 1995, 18).

Both commodity and gift exchange consist of a transfer and a counter transfer. In commodity exchange, transaction involves either immediate payment with cash, barter, or delayed payment with credit.

Carrier warns against simply equating commodity exchange with transactions that involve money:

> It is not the fact that money is involved that makes … commodity transactions, for money is used in gift transactions in many societies. Instead, these are commodity transactions because of the relationship that links the transactors to each other and to the object they transact. Put most simply, in commodity relations the objects are alienated from the transactors: they are not especially associated with each transactor, nor do they speak of any past or future relationships between transactors. Instead, such objects are treated solely as bearers of abstract value or utility. (Carrier 1995, 20)

Therefore, what makes gift exchange different from commodity exchange is the type of relationship that connects exchange parties to each other and to the object that is transacted (Carrier 1995, 20). In commodity exchange, the object that is transacted is alienated from the transactors. It is not particularly related to each transactor, and it does not in any way suggest past or future relationships between transactors. A commodity is considered to be important only for its use-value and its exchange-value (Gregory 1982, 10). Conversely, gift exchange aims at the system of social reproduction. If the commodity system is primarily concerned with the production of things, the gift system is primarily concerned with the creation and management of relationships.

3.1.4. THE INDICATORS OF GIFT EXCHANGE AND MARKET EXCHANGE

Like many other foundational texts, Mauss' essay has been subject to many, sometimes even contradictory interpretations (Osten 2002, 3). Various commentators emphasised different aspects of gift exchange and offered diverse conclusions. Therefore I selected one particular theoretical model as the basis of my operationalisation and neglected other theoretical models. For this reason, some important features of gift exchange were omitted.

Even though my research examines the dichotomous model first put forward by Gregory, I have decided to use Carrier's book *Gifts and Commodities* for the fundamental level of my operationalisation. Carrier's book is based on the work of Gregory, and was even edited by Gregory himself. When discussing the legacy of Mauss and the subsequent theorists, Carrier says in his Preface: "The most important exponent of this new Maussian approach was a political economist, C. A. Gregory, and the most complete statement of his work is his *Gifts and Commodities* (1982). I have borrowed his title for my own book, because it identifies issues I address here, as it identifies the intellectual debt I owe him" (Carrier 1995, vii).

Also, Carrier's book is one of the most comprehensive summaries of the Maussian theory of the gift, especially since it was edited by some of the world's most important theorists of the gift (David Cheal, Chris Gregory, Tim Ingold, Daniel Miller and Johnatan Parry), and as such represents unique consensus of several important scholars.

Therefore, I have taken Carrier's definition of gift exchange as the primary source for defining the characteristics of gift exchange.

According to Carrier there are three main attributes that are at the basis of the Maussian view of gift exchange. He delineates that "gift exchange is (1) the obligatory transfer of (2) inalienable objects or services between (3) mutually obligated and related transactors" (Carrier 1995, 21).

He suggests that these three main dimensions distinguish gift exchange from commodity exchange in terms of "how much and in what way is the transaction obligatory, how much and in what way is what is transacted associated with the transactors, how much and in what way are the transactors linked with and obligated to each other" (Carrier 1995, 21).

The indicators for the concept 'gift exchange', which I will use in my analysis, are then as follows:

1. Gift exchange entails the indispensable means to manage (create, reproduce, maintain or terminate) relationships between exchange participants;
2. Gift exchange entails social obligations that are primarily of a moral nature;
3. The gift can not be alienated from the giver;
4. Corollary to 3., the gift contains some quality of the giver;
5. Corollary to 3., the gift transfers the identity of the giver to the receiver.

According to Gregory, "the concept commodity … is a mirror image of the concept gift" (Gregory 1982, 24). Therefore, the indicators that define market (commodity) exchange are in opposition to the indicators that define gift exchange:

1. Market exchange is not concerned with creating and maintaining relationships between exchange participants;
2. Market exchange creates only financial obligations rather than moral obligations among exchange participants;
3. Commodities are alienated from the giver (i.e. the producer or the seller);
4. Corollary to 3., commodities are anonymous objects, which do not contain the quality of the giver;
5. Corollary to 3., market exchange does not transfer the identity of the giver to the receiver.

The Maussian model presupposes that market exchange differs from gift exchange in all five aforementioned dimensions.

My research is an extension of the analysis undertaken by Carrier in his book, where he examines (in a non-generalised manner) how contemporary marketing can add elements of gift exchange to commodity exchange. I have decided to apply formal and relatively mechanical analysis to the principles, ideas and practices of contemporary marketing as they are expressed in marketing textbooks.

To determine the criteria for each indicator I have used Carrier's book (Carrier 1995) and the two books on which it is based (Gregory 1982; Mauss 1954). My operationalisation is certainly not the only possible operationalisation of gift exchange; different operationalisations would highlight different elements thereof (for different characteristics of the gift, see e.g. Komter 2005). For instance, in the beginning of his book, Carrier admits that he consciously omitted the issues of power and inequality (Carrier 1995: x). I also purposefully leaved out various issues of gift exchange: establishment of social cohesion, hierarchisation of social statuses, and social control. The perspective from which we look upon something determines the way we define it (Šterk 1998, 118). In any case, it would be interesting to perform the same analysis on the basis of other operationalisations and compare the results.

3.1.5. THE HYPOTHESIS

3.1.5.1. THE NULL HYPOTHESIS

The null hypothesis, representing the dichotomous model of exchange is:
Since gift exchange and market exchange represent two dichotomous and strictly separated modes of exchange, market exchange transactions can never contain any traits of gift exchange.

3.1.5.2. THE RESEARCH HYPOTHESIS

My research hypothesis is:
Under certain conditions, market exchange relations contain features of gift exchange.

3.1.5.3. THE FIVE SUB-HYPOTHESES

To test the validity of the gift-commodity dichotomy, each of the above mentioned research sub-questions is extended into five consequent sub-hypotheses:
The first sub-hypothesis is: Under certain conditions, market exchange transactions create between exchange partners a type of relationship that carries the properties of gift exchange relations.
The second sub-hypothesis is: Market exchange relations of the type specified in sub-hypothesis no. 1 create social obligations as a kind of moral debt between exchange partners.
The third sub-hypothesis is: Under certain conditions commodities manifest a form of inalienability from the giver (i.e. the producer or the seller).
The fourth sub-hypothesis is: The inalienability of commodities specified in sub-hypothesis no. 3 entails that such commodities embody a quality of the giver (i.e. the producer or the seller).
The fifth sub-hypothesis is: The quality of the giver, which is specified in sub-hypothesis no. 4., is imposed as an aspect of the identity of the giver upon the receiver.
In the next chapter each sub-hypothesis will be examined separately: firstly, I will discuss the criteria for measuring the compliance of marketing practices with the respective indicators of gift exchange. Secondly, I will analyse marketing literature and selected marketing textbooks for marketing principles, ideas and practices that relate to the respective question. Consequently the analysis will be conducted to examine whether any particular indicator characteristic of gift exchange is present in market exchange transactions as well.

3.2. DESCRIPTION OF RESEARCH METHODS

3.2.1. AREA AND FOCUS OF MY RESEARCH

Economic anthropology recognizes that not all market exchange transactions are without qualities usually attributed to gift exchange. There are certainly many parts of industrial societies where the principles of the gift economy mix with the principles of the market economy. As discussed in Chapter 2.2.2.5., industrialised societies contain segments where the gift economy is the predominant form of exchange. Another example is consumerism in the market economy, which can be compared to the *potlatch*, because in both cases things are not produced, bought and consumed for utilitarian purpose, but to be destroyed to increase the owner's status (cf. Baudrillard 1998: 46–47; Komter 2005, 28). Also, economic exchange between friends or relatives in industrial societies is normally strongly tainted with elements of gift exchange, while pure economic logic is often minimized in such cases.

Carrier thus concludes that gifts and commodities "are polar terms that define a continuum along which one can place existing transactions and relationships" (Carrier 1995: 191).

However, my analysis will not be concerned with market exchange situations where (due to strong personal ties) features of the gift economy naturally creep into commodity exchange, or with the gift giving, in the form of presents, that exists in industrialised societies. I will also omit 'free' anonymous gifts that are not concerned with reciprocity and building social relations. Further, my analysis will not be concerned with gifts in business-to-business relations among business partners, or the gift economies that exist in certain subgroups. In general, I will not devote my analysis to numerous phenomena of gift-giving activities that exist in industrialised societies.

The purpose of my analysis will be to examine features of gift exchange in hard-core market relations as advocated and practiced by contemporary marketing. I will analyse how producers or sellers infuse market exchange relations with features of gift exchange. Therefore, my focus will not be on the part of buyer, but on the part of seller: my analysis will examine whether contemporary marketing practices contain features of gift exchange.

3.2.2. ON THE METHODS USED FOR MY RESEARCH

Traditionally, social anthropology has researched societies, which did not belong to the modern Western world. Sociologists, meanwhile, carried out the study of Western societies. However, this division of work is no longer strictly applicable to the two disciplines. More and more social anthropologists study Western societies as well, bringing their scientific perspective into the study of Westernized social systems.[49] Whereas this former division of work between social anthropology and sociology is getting blurred, both disciplines still, by and large, maintain their individual methodological procedures: social anthropology primarily employs qualitative methods while sociology predominantly uses quantitative ones (Carrier 1995, xi).

Even though some social sciences still adhere to the purely positivistic methods of survey gathering and quantitative data, such rigorous methodologies may also unduly influence the research findings. Whereas quantitative procedures may enable one to make statistically valid generalisations, asking the same questions in the same manner to all informants is likely to produce very similar answers (Flood 2009, 2). Both qualitative and quantitative methodologies thus have their advantages and disadvantages. In line with most social anthropological research practices, the present study will thus be of a qualitative nature.

In discussing anthropological qualitative methods Aunger and Dow say that "[i]n qualitative research, data-collection and analysis methods are not standardized but unique, often with a variety of methods being used in an iterative fashion that fits the peculiarities of the research problem" (Aunger and Dow 2005, 386).

They also stress that the difference between formal qualitative and quantitative methods is "in their different analytic orientations. Although the goal of quantitative research is almost always (at least implicitly) to explain cases, it is still fair to say that, analytically, most standard quantitative methods aggregate over cases. Interest generally focuses on isolating the most important themes that characterize similar cases" (Aunger and Dow 2005, 386).

On the other hand, qualitative methods "are interested in the structural relationships between factors within cases. They are not necessarily interested in the ability to generalize beyond the individual case: understanding individual cases is argued to have intrinsic worth" (Aunger and Dow 2005, 387). Therefore, the case study in my research will not have a generalizing character, but will rather serve an exploratory and illustrative purpose.

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[49] So called 'auto-anthropology' or 'anthropology at home'. Rapport and Overing define it as the "anthropological study of one's own, one's home and one's self" (Rapport and Overing 2000, 18). On the same page they quote Marilyn Strathern defining 'auto-anthropology' as "anthropology carried out in the social context which produced it" (Rapport and Overing 2000, 18).

3.2.2.1. TEXT ANALYSIS

For the first (and major) part of my research (Chapters 3.3.1. to 3.3.5.) I have utilised the method of textual analysis (Titscher et al. 2007). At the beginnings of Chapters 3.3.1 to 3.3.5., in the ‘General analysis’ sections, I have used a multidisciplinary approach, which means that in these sections literature from other academic disciplines was also used whenever applicable. This is followed by the ‘Textbook analysis’ section, where selected marketing textbooks are analysed. Textual analysis of marketing literature thus forms the first and most extensive part of my research. The focal research question here is whether the marketing practices advocated by the marketing textbooks in question possess features that would allow them to be compared with gift exchange.

For the social anthropological readership it is important to mention that contrary to popular understanding, marketing encompasses much more than mere advertising. Marketing is a process responsible for planning and implementing the ‘marketing mix’, which (according its most general definition) comprises the ‘4Ps’: product, price, place, and promotion (Kotler and Keller 2006, 19). Marketing thus includes advertising, distribution, planning, research and selling. By means of research, marketing also tries to predict the customers’ current and future desires, thus helping to produce goods or services that fulfil the buyers’ expectations (Kotler and Keller 2006, 101). Marketing also takes care of building and sustaining relationships with customers and other parties involved in the process of production and selling: “Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services, organizations, and events to create and maintain relationships that will satisfy individual and organizational objectives” (Boone and Kurtz 2005, 7).

Since marketing textbooks provide the basis for marketing activities, they are the basis of the present textual analysis. If we assume that professional marketers implement in practice what they have read in textbooks, then marketing textbooks provide a blueprint for a wide range of activities that fundamentally guide the market exchange processes in market economies.

I define marketing as a normative system of rules that prescribes to its practitioners how to act in order to achieve their goals, which are described by Kotler and Keller in the following way:

> From a managerial point of view, marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value. (Kotler and Keller 2006, 31)

Since marketing manages demand, it endeavours "to influence the level, timing, and composition of demand" (Kotler and Keller 2006, 31). Marketers are involved in marketing many types of entities: goods, services, events, experiences, persons, places, properties, organisations, information, and ideas (Kotler and Keller 2006, 31). Kotler and Keller also state that "the set of tasks necessary for successful marketing management includes developing marketing strategies and plans, connecting with customers, building strong brands, shaping the market offerings, delivering and communicating value, capturing marketing insights and performance, and creating successful long-term growth" (Kotler and Keller 2006, 31).

The marketing system can be subjected to a social anthropological analysis like any other cultural system that consists of prescriptive rules of action. However, the purpose of my research will not be to study the community of marketers itself, but rather to scrutinise particular texts about market exchange practices for gift giving characteristics. A social anthropologist, observing and analyzing a given cultural system as an outsider, can often perceive more clearly the 'invisible facts', those practices, which due to their self-evident nature are quasi 'invisible' to those who enact them.[50] To the social anthropologist as an outsider, such practices do not belong to the sphere of common sense that is shared by the participants themselves. From this standpoint, the social anthropological analysis of marketing may reveal insights that the practitioners of marketing are unaware of.

I have used two main strategies in selecting the appropriate and relevant literature for analysis. The first strategy and my starting point of research was Philip Kotler's book *Marketing Management* (co-authored by Kevin Lane Keller, 12th edition, 2006 originally published 1967). The book has been published in over 40 countries and has become the most

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[50] In *Coral Gardens and Their Magic*, Malinowski proposed and described the concept of 'invisible facts' in the following way:

> While making his observations the field-worker must constantly construct: he must place isolated data in relation to one another and study the manner in which they integrate. To put it paradoxically one could say that 'facts' do not exist in sociological any more than in physical reality; that is, they do not dwell in the spatial and temporal continuum open to the untutored eye. The principles of social organisation, of legal constitution, of economics and religion have to be constructed by the observer out of a multitude of manifestations of varying significance and relevance. It is these invisible realities, only to be discovered by inductive computation, by selection and construction, which are scientifically important in the study of culture. Land tenure is typical of such 'invisible facts'. The sanctions of law, the economic principles of production, the political institutions of a tribe, are also 'invisible facts'. (Malinowski 2001, 317)

widely used marketing textbook in the world. Many people call it 'The Marketing Bible', and the *Financial Times* has selected it to be on the list of the top 50 business books of all time (Amazon.com 2008). Kotler's book offers a comprehensive overview of marketing principles and ideas. Moreover, since it is heavily referenced, it also gives useful leads to other textual sources. Whenever applicable, these other sources have been examined as well.

For my analysis I have also used marketing textbooks that the *Department for marketing studies* (Faculty of Social Sciences, University of Ljubljana) provides to its students in the library. Since marketing textbooks are formative literature for future marketers, shaping their norms, values, actions, practices and sub-culture in the course of their studies, I have used these textbooks as an important textual source for my analysis.

For the primary units of my analysis I have chosen books in the university library on the basis of the following criteria:

- Textbook format: only books whose purpose is to teach the principles of marketing were considered. Scientific books were used only as an auxiliary source.
- Comprehensiveness both in:
    - Scope: only books covering marketing as a whole were considered. Books which dealt primarily with any specific part of marketing—for example advertising only—were not used for the primary analysis; such books were taken only as an auxiliary source.
    - Volume: to provide richness of information and proper search capabilities, only books with over 600 pages were considered.
- Recency: as stated in Chapter 3.1.3., my analysis is limited to contemporary marketing techniques (i.e. the time frame of roughly the last 20 years). Therefore only books published in the last 10 years (after 1999) were included in the analysis.

Books which met the above criteria and were used as the primary units of my analysis were:

1. *Marketing Management* (Kotler and Keller 2006; 12th edition; 816 pages).
2. *Principles of marketing* (Kotler et al. 2005; 4th European edition; 954 pages).
3. *Principles of marketing* (Palmer 2000; 644 pages).
4. *Contemporary Marketing* (Boone and Kurtz 1999; 742 pages).
5. *Marketing Strategies for Competitive Advantage* (Adcock 2000; 406 since the book consists of thick text and only few illustrations, I estimated it would be rich enough in information; therefore I included the book in my analysis).

6. *The Marketing Book* (Baker (ed.) 2003; 834 pages). Each chapter in this book has a different author, but for the sake of consistency I have referenced all material from this book as '(Baker 2003)').
7. *Principles and Practice of Marketing* (Blythe 2006, 744 pages).

I have analysed marketing methods as described in marketing textbooks (well over 5000 pages in total) and other marketing literature along dimensions (see Chapter 3.1.4.), which traditionally distinguish market exchange from gift exchange. This analysis served to detect the occurrence of gift exchange features in market exchange.

Selected textbooks were subjected to textual analysis (Titscher et al. 2007). In analysing texts, I was looking for explicit or implicit content (ideas, description of methods, practices or principles, etc.), which would comply with the criteria defined in the 'Operationalising and defining …' section of each chapter pertaining to five sub-hypotheses.

To get a deeper understanding of any particular topic, to discuss the issue from a broader perspective, or sometimes to additionally illustrate my research findings, numerous other books and scientific journal articles were also used and are listed in the 'References' section of this dissertation. This literature was used for the 'General Analysis' section of each sub-hypothesis.

For finding and reading scientific articles I have used various comprehensive scientific databases that are available online to academic researchers. These approaches were supplemented by auxiliary strategies, such as seeking advice from marketing professionals as key informants.

3.2.2.2. CASE STUDY METHOD

Another method used in my research is that of the case study (see Chapter 3.4.). Since the case study method rests on a single or only few cases, it does not enable one to draw generalising conclusions (Hamel et al., 1993; Yin 1994). However, if from several cases we obtain the same results, this certainly strengthens the conclusions, because it replicates the observed pattern.

My case study will test on a concrete example (using the case of the biggest Slovenian supermarket chain *Mercator*) to what degree the normative prescriptions of contemporary marketing textbooks are followed in practice, i.e. to what degree the exchange relations between buyer and seller are in the case of the examined company taken care of as if they would be gift exchange relations. The case study will examine to what extent, in a single case, these normative marketing rules have been brought into practice.

Nevertheless, the case study will not be used to test the general validity of my theoretical propositions, because in my thesis, no such universalistic claim is made anyway. I do acknowledge that there are certainly many cases of market exchange transactions where hardly any features of gift exchange can be found. However, not all market relations are pure examples of categorical commodity exchange transactions as understood by social anthropology. My case study will thus selectively explore only those instances where features of gift exchange are utilised in the market exchange practices of *Mercator*, and omit instances where such features are not expressed at all.

Due to the limitations of such a study, I have restricted myself to one case study only—that of the *Mercator* supermarket chain—in which I have tested the actual manifestation of the theoretical findings presented in Chapters 3.3.1. to 3.3.5.

Even though I occasionally (Chapter 3.4.) compare the marketing practices of *Mercator* with those of other supermarkets, the purpose of my research was definitely not to compare the marketing practices of different supermarket chains. Such comparisons are mentioned only for illustrative purposes.

Case study research is not sampling research. Case studies are selective and focus on one or a few relevant core issues. Several methods of data collecting may be employed (cf. Yin 1994; Stake 1995; Tellis 1997):

- Documents (letters, memoranda, agendas, administrative documents, newspaper articles, or any document that is relevant for the research);
- Archival records (service records, organisational records, lists of names, survey data, and other such records);
- Interviews ;
- Direct observation;
- Participant-observation;
- Physical artefacts (tools, instruments, or some other physical evidence).

I have primarily used documents (Mercator's promotional materials). I have also made direct and participant observations on site wherever relevant and feasible, had interviews with key informants, and analysed various artefacts. Details of the research design (time, place, materials used, etc.) will be expounded in Chapter 3.4.2.

3.3. TEXTUAL ANALYSIS

3.3.1. THE FIRST SUB-HYPOTHESIS: CREATING RELATIONSHIPS

The first dimension, which traditionally distinguishes gifts and commodities, concerns whether or not the exchange creates relationships among the participants. As discussed in the earlier chapters, commodity exchange (i.e. market exchange) involves transactions with a low degree of sociability and a high degree of impersonality among the exchange participants. Commodity exchange is a transaction that usually takes place among strangers and enforces no lasting social obligation or personal relationship. In cases of commodity exchange, the use value/exchange value of items vested in the commodity that are transacted is very important, while the social relations are subordinated (Kaplan 2005, 224–225).

Gift exchange, conversely, is transacted when exchange participants want to create or maintain a relationship. The gift creates a reciprocal relationship between the giver and the receiver, while the economic value is subordinated. The main purpose of gift exchange is therefore to manage a relationship between the transactors. This kind of exchange is in sharp contrast with commodity exchange, where both exchange partners seek to maximize their profits.

As already stated in Chapter 3.1.2., my first research sub-question is: do commodity exchange transactions create a relationship between exchange partners and, if so, under what conditions?

To test the validity of the conventional gift-commodity dichotomy, this research sub-question is extended into the following sub-hypothesis (see Chapter 3.1.5.3.): under certain conditions, market exchange transactions create a type of relationship between exchange partners that carries properties of gift exchange relationships.

3.3.1.1. OPERATIONALIZING AND DEFINING A RELATIONSHIP

For the sake of analysis it is necessary to operationalise the concept of the 'relationship', which exists in a gift exchange transaction, compared to the relationship involved in commodity exchange, and then examine whether these factors, which define the gift exchange relationship, can also be found in market exchange practices as advocated by contemporary marketing. I would like to stress that my operationalisation of 'relationship' is not concerned with the various sociological dimensions of social relationship (personal/impersonal, formal/informal, vertical/horizontal, in-depth/superficial, etc.). Instead, my operationalisation is based on selected characteristics of the gift exchange relationship as described by Mauss, Gregory, Carrier, and other theorists of gift exchange.

3.3.1.1.1. CRITERION NO. 1: THE PURPOSE OF THE TRANSACTION

Commodity exchange is supposed to be without almost all social or personal considerations (Kaplan 2005, 224–225). I go to the shop, I buy something and that's it. The exchange was not motivated by my desire to have a relationship with the other party, but only by my desire to buy and obtain a particular thing. Gregory therefore emphasizes the relationship aspect of gift exchange: "What a gift transactor desires is the personal relationships that the exchange of gifts creates, and not the things themselves" (Gregory 1982, 19). And, according to Mauss, "the exchange of presents did not serve the same purpose as trade or barter in more developed communities. The purpose that it did serve was a moral one. The object of the exchange was to produce a friendly feeling between the two persons concerned, and unless it did this it failed of its purpose" (Mauss 1954, 18). The purpose of the exchange of gifts is to create a relationship between exchange participants, rather than acquiring the object of exchange. From this we can extract the first criterion of relationship, which exists in gift exchange: the purpose of the transaction is to create and manage a relationship between exchange partners.

3.3.1.1.2. CRITERION NO. 2: THE DURATION OF THE RELATIONSHIP

Another criterion is the duration of the relationship, which indicates its strength and the closeness of the participants: According to Cheal, "[l]ong-term relationships with family members and with old friends are more intimate than the short term, disposable relationships usually found among new friends, coworkers, and neighbours. Short-term relationships, however, can be more numerous and more varied, because less has been invested in them and the costs of breaking them are correspondingly smaller" (Cheal 1988, 107).

Typically, a commodity transaction involves a very minute type of relationship, which ceases immediately after the transaction is over. Commodity exchange therefore stands at the very short end of the duration of relation continuum. At the other extreme are long-term relationships, which exist in gift exchange, forming what Mauss called "perpetual gift exchange" (Mauss 1954, 18). As Carrier says, "in commodity relations … transactors are not linked in any enduring or personal way. Instead, they are related only temporarily" (Carrier 1995, 24). From this we can extract the second criterion of the relationship in gift exchange: the duration of the relationship among exchange participants.

3.3.1.1.3. CRITERION NO. 3: PERSONAL PROXIMITY

Gregory says: "The … exchange of commodities presupposes … that the transactors are strangers, aliens" (Gregory 1982, 42) and, further, that "commodities are … objects transacted by aliens; gifts are … objects transacted by non-aliens" (Gregory 1982, 43).

Carrier also says that "[p]eople come to see economic transactions as impersonal and rational; they come to see social transactions as personal and affective" (Carrier 1995, 10). Therefore, "commodities and commodity relations are anonymous" (Carrier 1995, 29).

From here we can extract the third criterion of the relationships, which exists in gift exchange: personal proximity.

3.3.1.1.4. CRITERION NO. 4: BULDING CONTEXT AND HISTORY

Corollary to criterion no. 3, gift exchange relationship is iterative, because both exchange partners continually interact with each other. If a gift relationship is to endure, it cannot just start and than stand still without further interaction and exchange; in that case the relationship simply dies.

Mauss describes how *Kula* exchange consists of "giving and receiving, the donors on one occasion being the recipients on the next … On these visits one is recipient only, and it is when the visiting tribes the following year become the host that gifts are repaid" (Mauss 1954, 20). The actions of both parties engaged in the gift exchange relationship are shaped by the historical context of their previous interactions. Each time two gift exchange partners interact with each other; every following gift exchange interaction represents an iteration that builds on the basis of all previous interactions performed between both exchange parties and the content of their interaction is influenced by what has happened in their previous interactions (Mauss 1954, 26). Therefore, every consecutive mutual interaction (exchange) adds more information to the total content of the relationship.

A gift relationship, therefore, is not something static; it is continually re-shaped, building context and history on the basis of previous interactions, which gives us the fourth criterion of the gift exchange relationship.

3.3.1.1.5. CRITERION NO. 5: NON- FUNGIBLE TRANSACTORS

Corollary to criterion no. 4, a gift relationship involves non-fungible transactors. A person involved in a gift exchange builds separate contexts and histories with his gift exchange partners. On the other hand, commodity exchange involves fungible transactors.

Carrier (1995, 32) maintains that in commodity exchange people are connected in an impersonal manner. The seller has the alienable position of a store clerk, while the buyer has the alienable position of a wage worker who needs to buy a particular item. However, both positions are transitory and can be occupied by any other person. Conversely, in a gift economy "the social significance of individuals is defined by their obligations to others, with whom they maintain continuing relationships" (Cheal 1988, 40). Carrier explains this feature in the following way:

> Those who transact and the objects transacted in pure gift relations are viewed in terms of their basic, inalienable identities and relationships, so that they are uniquely specified and linked to each other. In pure commodity relations, on the other hand, they are viewed in terms of their accidental identities and relationships, so that they are identified in terms of abstract and general structures, whether of utility or of exchange or sign value, and so are fungible rather than unique. (Carrier 1995, 31)

Carrier further illustrates this point:

> Those who transact commodities, then, are linked to each other only in an impersonal, abstract and general sense. Thus, I buy from Sally Jones because her position is store clerk, and I buy at all because my position as wage worker means that I do not make things to satisfy my need. My need to buy is a general one, and I need not transact with Sally Jones herself, for, as I have pointed out, she is fungible and fully substitutable by any other store clerk. She and I are linked only abstractly and fortuitously: she can change her job, I can shop elsewhere. (Carrier 1995, 32)

Carrier (1995, 28) pointed out that alienable commodities and inalienable gifts also reflect how people think about other people. In gift relations, people are characterized by their inalienable positions and roles (mother, father, brother, girlfriend, etc.). My girlfriend can not be replaced by anyone else, even though her substitute would look approximately the same and be of the same age, etc. People in gift relationship are unique and can by no means be substituted by anyone else. Conversely, when I buy something, I buy from a person that can be replaced by anyone else who would occupy the same position. If I buy a bus ticket, I can buy it only at the bus station, but the person who sells it can be anyone who just happens to occupy this position. We can see that in commodity relations, people are fungible, while in gift relations they are non-fungible.

3.3.1.2. THE ANALYSIS

In practice, the process of commodity exchange is frequently not entirely impersonal, because successful selling depends upon the capability of the seller (or the producer) to arouse trust and to form a relationship with customers. Carrier thus notes that not all commodity transactions need be completely impersonal (Carrier 1995, 120). In some cases, a quasi-relationship can develop between buyer and seller. Carrier calls this kind of commodity exchange ‘Personal Shopping’: “In Personal Shopping the relationship between buyer and seller is redefined as social and personal, and this personality infects the objects transacted and so helps render them possessions. Thus, Personal Shopping entails establishing quasi-sociable relations with those who work in the store” (Carrier 1995, 122).

This is similar to what marketing scholars Boone and Kurtz call ‘Relationship selling’, which they define as “regular contacts between sales representatives and customers over an extended period to establish a sustained seller-buyer relationship” (Boone and Kurtz 2005, 561). Belch and Belch describe ‘personal selling’ as selling interactions between salesperson and a buyer (Belch and Belch 2003, Ch. 18). Personal selling “involves selling through a person-to-person communications process” (Belch and Belch 2003, 598).

According to Carrier, ‘Personal Shopping’ is the opposite of purely impersonal shopping, where the buyer seeks anonymity and minimal contact with the seller, because such a buyer is interested merely in the use value and exchange value of purchased items (Carrier 1995, 123). Carrier calls relations that are engaged in ‘Personal Shopping’ ‘quasi-sociable’, because they are significantly different from genuine relationships that characterize friendship or family relations (Carrier 1995, 123). Namely, the relationship developed in ‘Personal Shopping’ is “embedded in commodity relations and the world of work” (Carrier 1995, 123) and the only reason for buyer and seller to have any kind of relationship is because the buyer comes to the store with the intention of purchasing commodities (Boone and Kurtz 2005, 561).

Shop personnel are simply required to be nice and friendly—it is part of their job. What they express is not a genuine friendliness, but rather a sort of buyer-seller personal relationship, which can develop in shops where the buyer has regular contact with the seller. Carrier suggests that such situations can occur even in supermarkets, for instance in the bakery section of a supermarket, where the self-service typical of supermarket shopping is not applicable and the customer rather personally interacts with shop personnel (Carrier 1995, 123). Carrier claims that ‘Personal Shopping’ is not applicable for every trade situation, because “it requires that there be another person with whom one can plausibly establish quasi-personal relations” (Carrier 1995, 123).

Even though Carrier’s argument is certainly valid, I would like to extend the analysis to other strata of contemporary market exchange, because the customer may come into the store for reasons beyond the purely utilitarian. The customer may also have other, more intangible, reasons for coming to a particular shop, which will be discussed in the subsequent analysis.

According to Barnes (2004, 50–51), the relationships between a company and its customers can be present at four stages:

1. Intimate relationships: for instance between doctor and patient, or between hairdresser and regular customer or between lawyer and client. In such a relationship, both parties (usually asymmetrically) share personal information. Such a relationship is friendly and personal and can include physical touching.
2. Face-to-face customer relationships: typical for relationships between a buyer and sales personnel in a retail store.
3. Distant relationships: interaction is performed via the internet, telephone, etc.
4. No-contact relationships: there is hardly, if ever, any direct contact or interaction between buyer and company. The customer interacts with an agent or distributor of the company, for instance, when he buys his favourite brand in a superstore.

We can see that Carrier's 'Personal Shopping' represents only the first and second type of relationship that contemporary marketing builds between sellers and customers. My argument is that contemporary market exchange activities can create relationships that go beyond any personal, face-to-face relationship between buyer and seller, which have been beautifully analysed by Carrier thus far. A relationship can also develop between a buyer and a brand or company. At first glance, the idea that customers can have a relationship with a brand or company is not completely obvious to some people. As marketing scholar James G. Barnes has put it:

> If you were to ask a friend or even a stranger to tell you about her relationships, it is most likely that the conversation would centre on relationships with family, friends, neighbors, workmates, and team members. Few, I would suspect, would begin by talking about Marriott Hotels, United Airlines, Coke, or Wal-Mart. Relationships are intensely personal concepts. In fact, some people have great difficulty associating the term relationship with the commercial interaction between a company and its customers. (Barnes 2004, 51)

Peppers and Rogers (2004, 36) warn against oversimplifying the state of affairs: the fact that someone repeatedly buys the same brand and has affection for it does not yet imply a relationship, because repeated purchases can also originate in convenience, habit etc. However, for our analysis it is noteworthy that customers can develop relationships, not only with sales personnel, but also with the company or brand itself.

3.3.1.2.1. THE ANALYSIS OF CRITERION NO. 1: THE PURPOSE OF THE TRANSACTION

3.3.1.2.1.1. GENERAL ANALYSIS

Besides building relationships between sales representatives and buyers, contemporary marketing goes even further in producing a relationship between a firm and its customers. As already explained in Chapter 3.1.1., since the beginning of the Industrial Revolution, most companies have followed a production-oriented approach. Their focus was on producing, improving the efficiency of production, lowering costs and achieving mass production of products, which were then sold to consumers through various mass marketing activities (Bruhn 2002, 1–2). Such an approach, which emphasises transactions, is called 'transactional marketing', where "buyer and seller exchanges are characterized by limited communication and little or no ongoing relationships. The primary goal is to entice a buyer to make a purchase through such inducements as low price, convenience, or packaging. The goal is simple and short term: Sell something—now" (Boone and Kurtz 2005, 318). Such a selling strategy fits neatly into the conventional anthropological model of commodity exchange. However, in the mid 1980s, marketing started to gain a new focus. Instead of simply creating products and then, through mass advertising trying to just 'make the sale', the old marketing paradigm started to be upgraded by a stronger emphasis on customer relationships. The term 'relationship marketing' was developed, and the new approach was pushed forward from the United States and the Scandinavian countries (Bruhn 2002, xiv).

In the mid 1990's Sheth and Parvatiyar forecast that firms were "likely to undertake efforts to institutionalize the relationship with consumers—that is, to create a corporate bonding instead of a bonding between a front-line salesperson and consumer alone" (Sheth and Parvatiyar 1995, 265). In the autumn of 2009 there were already about 50 books on amazon.com containing the phrase 'relationship marketing' in their title. Relationship marketing is about having rich, multi-faceted relationships with customers and marketing partners (Kotler and Keler 2006, xxx). More and more, one of the most important goals of marketing is to develop profound and permanent relationships with everyone that could, in any way, affect the success of the company's marketing actions. The purpose of relationship marketing is to build mutually satisfying and long-term relationships with the most important and crucial partners. That includes not only customers, but also other marketing partners (distributors, suppliers, etc.) (Kotler and Keler 2006, 17). Relationship marketing builds strong ties among the parties on all levels: social, economic, technical, etc. (Kotler and Keler 2006, 18).

Relationship marketing did not evolve as a kind of philanthropy; rather, it emerged from purely business motives. Its impetus has come from two basic economic realisations: firstly, it was found that it is five to ten times more expensive to get a new customer than to keep an existing customer (Buttle 2000, 103). For a company it is therefore much easier and cheaper to sell to existing customers, who already know it, trust it, and know its level of quality, than to acquire new customers, who know nothing about the company, or may even be suspicious about it.

The key to retaining customers is relationship marketing (Kotler and Keler 2006, 168). In his edited volume of academic reviews of relationship marketing, Buttle summarized the paramount importance of building relationships between buyer and seller: "Under Relationship marketing, salespeople are likely to be replaced by relationship managers; customer retention is likely to be rewarded more highly than customer acquisition; customer satisfaction data will receive billing equal to that of financial data in management meetings; and the CEO will spend as much time with customers as with department heads" (Buttle 1996, 12).

Philip Kotler, one of the world's leading authorities on marketing says: "The marketer's goal is to build a mutually profitable long-term relationship with its customers, not just sell a product" (Kotler 2003, xiii).

According to Christopher, "It is now widely accepted that the real purpose of a business is to create and sustain mutually beneficial relationships, especially with selected customers" (Christopher et al. 2002, ix).

Barnes describes the purpose of contemporary marketing as follows:

> Marketing is no longer simply about developing, selling and delivering products. It is progressively more concerned with the development and maintenance of mutually satisfying long-term relationships with customers. If the 1950s was the era of mass-marketing, and the 1970s the era of market segmentation, then the 1990s represent the genesis of personalized marketing, in which knowledge about individual customers is used to guide highly focused marketing strategies. (Barnes and Open University 2000, 100)

When prominent marketers say that the real purpose of a business is to create and sustain buyer-seller relationships, not just sell a product, we see that in regard to the first criterion of evaluation—the purpose of the transaction—relationship features of gift exchange are indeed present in market exchange. However, it is important to mention that the hierarchy of interest still remains different for gift exchange and for market exchange. In gift exchange the relationship between exchange participants has primacy over the relation between persons and things. In other words, in gift exchange one does not exchange in order to acquire things, but to create and maintain a relationship with the other party. Conversely, in commodity exchange the primary interest is the commercial exchange of things. In this case, the relationship between buyer and seller is just something that facilitates the commercial transaction. Yet, the very fact that contemporary marketers talk about the uttermost importance of building relationships with customers is in stark contrast with traditional paradigm of transactional marketing, which focused on the momentary sale transaction only. The analysis along our first criterion—i.e. what is the purpose of the transaction—does not point to the conclusion that contemporary commodity exchange equals gift exchange. It only says that the purpose of contemporary commodity exchange is, in some cases, not merely the transaction itself, but also the creation of a relationship between exchange participants. This is in contrast to the traditional model of transaction-oriented sales. We can thus see that in the case of relationship marketing, relationship building—which is a feature of gift exchange—is added to a purely commercial transaction.

3.3.1.2.1.2. TEXTBOOK ANALYSIS

3.3.1.2.1.2.1. Kotler and Keller: Marketing Management

The idea of building mutual relationships in market transactions is nicely epitomized in the following quote: "And, the cornerstone of a well-conceived marketing orientation is strong customer relationships. Marketers must connect with customers—informing, engaging, and maybe even energizing them in the process" (Kotler and Keler 2006, 139).

Kotler and Keller repeatedly emphasize that the purpose of contemporary marketing is not only to sell, but also to create relationships. The book has the chapter 'Cultivating Customer Relationships' (Kotler and Keller 2006, 152–162) and the sub-chapter on 'relationship marketing' (Kotler and Keller 2006, 628). They describe holistic marketing as "integrating the value exploration, value creation, and value delivery activities with the purpose of building long-term, mutually satisfying relationships and co-prosperity among key stakeholders" (Kotler and Keller 2006, 40). They say that "in many cases the company is not seeking an immediate sale, but rather to build a long-term supplier-customer relationship" (Kotler and Keller 2006, 628), and: "Increasingly, a key goal of marketing is to develop deep, enduring relationships with all people or organizations that could directly or indirectly affect the success of the firm's marketing activities. Relationship marketing has the aim of building mutually satisfying long-term relationships with key parties—customers, suppliers, distributors, and other marketing partners—in order to earn and retain their business. (Kotler and Keller 2006, 17).

3.3.1.2.1.2.2. Kotler et al.: Principles of Marketing

The whole chapter 11 of this book is devoted to 'relationship marketing'. Several times the book stresses that the goal of marketing is shifting away from just making a sale, to actually building relationships and networks: "No longer does marketing focus on a single transaction but now it seeks to establish relationships" (Kotler et al. 2005, 37), and:

> Increasingly, marketing is shifting from trying to maximise the profit on each individual transaction to maximising mutually beneficial relationships with consumers and other parties. In fact, ultimately, a company wants to build a unique company asset called a marketing network. A marketing network consists of the company and all of its supporting stakeholders: customers, employees, suppliers, distributors, retailers, ad agencies, and others with whom it has built mutually profitable business relationships. (Kotler et al. 2005, 11)

Or in other words: "Increasingly, marketing is moving away from a focus on individual transactions and towards a focus on building value-laden relationships and marketing networks" (Kotler et al. 2005, 476), and: "More companies today are moving away from transaction marketing, with its emphasis on making a sale. Instead, they are practising relationship marketing, which emphasises maintaining profitable long-term relationships with customers by creating superior customer value and satisfaction" (Kotler et al. 2005, 825).
According to this book, "[m]arketing means managing markets to bring about exchanges and relationships for the purpose of creating value and satisfying needs and wants" (Kotler et al. 2005, 12). However, from the quote of Jeff Boz, the founder of Amazon.com, it is clear that such relationships are subservient to profit making: "If you focus on what customers want and build a relationship, they will allow you to make money" (Kotler et al. 2005, 5).

3.3.1.2.1.2.3. Palmer: Principles of Marketing

Palmer compares traditional, transaction oriented marketing, which focuses on a single sale, with relationship marketing, which focuses on customer retention (Palmer 2000, 198).
He says that:

> Relationship marketing goes to the heart of the marketing philosophy. Traditional definitions of marketing focus on the primacy of customer needs and relationship marketing as a philosophy refocuses marketing strategy away from products and their

> life cycles towards customer relationship life cycles. Recent conceptualizations of marketing as being the integration of a customer orientation, competitor orientation and inter-functional co-ordination … stress the key features of a relationship marketing philosophy; using all employees of an organization to meet profitably the lifetime needs of targeted customers better than competitors (Palmer 2000, 195)

3.3.1.2.1.2.4. Boone and Kurtz: Contemporary Marketing

According to the book, "marketing involves … creating and maintaining relationships with customers and suppliers" (Boone and Kurtz 1999, 8). Also, "[m]arketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas goods, services, organizations, and events to create and maintain relationships that will satisfy individual and organizational objectives" (Boone and Kurtz 1999, 9).

The book identifies "four eras in the history of marketing: (1) the production era, (2) the sales era, (3) the marketing era, and (4) the relationship era" (Boone and Kurtz 1999, 12). The Relationship Era started in the 1990s:

> Organizations carried the marketing era's customer orientation one step further by focusing on establishing and maintaining relationships with both customers and suppliers. This effort represented a major shift from the traditional concept of marketing as a simple exchange between buyer and seller. Relationship marketing, by contrast, involves long-term, value-added relationships developed over time with customers and suppliers. (Boone and Kurtz 1999, 14)

This change started to be even more pronounced in the new century: "As marketing enters the twenty-first century, a significant change is taking place in the way companies interact with customers. The traditional view of marketing as a simple exchange process—a concept that might be termed transaction-based marketing—is being replaced by a different, longer-term approach" (Boone and Kurtz 1999, 34).

This approach is contrasted to the traditional transactional approach: "Traditional marketing strategies focused on attracting customers. The goal was to identify prospects, convert them to customers, and complete sales transactions. But today's marketers realize that, although it remains important, attracting new customers is only an intermediate step in the marketing process. Marketing efforts must focus on establishing and maintaining mutually beneficial relationships with existing customers" (Boone and Kurtz 1999, 34).

3.3.1.2.1.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock devotes Chapter 13 to relationship marketing (Adcock 2000, 237–260). He says that "[o]ver the past two decades relationship marketing, sometimes termed strategic business partnershipping, has exploded into prominence in both marketing literature and thinking" (Adcock 2000, 238). Quoting Gummesson, he emphasises that relationship marketing is not just "a new promotional package, or a new type of (direct contact) marketing based on advances in information technology. Rather … it is a 'paradigm shift, requiring a dramatic change in marketing thinking and behaviour; not an add-on to traditional marketing' " (Adcock 2000, 238). He than says that "[t]he result of a shift in marketing thinking to focus on relationships should lead to the ability to manage all the episodes, interactional exchanges, with customers in a more strategic manner" (Adcock 2000, 239). Adcock affirms that "[e]stablishing long-term relationships with chosen customers is, rightly, seen as an important aim of strategic marketing" (Adcock 2000, 195). Strong relationships develop "[w]hen the ways of doing business, and the values and objectives of both supplier and customer, show some congruency, then there is a reduction in the 'distance' between the two parties. This is important if strong relationships are to develop with mutual trust and understanding" (Adcock 2000, 188).

3.3.1.2.1.2.6. Baker: The Marketing Book

The book says that the focus of marketing has shifted from merely acquiring customers to developing relationships with them: "Indeed, in a relationship marketing-based strategy, attention shifts towards customer retention rather than the more common customer acquisition" (Baker 2003, 523). This is "a new approach to marketing, based on the creation and maintenance of relationships" (Baker 2003, 32).

Since "[t]he relational paradigm drives an organisation to focus on relationships" (Baker 2003, 39), "marketing is now about managing relationships" (Baker 2003, 46). Therefore, "[m]uch contemporary thinking and practice in strategic marketing is concerned with managing relationships: with the customer, with those who influence customers' decisions, with competitors, and with partners in strategic alliances" (Baker 2003, 532). According to the book, relationship marketing has become quite well established, in spite of its controversies: "Now, in the early years of the new millennium, it appears that the debates that emerged throughout the 1980s and 1990s have been quieted (if not resolved) and that relationship marketing is synonymous with marketing. As such, it is difficult to conceive a marketing problem or issue that does not have the notion of building, maintaining or dissolving relationships at its core" (Baker 2003, 38).

The book devotes chapter 3 to relationship marketing (Baker 2003, 32–52).

It lists several definitions of relationship marketing, where the focus on relationships is clearly visible (Baker 2003, 33):

> [Marketing is] the process of identifying and establishing, maintaining, enhancing and when necessary terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met, where this is done by a mutual giving and fulfilment of promises.
>
> (Grönroos, 1997, p. 407)

> All marketing efforts directed towards establishing, developing and maintaining successful relational exchanges.
>
> (Morgan and Hunt, 1994, p. 23)

> Relationship marketing is about understanding, creating, and managing exchange relationships between economic partners; manufacturers, service providers, various channel members, and final consumers.
>
> (Möller and Wilson, 1995, p. 1)

> Marketing seen as relationships, networks and interaction.
>
> (Gummesson, 1994, p. 12)

The book delineates the following basic issues of relationship marketing that are generally agreed upon by various authors (Baker 2003, 33):

- Relationship marketing refers to commercial relationships between economic partners, service providers and customers at various levels of the marketing channel and the broader business environment.
- This recognition results in a focus on the creation, maintenance and termination of these commercial relationships in order that parties to the relationship achieve their objectives (mutual benefit).
- Profit remains an underlying business concern and relational objectives are achieved through the fulfilment of promises.
- Trust is essential to this process of relationship development and centres upon the keeping of promises.

3.3.1.2.1.2.7. Blythe: Principles and Practice of Marketing

According to Blythe, marketing is "concerned with creating and retaining customers" (Blythe 2006, 3). Blythe describes the difference between the transactional and relationship paradigms: "Traditional selling emphasises objection handling, overcoming the sales resistance of the buyer, and closing the sale. This naturally tends to lead to a focus on the single transaction rather than on the whole picture of the relationship between the supplier and the buyer" (Blythe 2006, 562).

Chapter 11 of the book is on 'Building Customer Relationships' (Blythe 2006, 366–391). There it describes that relationship marketing developed due to increased competition:

> In the early days of marketing, the emphasis was on encouraging people to buy products and services from a specific producer. Advertising and other promotional activities were intended to bring in new customers, but once the customers had made their purchases companies tended to lose interest in them, assuming that they would remain loyal provided the products were satisfactory.
>
> Recently this view has been challenged. Increased competition lures customers away: customers are, in any case, less loyal than they might have been in the days when there were few choices of product. A dwindling number of potential customers (as a result of falling populations) and a reduction in the effectiveness of advertising (as a result of an increase in clutter from excessive competition) means that there is a greater emphasis on retaining existing customers rather than attracting new ones. Various estimates have been put forward as to the relative costs of attracting new customers as opposed to retaining existing ones, but it is almost certainly cheaper to retain an existing customer than to recruit a new one. (Blythe 2006, 367)

However, Blythe says that "only fairly sophisticated relationship marketers put the relationship first, and the sales call second" (Blythe 2006, 379).

3.3.1.2.1.3. FINDINGS FOR CRITERION NO. 1

All selected textbooks agree that building relationship between buyer and supplier is one of the main purposes of marketing. The philosophy of transactional marketing, where it was important just to make a sale is being replaced by customer orientation, which emphasises creation and maintenance of mutual relationship between buyer and supplier. All selected textbooks devote considerable amounts of text to relationship marketing, thus showing that relationship building has become an important marketing paradigm. Therefore, all the selected textbooks comply with my first criterion.

3.3.1.2.2. THE ANALYSIS OF CRITERION NO. 2: DURATION OF RELATION

3.3.1.2.2.1. GENERAL ANALYSIS

The longer the company deals with the customer, the more transactions and profits such a long-term customer generates. Losing profitable customers can dramatically affect a firm's profits. According to Peck, a five percent increase in customer retention resulted in 20%—125% increase in net profit for various businesses (Peck et al. 1999, 46–47).

Companies are thus nowadays placing much more emphasis on customer retention than they used to several decades ago. For attracting and keeping their customers, companies increasingly rely on personal bonding with their customers. The goal is to have repetitive transactions along continuing relations, and therefore companies often endeavour to establish strong and permanent relationships between the company (producer or seller) and the buyer. The social relations are made subservient to profit making. When selling at fixed prices to anonymous consumers, mass advertising is preferred. When selling highly valuable goods to individual customers, personal bonding is chosen (Offer 1997, 465). Berry and Parasuraman (1991, 136–142) have recognized three types of practices for increasing retention: adding financial benefits, adding social benefits, and adding structural ties. Altogether, different customer retention practices result in loyal, returning customers. Such customers are strongly attached to company's image, brands, products or services.

Companies nowadays use various strategies to create strong and lasting relationships with consumers, including Customer Relationship Management (CRM), customer service, frequency (loyalty) programs and club marketing programs.

According to Kotler and Keller, CRM is "the process of managing detailed information about individual customers and carefully managing all customer "touch points" to maximize customer loyalty. A customer touch point is any occasion on which a customer encounters the brand and product—from actual experience to personal or mass communications to casual observation" (Kotler and Keller 2006, 152).

Boone and Kurtz (2005, 320 and 340) say that companies create enduring relationships through four steps:

1. Collect information about customers
2. Analyse the collected information and on that basis personalize messages and selling activities for individual customers
3. Monitor the success of such individualised interactions

4. With the help of CRM software, they use the detailed information about individual customers to change internal and external activities of the organisation accordingly and thus create unique and strong bonds with individual customers.

With frequency (loyalty) programs companies offer cumulative rewards proportional to the volume of their purchases to customers, such as the ‘frequent-flier miles program’ that major airline companies offer to their customers or little stickers that supermarket chains give to their buyers in proportion to the money spent on their purchases. After collecting the required number of stickers, a customer is eligible to buy certain items at a deeply discounted price (Kotler and Keller 2006, 159). The purpose of this strategy is to motivate buyer to buy even more from the same seller (Boone and Kurtz 2005, 326). Loyalty programs try to tie the customer into a profitable relationship, which lasts longer then the actual transaction itself. It aims to create loyal, returning customers, engaging them in buying from the same company again and again.

Companies also often create marketing club programs for loyal customers. Sometimes such clubs are open to everyone, enabling company to build a database or lure customers from competitors. Sometimes membership in such clubs is restricted to those who pay a membership fee or those from affinity groups. In both cases, clubs serve to build loyalty and form strong bonds with customers (Kotler and Keller 2006, 159–161).

Another strategy that prolongs the relationship between buyer and seller is customer service. The purpose of customer service is to create a loyal customer base and therefore demands excellent service:

> Customer service is critically important in cementing relationships. Marketing is concerned with ‘exchange relationships’ between the organisation and its customers, and quality and customer service are key linkages in these relationships. At its simplest, the exchange relationship is the customer paying for the benefits they receive. But the relationship marketing view is that the customer gives loyalty in exchange for their expectation that value will flow to them from the relationship. This flow of value includes not just product benefits but a number of less tangible benefits relating to the quality of the experience within a wider customer service context. (Christopher et al. 2002, 8)

Customer service prolongs relationship with customers, because customers feel they are taken care of by the company even after the act of purchase is over. If customers have any problems with purchased product or service, they are not left on their own, but are helped and assisted by customer service. Customer service by itself is not necessarily something that would establish a relationship, yet it represents a departure from a purely minute relationship that lasts only during the commodity transaction itself.

What is important for our discussion is that, through these strategies, the relationship between buyer and seller lasts much longer than the actual commodity transaction itself. As discussed earlier, a typical commodity transaction is supposed to leave both exchange parties free immediately after the transaction is over. Transactional marketing is "characterized by single deals and customer promiscuity" (Gummesson 2002, 22). Conversely, relationship marketing relies on building mutual relationship that lasts even after the transaction is over.

In reference to the second criterion for the presence of relationship features of gift exchange—duration of relation between exchange participants—we can therefore see that market exchange transactions can, in some cases, produce long lasting relationships between exchange participants, which persist even after the transaction is over.

3.3.1.2.2.2. TEXTBOOK ANALYSIS

3.3.1.2.2.2.1. Kotler and Keller: Marketing Management

Kotler and Keller say that more and more the goal of marketing is to build enduring, long-term relationship instead of focusing on short-term transaction: "Increasingly, a key goal of marketing is to develop deep, enduring relationships with all people or organisations that could directly or indirectly affect the success of the firm's marketing activities. Relationship marketing has the aim of building mutually satisfying long-term relationships with key parties …" (Kotler and Keller 2006, 17), and that "in many cases the company is not seeking an immediate sale, but rather to build a long-term supplier-customer relationship" (Kotler and Keller 2006, 628).

They say that a company must "develop strong, profitable, long-term relationships with customers" (Kotler and Keller 2006, 29), and that "[m]aximizing customer value means cultivating long-term customer relationships" (Kotler and Keller 2006, 152). They advise that a company should strive to increase the longevity of its customer relationships, because "[t]he more involved a customer is with the company, the more likely he or she is to stick around" (Kotler and Keller 2006, 154). They also say that "[g]reat brands establish enduring customer relationships" (Kotler and Keller 2006, 294). Also, companies should aim to "obtaining a long-term commitment. This approach reflects the growing interest of many companies in moving from pursuing an immediate sale to developing a long-term customer relationship" (Kotler and Keller 2006, 627).

3.3.1.2.2.2.2. Kotler et al.: Principles of Marketing

This book emphasises that "[b]eyond creating short-term transactions, smart marketers work at building long-term relationships with valued customers, distributors, dealers and suppliers. They build strong economic and social connections by promising and consistently delivering high-quality products, good service and fair prices" (Kotler et al. 2005, 11). And, even though "finding new customers remains very important, the emphasis is shifting towards retaining profitable customers and building lasting relationships with them" (Kotler et al. 2005, 13).

The book warns against focusing "on creating sales transactions in the short term, rather than on building long-term, profitable relationships with customers" (Kotler et al. 2005, 15). Instead, marketing should make profits "by creating long-term customer relationships based on customer value and satisfaction" (Kotler et al. 2005, 16).

The book says that in marketing-led organisations "customer retention becomes a priority and all staff are committed to building lasting relationships with the customer" (Kotler et al. 2005, 16). Nowadays companies "are going beyond designing strategies to attract new customers and create transactions with them. They are using customer relationship management to retain current customers and build profitable, long-term relationships with them" (Kotler et al. 2005, 32–33).

In contrast to transactional marketing, "[r]elationship marketing is oriented more towards the long term. The goal is to deliver long-term value to customers and the measure of success is long-term customer satisfaction" (Kotler et al. 2005, 476).

3.3.1.2.2.2.3. Palmer: Principles of Marketing

According to Palmer, traditional transaction oriented marketing has a short-term orientation, while relationship marketing has a long-term orientation (Palmer 2000, 198). The focus on the long-term relationship advocated by relationship marketing is "essentially about extending and deepening the business which a company does with each of its customers. So rather than letting customers drift away to competitors, the emphasis of relationship marketing is on retaining those profitable customers that a company has previously acquired, probably at quite a high acquisition cost in terms of the advertising and inducements needed to get their first purchase" (Palmer 2000, 190). He notes that, at the ultimate level, relationship marketing "goes to the core of the marketing concept through its customer lifetime focus" (Palmer 2000, 193).

3.3.1.2.2.2.4. Boone and Kurtz: Contemporary Marketing

The book asserts that "[t]oday's salesperson is more concerned with establishing long-term buyer-seller relationships and helping customers select products that will meet their needs than with simply selling any available goods or services" (Boone and Kurtz 1999, 654). The relationship marketing concept "refers to the development, growth, and maintenance of long-term, cost-effective exchange relationships with individual customers, suppliers, employees, and other partners for mutual benefit" (Boone and Kurtz 1999, 34). Furthermore, "[t]he concept's emphasis on creating and maintaining relationships is consistent with the focus in business on long-term, mutually satisfying sales, purchases, and other interactions with customers and suppliers" (Boone and Kurtz 1999, 9). The book emphasises the creation of long-term relationships between buyer and seller: "Building and managing long-term relationships between buyers and sellers is the hallmark of relationship marketing. Relationship marketing is the development, growth, and maintenance of long-term, cost-effective relationships with individual customers, suppliers, employees, and other partners for mutual benefit" (Boone and Kurtz 1999, 333).

The purpose of relationship marketing is to create long-term relationships: "Clearly, relationship marketing techniques help companies to create better and more personal ways to communicate with customers and develop long-term relationships" (Boone and Kurtz 1999, 359). For instance, database marketing "helps to create long-term relationships with customers and improve sales" (Boone and Kurtz 1999, 345). Relationship selling also helps to create long-term relationships: "As competitive pressures mount, more firms are emphasizing relationship selling, a technique in which a salesperson builds a mutually beneficial relationship with a customer through regular contacts over an extended period" (Boone and Kurtz 1999, 651). Furthermore, "[t]o create strong, long-lasting relationships with customers, sales-people must meet buyers expectations" (Boone and Kurtz 1999, 651).

3.3.1.2.2.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock says that "[e]stablishing long-term relationships with chosen customers is, rightly, seen as an important aim of strategic marketing" (Adcock 2000, 195). The purpose of marketing is not just making a sale, because "[t]he basis of both marketing and business success is the creation and retention of profitable customers" (Adcock 2000, 142). Furthermore, he emphasises that "commercial success comes from creating and retaining customers" (Adcock 2000, 157).

3.3.1.2.2.2.6. Baker: The Marketing Book

The book says that marketing challenge is "[f]inding ways to shift from single transaction focus to the forging of long-term relationships" (Baker 2003, 102). Therefore, we can see an "[e]arlier emphasis on short-term encounters, now shifting to a more enduring relational perspective" (Baker 2003, 13). As the role of marketing is changing, the new approach "recognizes the limitations of previous models and stresses the need for marketers to understand and manage long-term relationships" (Baker 2003, 159). According to the book, "[t]he relationship between buyer and seller is frequently long-term, close and involves complex patterns of interactions" (Baker 2003, 36).

Since CRM is one of techniques used by relationship marketing, "CRM unites the potential of IT and relationship marketing strategies to deliver profitable, long-term relationships" (Baker 2003, 489). Therefore, "[m]uch of the emphasis on CRM has been placed on the activities necessary to create enduring consumer relationships" (Baker 2003, 494).

3.3.1.2.2.2.7. Blythe: Principles and Practice of Marketing

Since selling to existing customer is cheaper and more profitable that acquiring new customers, companies started to adopt relationship marketing strategies, which emphasise long-term exchange relationships (Blythe 2006, 373). To retain customers has become more important than acquiring new ones: "Customer retention has become increasingly recognised as the key to long-term survival. In the past, most companies have operated on a 'leaky bucket' basis, seeking to refill the bucket with new customers while ignoring the ones leaking away through the bottom of the bucket" (Blythe 2006, 381). However, unlike in business-to-business environment, not all consumers are interested in building a relationship with the company:

> Building long-term relationships with customers has long been practised in business-to-business marketing. This is because there are relatively few customers in business markets, so that the loss of even one customer can have serious consequences… Relationship marketing has met with rather less success in consumer markets, perhaps because consumers do not see any advantage in establishing a close relationship with the firms that supply the goods they use. (Blythe 2006, 372)

The relationships between a company and its customers are not established overnight, but take time to develop: "An important point to remember about relationship marketing is that many of the techniques used to generate loyalty are expensive and require considerable commitment: in the long run, the effort will pay off, but relationships are not built overnight and firms which try to cash in on the relationship too early are likely to do a great deal of damage to future business" (Blythe 2006, 380).

3.3.1.2.2.3. FINDINGS FOR CRITERION NO. 2

All the selected textbooks affirm the importance of retaining customers. The old business model, which revolved around mass marketing where customer churn was unimportant, has been replaced by new model, which emphasises loyalty, customer lifetime-value and long-term relationships between buyers and suppliers. All selected textbooks thus conform with the second criterion of relationship.

3.3.1.2.3. THE ANALYSIS OF CRITERION NO. 3: PERSONAL PROXIMITY

3.3.1.2.3.1. GENERAL ANALYSIS

Companies try to emulate personal proximity by the means of having different interactions with different customers, building separate contexts and histories with different customers, and performing different actions for different clients.

A common strategy, which creates the impression of personal proximity, is a marketing campaign, which is carefully camouflaged to look like personal communication (Offer 1997, 465). This kind of strategy may assume various forms, depending on the degree of personalisation that promotional material is trying to emulate. Promotional letters (direct-mail) often do not look like traditional impersonal promotional material, but rather like a personal letter, with the recipient's name in the introduction line ("Dear Mr. Smith, …"). Even more advanced forms of personalised communication involve the differentiation of customers, so that companies disseminate different messages to different individuals or groups of individuals. With the introduction of CRM a company can greatly personalize its communications, promotions and even production according to the needs of individual customers. Some companies also use personalisation in production or at least try to create an impression of personalisation. New computer and communication technology lets a company establish very interactive collaboration with its customers. The company can easily receive feedback from customers and on that basis modify features of the product (Peppers and Rogers 2004, 15). With the help of new advances in technology the company can perform flexible manufacturing to customize its products and services to suit individual consumers. Such an approach emulates the feeling of intimacy, which traditionally existed between small-scale producers and their customers. In the past, a tailor knew his customers, their preferences and even their personal life-stories. However, with the dawn of mass production buyers became anonymous to the producer and, in case of retail stores, also to the sellers.

Recently companies have started to emulate the feeling of personal proximity, which once existed between exchange partners. This has become possible with the advent of new technologies, which enable companies to collect and store detailed information about individual customers in a comprehensive database. In order to know their customers, marketers collect information in databases. According to Kotler and Keller, "database marketing is the process of building, maintaining, and using customer databases and other databases (products, suppliers, resellers) for the purpose of contacting, transacting, and building customer relationships" (Kotler and Keller 2006, 162). The collected information then makes it possible for a company to shape its communications and offerings according to the needs and desires of an individual customer, helping the company build relationships with its customers.

This strategy is known as Customer Relationship Management (CRM). CRM is enabled by computer technology, which allows companies to store information about preferences, previous choices, transactions, etc. of its customers. Relationship Marketing emphasizes a dialogue with customers, instead of the one-way monologue typical of transactional marketing, where a company just mass advertises and mass sells its products (Boyett 2003, 102, 103).

Such an approach creates the impression that a customer is not just one among many, but rather someone personally known by the company. The impression of social proximity, which is created in such manner, is in stark contrast to transactional marketing, which uses mass selling to anonymous buyers.

When talking about CRM, it is important to note that CRM is not just software that collects information about customers and stores it in a comprehensive database, but merely one factor that enables companies to perform one-to-one marketing. The CRM software only helps to manage enormous amount of information about individual customers, while CRM is actually a philosophy about gearing all company activities towards developing stronger ties with customers (Boone and Kurtz 2005, 331; Newell and Godin 2003, xv; Kotler 2004, 11). As Outlaw has pointed out, "CRM is not a technology; it's not an application … It's a business strategy around interacting with your customers in a way that brings them more value[51] and is more profitable to you" (quoted in Boone and Kurtz 2005, 331).

Instead of differentiating products, new marketing strategies differentiate customers (Boyett 2003, 102).

Through CRM, the company can have a mutual 'virtual' relationship with the customer.[52] However, there is an element of asymmetry in this mutuality: the relationship with a person in gift exchange is fully mutual, but when a customer deals with a company, he is just one of the thousands of customers who are personally addressed by the company—despite the impression of social proximity created by CRM. Even though a CRM program typically provides a representative who personally takes care of the customer in case he needs assistance, such a mutual relationship only tries to emulate the personal, fully mutual, relationship that otherwise exists in gift exchange.

In such manner, an impression of social proximity is developed in the interaction between the buyer and seller/producer, again fulfilling another defining criterion of the gift exchange relationship.

3.3.1.2.3.2. TEXTBOOKS ANALYSIS

3.3.1.2.3.2.1. Kotler and Keller: Marketing Management

Kotler and Keller dedicate the whole chapter 19 to "Managing Personal Communications: Direct Marketing and Personal Selling" (Kotler and Keller 2006, 403). They say:

> Companies are now moving away from wasteful mass marketing to more precision marketing designed to build strong customer relationships. Today's economy is

[51] The term 'value' in this context refers to benefits that customers derive from CRM. If you visit a hotel, which has implemented CRM, the hotel will store all kind of information about you: for instance that you do not like orange juice, that you prefer a non-smoking room, that you require a room in the quiet corner of the hotel etc. When you visit this particular hotel next time, they already know your preferences and can thus serve you better, meaning that you as a customer benefit from CRM.

[52] Even though it is mostly not a personal relationship between a sales representative and a customer, it is a mutual relationship nevertheless. Even in human interactions, two people can have a virtual relationship. For example, two individuals can know each other only through their internet communication (chat-rooms, forums, e-mails, etc.), without ever meeting personally or communicating very frequently. One can even have a love affair in this manner. If it is true, that a relationship does not require personal, face-to-face interaction, a company and its customer can also have a mutual relationship without ever meeting personally.

> supported by information businesses. Information has the advantages of being easy to differentiate, customize, personalize, and dispatch over networks at incredible speed.
>
> As companies have grown proficient at gathering information about individual customers and business partners (suppliers, distributors, retailers), and as their factories are designed more flexibly, they have increased their ability to individualize market offerings, messages, and media. Mass customisation is the ability of a company to meet each customer's requirements—to prepare on a mass basis individually designed products, services, programs, and communications. (Kotler and Keller 2006, 152)

Direct marketing offers the possibility of personalizing messages, thus creating an impression of social proximity. Kotler and Keller define 'direct marketing' as the "[u]se of mail, telephone, fax, e-mail, or Internet to communicate directly with or solicit response or dialogue from specific customers and prospects" (Kotler and Keller 2006, 536). According to Kotler and Keller, direct marketing tends to be customized, because "[t]he message can be prepared to appeal to the addressed individual" (Kotler and Keller 2006, 556). The advantage of direct marketing is that marketers "can customize and personalize messages. Direct marketers can build a continuous relationship with each customer" (Kotler and Keller 2006, 606). They say that "[w]henever possible, mail to individuals by name and title" (Kotler and Keller 2006, 608). Also, "[c]ompany personnel work on cementing social bonds with customers by individualizing and personalizing customer relationships" (Kotler and Keller 2006, 161).

Their advice is: "Interact with individual customers to improve your knowledge about their individual needs and to build stronger relationships. Formulate customized offerings that are communicated in a personalised way" (Kotler and Keller 2006, 154), and "[c]ustomize products, services, and messages to each customer" (Kotler and Keller 2006, 154). This is possible, because "[d]irect marketers know enough about each customer to customize and personalize the offer and message" (Kotler and Keller 2006, 607). They say that "[w]ith the help of large databases and advanced software, companies can store gigabytes of customer data and send targeted, personalised marketing messages to customers" (Kotler and Keller 2006, 285).

According to (Kotler and Keller, "[m]arketers are increasingly abandoning the mass-market practices that built brand powerhouses in the 1950s, 1960s, and 1970s for new approaches that are in fact a throwback to marketing practices from a century ago, when merchants literally knew their customers by name. To adapt to the increased consumer desire for personalisation, marketers have embraced concepts such as experiential marketing, one-to-one marketing, and permission marketing" (Kotler and Keller 2006, 284).

Besides, the company can also offer customized products to individual customers: "The company is able to produce individually differentiated goods whether ordered in person, on the phone, or online. By going online, companies essentially enable consumers to design their own goods. The company also has the capacity to interact with each customer personally, to personalize messages, services, and the relationship" (Kotler and Keller 2006, 14).

3.3.1.2.3.2.2. Kotler et al.: Principles of Marketing

The authors describe the shift from traditional mass-marketing to personalised marketing:

> Mass marketers have typically tried to reach millions of buyers with a single product and a standard message communicated via the mass media. Consequently, most mass-marketing communications were one-way communications directed at consumers rather than two-way communications with consumers. Today, many companies are turning to direct marketing in an effort to reach carefully targeted customers more efficiently and to build stronger, more personal, one-to-one relationships with them. (Kotler et al. 2005, 843)

They say that "[t]he new technologies have encouraged more companies to move from mass communication to more targeted communication and one-to-one dialogue" (Kotler et al. 2005, 719). This has happened because,

> as mass markets have fragmented, marketers are shifting away from mass marketing. More and more, they are developing focused marketing programmes designed to build closer relationships with customers in more narrowly defined micromarkets. Second, vast improvements in information technology are speeding the movement towards segmented marketing. Today's information technology helps marketers to keep closer track of customer needs—more information is available about customers at the individual and household levels than ever before. New technologies also provide new communications avenues for reaching smaller customer segments with more tailored messages. (Kotler et al. 2005, 720)

Since "customers differ, communications programmes need to be developed for specific segments, niches and even individuals" (Kotler et al. 2005, 728). According to the book, "the shift towards one-to-one marketing is spawning a new generation of more specialised and highly targeted communications efforts" (Kotler et al. 2005, 720).

Today, marketers can personalize messages: "Using database marketing, today's marketers can target small groups or individual consumers, tailor offers to individual needs and promote these offers through personalised communications" (Kotler et al. 2005, 831). With the help of "the information in their databases, these companies can identify small groups of customers to receive fine-tuned marketing offers and communications" (Kotler et al. 2005, 832–833).

The book defines direct marketing as "[d]irect connections with carefully targeted individual consumers both to obtain an immediate response and to cultivate lasting customer relationships—the use of telephone, mail, fax, email, the Internet and other tools to communicate directly with specific consumers" (Kotler et al. 2005, 719). Direct marketing is "non-public as the message is normally addressed to a specific person" (Kotler et al. 2005, 831), "can be customised, so messages can be tailored to appeal to specific customers" (Kotler et al. 2005, 831). Therefore, "direct marketing is well suited to highly targeted marketing efforts and to building one-to-one customer relationships" (Kotler et al. 2005, 744).

The impression of social proximity is also built by 'customisation' and 'customerisation': "Customisation involves taking the initiative to customise the market offering. For example, a Levi's salesperson takes the person's measurements and the company customises the jeans at the factory. In customerisation, the company leaves it to individual customers to design the offering. For example, jeans customers may take their own measurements and add specific features that they may want in their jeans, such as colourful patches" (Kotler et al. 2005, 134).

3.3.1.2.3.2.3. Palmer: Principles of Marketing

Palmer contrasts traditional transaction oriented marketing which deals with anonymous buyers to relationship marketing which focuses on the "tracking of named buyers" (Palmer 2000, 198).

According to Palmer, "[t]he emergence of powerful, user-friendly databases has enabled large companies to know more about their customers, recreating in a computer what the small business owner knew in his or her head" (Palmer 2000, 192). Therefore, "technological developments in the areas of database and production management now give large-scale producers an ability to keep in touch with customers and thereby recapture some of the relationships for which brand development has provided a surrogate" (Palmer 2000, 93).

The book describes 'direct marketing' in chapter 20 (Palmer 2000, 516–541): "Today, information technology is allowing many companies to go back to dealing with their customers on a one-to-one basis" (Palmer 2000, 518). Direct marketing techniques "allow promotional messages to be tailored and targeted to individuals, having regards to their unique needs" (Palmer 2000, 424) and "allow firms to re-enter a direct dialogue with each of their customers" (Palmer 2000, 519). Palmer presents a table, where he compares the principles of traditional mass marketing to direct marketing, which nicely depicts how direct marketing creates the impression of personal proximity (Palmer 2000, 198):

Table 3. 1.: Differences between traditional mass marketing and direct marketing

Emphasis of traditional mass marketing	Emphasis of direct marketing
Average customer	Individual customer
Anonymous customers	Customer profiles
Standardized product offer	Customized product offer
Mass production	Customized production
Mass distribution	Individual distribution
Mass advertising	Individual dialogue
Mass promotion	Individual incentives
One-way messages	Interactive dialogue
Economies of scale	Economies of scope
All customers	Profitable customers
Customer attraction	Customer retention

Source: Palmer 2000, 198

3.3.1.2.3.2.4. Boone and Kurtz: Contemporary Marketing

The book describes the use of customer databases: “With database systems in place, companies can track buying patterns, develop customer relationship profiles, customize their product offerings and sales promotions, reduce errors, and personalize customer service” (Boone and Kurtz 1999, 345). Database marketing enables companies to create one-to-one interactions with their customers: “When marketing centers on a one-to-one interaction between an individual salesperson and an individual customer, buyer-seller relationships are fairly easy to track and manage” (Boone and Kurtz 1999, 344). The book emphasises that modern technology “provides essential support for a first-rate customer relationship. With database systems in place, companies can track buying patterns, develop customer relationship profiles, customize their product offerings and sales promotions, reduce errors, and personalize customer service” (Boone and Kurtz 1999, 345). In this manner, contemporary marketing is trying to imitate the personal proximity which used to exist between buyers and sellers: “In a way, the world of marketing is returning to the old days of one-to-one marketing, where sellers got to know their customers and could tailor each product offer and sales presentation to the specific needs of the individual prospect. Databases have played a major role in the switch from mass marketing to mass customization in companies' marketing programs" (Boone and Kurtz 1999, 346). Databases also enable companies to individualise their integrated marketing communication (IMC) and give specific messages to individual customers: "Databases and interactive marketing are important IMC tools that help marketers collect information from customers and then segment markets according to resulting analysis of demographics and preferences. They can then design specialised communications programs to meet the needs of particular segments" (Boone and Kurtz 1999, 562). Personalisation is not limited only to communication but also extends to personalised products: "Mass customization seeks to provide customers with high-quality, competitively priced goods and services tailor-made to their specifications or needs" (Boone and Kurtz 1999, 69).

3.3.1.2.3.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock says that "[t]here are some markets where every offering is individually constructed, and each customer can be considered separately, a segment of one!" (Adcock 2000, 91). To come closer to the customers, companies collect all sort of information about them:

> In the attempt to understand customers and to build up long-term relationships, suppliers in both consumer and business markets try to build up databases of relevant facts. These are often established without the consent of the customer, and could contain information from a wide variety of sources. Similar techniques are employed in the closely related field of database/direct marketing. (Adcock 2000, 255)

Therefore, "[i]t is necessary to know a lot about your partners and potential partners, especially if deep relationships are the objective" (Adcock 2000, 255). "Salespeople also adopt as good practice the building of databases covering the necessary information about customers and contacts which is often included in the advice on building relationships" (Adcock 2000, 239). This social proximity between buyer and seller can become so pronounced, "that the gap between some producers and customers has narrowed over the past 50 years so that now many relationships are so close that suppliers come into the customer's activity cycle" (Adcock 2000, 79).

Adcock also describes the customisation of products and services. He says that "[t]he degree of adaptation that is necessary if a particular offering is to satisfy a wide group (global) of potential customers will be specific to each particular situation. It is most often achieved by offering a standard ‘core’ product adapted by modifications to the expected and augmented levels of the same product” (Adcock 2000, 92). There could be various degrees of customisation, because “when considering product offerings the choice is not between pure customisation and pure standardisation, but rather the position is chosen on a continuum stretching between the two extremes” (Adcock 2000, 100). Adcock lists five stages in this continuum: pure standardisation, segmented standardisation, customized standardisation, tailored customisation, and pure customisation (Adcock 2000, 100). The last stage, “[t]otal or pure customisation is the ultimate—an individually painted portrait or designer clothes made from a specially woven fabric” (Adcock 2000, 102).

3.3.1.2.3.2.6. Baker: The Marketing Book

According to the book, there are several strategies for adding value to goods and services One of them is ‘customer intimacy’: “Designing solutions for customers on a one-to-one basis. Customers will perceive added value when suppliers communicate directly with them and offer solutions tailored precisely to their individual needs rather than being communicated and produced for a mass market (e.g. Dell, American Express)” (Baker 2003, 308).

This is supported by CRM, which “attempts to manage all customer touch points and facilitate the integration of various database systems to provide a single picture of the customer … This picture encompasses the customer’s needs, preferences, buying behaviour and price sensitivity, and allows the CRM business to focus on building customer retention and profitability” (Baker 2003, 38). “Relationship marketing is aided by modern information technology that makes it possible to individualize communication with customers in a mass market” (Baker 2003, 76).

The book says that digital printing technology enables extreme personalisation, where a company can personalize its communication page by page, and put a name anywhere throughout the copy (Baker 2003, 273). The book offers an example, saying: “A development of this in the USA was an apparently hand-written mailing targeted at members of a particular health care segment. So convincing was this that over 150 people complained on the basis that it looked like a friend writing to them telling them they needed to lose weight” (Baker 2003, 273)! Moreover, “[t]echnology will also facilitate more examples of personalized targeting of segments. It is now possible to target an individualized TV message, analogous to personalized mailing, to a unique address via fibre-optic cable” (Baker 2003, 273–274).

In chapter 22, which deals with ‘direct marketing’ (Baker 2003, 565–584), it states that “[d]irect marketing is the process in which individual customers’ responses and transactions are recorded … and the data used to inform the targeting, execution and control of actions … that are designed to start, develop and prolong profitable customer relationships" (Baker 2003, 569).

3.3.1.2.3.2.7. Blythe: Principles and Practice of Marketing

Blythe describes 'customer intimacy' as a differentiation strategy:

> This strategy requires the company to get as close as possible to its customers, usually by precise segmentation. This strategy is likely to be based on developing close relationships with customers, which in turn usually means empowering the grass-roots staff to make decisions close to the customers, and also developing very detailed knowledge of customers' needs and wants. Such companies attract customers who are prepared to pay substantial premiums to get exactly what they want, and who are prepared to be loyal to companies who deliver. (Blythe 2006, 348)

Chapter 19 of the book is about 'direct marketing' (Blythe 2006, 605–640). It has section on 'database marketing' (Blythe 2006, 608–614), which is defined as "an interactive approach to marketing that uses individually addressable marketing media and channels (such as mail, telephone and the sales force) to provide information to a target audience, stimulate demand, and stay close to customers by recording and storing an electronic database memory of customers, prospects, and all communication and transactional data" (Blythe 2006, 608). According to Blythe, "[d]atabase marketing allows customers to be targeted with individually tailored communications" (Blythe 2006, 282). Blythe says that "[t]he key to all direct marketing, and in particular the key to Internet-based direct marketing, is the creation of a suitable database. A database consists of two elements: a collection of customer data, and a software program designed to manipulate the data" (Blythe 2006, 610).

The book has a section on 'direct mail' (Blythe 2006, 617–620), where it says that in some cases "the mailing is intended to maintain a relationship with the customer" (Blythe 2006, 617).

Blythe writes about 'micromarketing', which is

> the practice of tailoring products and marketing programmes to suit specific individuals and circumstances. For example, Dell Computers will produce a computer to the purchaser's specifications, within certain limits. Ultimately, micromarketing takes us full circle, to the days when craftsmen made everything to the customers' specifications—tailor-made clothing and furniture was, at one time, the norm. Micromarketing enables us to use modem production techniques to achieve similar

> outcomes. Mass customisation is the ability to prepare individual, custom-made products through a mass-production process. (Blythe 2006, 179)

3.3.1.2.3.3. FINDINGS FOR CRITERION NO. 3

All the selected textbooks describe various personalisation techniques employed by modern marketing—These techniques include personalised messages, direct marketing, customized products and services, and personalised marketing—and describe new principles which enable companies to create the impression of social proximity. Therefore, all the selected textbooks comply with my third criterion of relationship.

3.3.1.2.4. THE ANALYSIS OF CRITERION NO. 4: BUILDING CONTEXT AND HISTORY

3.3.1.2.4.1. GENERAL ANALYSIS

Whenever a customer buys something, he interacts with the company, which can automatically store information about everything related to that purchase with CRM software. Boyett says: "Companies plan and build infrastructures that enable them to organize a network of services, communications, and processes so they can interact with customers, diagnose needs, develop customized delivery plans, and track results" (Boyett 2003, 103). This is in stark contrast with the conventional wisdom of transactional marketing, where "companies unilaterally anticipate future customer needs, define the ideal offering for the market, set up production, produce and distribute the offering, and try to sell the offering" (Boyett 2003, 103).

Ballantyne and Varey argue that "dialogue in marketing is much more than alternating monologues and covers the joint investigation of needs, wants, desires, problems, issues, and decisions to be made" (Ballantyne and Varey 2006, 229). Relationship marketing emphasizes continuous interaction with customers, instead of the one-way, interaction-less mode that characterizes transactional marketing.

Boyett says that relationship marketing "[e]ngages in a dialogue with customers—listen and learn" (Boyett 2003, 102). Relationship marketing "[v]iews purchase events as conditional on previous purchase events. The customer is presumed to remember the company from one purchase event to another. Thus, the company must ensure that the purchase events undertaken by any single customer remain linked together by the enterprise so that each successive purchase event becomes more convenient for that customer" (Boyett 2003, 103).

Peppers and Rogers (2004, 36) point out that in buying and selling, such a situation is very convenient for both parties, because, by building context and history, less time and energy is spent getting to know each other's likes and dislikes. In commodity exchange, getting to know the seller better and better gives confidence to the buyer, who then knows what to expect. For instance, he does not need to spend time searching around to find a good restaurant, but already knows where to get good offers.

On the other hand, if the seller knows customers better and better, he can modify his offers to fit his customer's needs. Peppers and Rogers point out that both buyer and seller benefit from building up their knowledge of the other party. The buyer gets convenience and the seller gets a loyal customer. Peppers and Rogers (2004, 20) call it a 'Learning Relationship':

> If you're my customer and I get you to talk to me, I remember what you tell me, and I get smarter and smarter about you. I know something about you that my competitors don't know. So I can do things for you my competitors can't do, because they don't know you as well as I do. Before long, you can get something from me you can't get anywhere else, for any price. At the very least, you'd have to start all over somewhere else, but starting over is more costly than staying with me. (Peppers and Rogers 2004, 20)

The actions of each party engaged in relationship marketing are constantly shaped by the historical context of all previous interactions. Peppers and Rogers (2004, 37) emphasize that for a company it is not enough to routinely engage in one-way, typified communication; its activities should be customized according to customer input. Or, to put it another way, the behaviour of the company is constantly modified due to the changing activities and preferences of its customers. On the other hand, customers also modify their behaviour according to their past experience with the seller/producer.

Companies, which practice relationship marketing, pay full attention to past activities and the preferences of their individual customers, and then changing their actions accordingly. Amazon.com is a good example: every time a customer visits the store the web site tracks his or her activities. It records search queries, viewed and purchased items, etc. It builds up a history of the customer's preferences, buying decisions, and other personal information. On the basis of all the customer's previous activities the web site then constantly reshapes its recommendations, discounts, etc. Such a store is not static, but constantly dynamically reactive to the customer's actions and decisions.

3.3.1.2.4.2. TEXTBOOK ANALYSIS

3.3.1.2.4.2.1. Kotler and Keller: Marketing Management

Modern technology enables companies to collect and store detailed information about customers. Such information is collected through all the past interactions that a company has had with its customers:

> Marketers must know their customers. And in order to know the customer, the company must collect information and store it in a database and do database marketing: A customer database is an organized collection of comprehensive information about individual customers or prospects that is current, accessible, and actionable for such marketing purposes as lead generation, lead qualification, sale of a product or service, or maintenance of customer relationships. Database marketing is the process of building, maintaining, and using customer databases and other databases (products, suppliers, resellers) for the purpose of contacting, transacting, and building customer relationships. (Kotler and Keller 2006, 162)

In this manner the company builds comprehensive knowledge about its customers: "Savvy companies are capturing information every time a customer comes into contact with any of its departments. Touch points include a customer purchase, a customer-requested service call, an online query, or a mail-in rebate card" (Kotler and Keller 2006, 163). Therefore, "[a] growing number of today's companies are now shaping separate offers, services, and messages to individual customers. These companies collect information on each customer's past transactions, demographics, psychographics, and media and distribution preferences" (Kotler and Keller 2006, 18).

All previous interactions add some more knowledge about the customer to the company's database: "A customer database contains … information, accumulated through customer transactions, registration information, telephone queries, cookies, and every customer contact. Ideally, a customer database contains the consumer's past purchases, demographics (age, income, family members, birthdays), psychographics (activities, interests, and opinions), mediagraphics (preferred media), and other useful information" (Kotler and Keller 2006, 163). In this manner, the company can design its next interaction on the basis of all pervious interaction with the customer: "As the former chief marketing officer of Amazon liked to point out, when you walk through the door at Macy's, the retailer has no idea who you are. When you log on to Amazon, however, you are greeted by name, presented a customized set of product purchase suggestions based on your past purchase choices, and offered an accompanying series of frank customer reviews. As you log off the site, you are also asked permission to be e-mailed special offers. (Kotler and Keller 2006, 162–163).

Kotler and Keller describe direct marketing as interactive, because “[t]he message can be changed depending on the person’s response” (Kotler and Keller 2006, 556). Such marketing builds actions on the basis of previous interactions and purchasing activities. Nowadays, companies can record purchasing actions of its customers and then act accordingly: “The company’s best prospects are customers who have bought its products in the past” (Kotler and Keller 2006, 609).

3.3.1.2.4.2.2. Kotler et al.: Principles of Marketing

The book emphasises that both buyers and the company build history: “Companies want to know how to establish long-lasting relationships with consumers. This interest in the period after a purchase makes the study of consumers a circular rather than linear activity. People’s attitudes and lifestyles are influenced by past purchases, and each passage through awareness, interest, desire and action influences all other purchase decisions” (Kotler et al. 2005, 30).

Therefore, “the consumer is likely to develop a set of brand beliefs about where each brand stands on each attribute. The set of beliefs held about a particular brand is known as the brand image. The consumer’s beliefs may vary from true attributes based on his or her experience to the effects of selective perception, selective distortion and selective retention” (Kotler et al. 2005, 282). For that reason “[i]ntegrated marketing communication calls for recognising all contact points where the customer may encounter the company, its products and its brands. Each brand contact will deliver a message, whether good, bad or indifferent” (Kotler et al. 2005, 727).

Nowadays, marketers should no longer be interested only in a one-time sale, but rather focus on all the stages of a buyer’s involvement with the company. Marketers are “moving towards viewing communications as managing the customer relationship over time, that is, during the pre-selling, selling, consumption and post-consumption stages” (Kotler et al. 2005, 727). The book describes a customer database as

> an organised collection of comprehensive data about individual customers or prospects, including geographic, demographic, psychographic and buying behaviour data. The database can be used to locate good potential customers, tailor products and services to the special needs of targeted consumers, and maintain long-term customer relationships. Database marketing is the process of building, maintaining and using

> customer databases and other databases (products, suppliers, resellers) for the purpose of contacting and transacting with customers. (Kotler et al. 2005, 832)

Information stored in such databases can be used to shape future company interaction with its customers. The company can use

> a database to profile customers based on previous purchasing and to decide which customers should receive particular offers. Databases can help the company to deepen customer loyalty—companies can build customers' interest and enthusiasm by remembering buyer preferences and by sending appropriate information, gifts, or other materials. The database can help a company make attractive offers of product replacements, upgrades, or complementary products, just when customers might be ready to act (Kotler et al. 2005, 833).

3.3.1.2.4.2.3. Palmer: Principles of Marketing

Palmer points out that "[e]xchanges should not be seen in isolation from the preceding and the expected subsequent exchanges between parties. Marketers are increasingly focusing on analysing ongoing exchange relationships, rather than one-off and isolated exchanges (see Chapter 8)" (Palmer 2000, 17).

Palmer also suggests that we should distinguish between transactional selling, which does not depend upon previous transactions, and relational selling which builds a history:

> In the case of one-off transactional exchanges, the elements are relatively easy to identify, as the presumption is made that the parties involved bring no previous history of exchanges to the current exchange, nor do they expect the outcome of the current exchange to influence future exchanges. In the case of ongoing relational exchange, the last condition is not met, and any analysis of exchange elements must consider a wide range of social and economic factors that form part of an exchange. (Palmer 2000, 196)

The book describes the 'life cycle' model of buyer-seller relationship, which identifies "five stages of relationship development—awareness, exploration, expansion, commitment, and dissolution" (Palmer 2000, 200). We can thus see that the buyer-seller relationship builds up over time on the basis of all previous interactions. Therefore, a company that pursues a 'customer orientation' must understand what is of "value to the customer not only … today, but also how it is likely to evolve over time" (Palmer 2000, 6).

3.3.1.2.4.2.4. Boone and Kurtz: Contemporary Marketing

The book emphasises that the company must know about its past interactions with its customers in order to retain them in a relationship: "The only enduring way to stop customers from playing the field is to marry them—to forge intimate, mutually beneficial partnerships based on an exchange of knowledge about each other's desires, needs, abilities, and character. In terms of the business exchange, a customer's decision to be loyal or to defect will be the sum of many small encounters with a company" (Boone and Kurtz 1999, 331). Also, integrated marketing communication (IMC) must take into account information about a company's customers and their histories: "Success of any IMC program depends critically on knowing the members of an audience and what they want. Without good information about existing and potential customers, their purchase histories, needs, and wants, marketers may send the wrong message. But they cannot succeed simply by improving the quality of the messages or sending more of them. IMC must not only deliver messages to intended audiences but also gather responses from them" (Boone and Kurtz 1999, 562).

3.3.1.2.4.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock says that contemporary market exchange partners build context and history through their continuous interaction: "Key to any partnership is the commitment of both parties to develop a relationship, and demonstrating this is an important aspect of building trust in each other for the future. Every contact between supplier and customer is part of this process, and hence any failure to deliver benefits could put a strain on the relationship" (Adcock 2000, 195). Therefore, "[c]ustomers will evaluate both tangible and intangible features, but their evaluation frame will depend upon their customer activity cycle and will include previous experience with the supplier" (Adcock 2000, 157). According to Adcock, "[t]he key point is that future exchanges are heavily dependent on all previous experience. There is much evidence to suggest that where close relationships exist, then future satisfying marketing exchanges are very likely to continue to take place" (Adcock 2000, 238). He emphasises that "[r]elationships are developed over a long period of time. Every episode of interaction contributes towards its evolution" (Adcock 2000, 258). "They start forming with the first contact between a supplier and a potential customer. They develop with every subsequent interaction" (Adcock 2000, 237). Latter, Adcock elaborates on this point:

> Prior to a purchase customers will form their own expectations as to what they are likely to receive and the probable costs. One of the inputs will be the promises made by the supplier about a particular offering; another is the experience properties if a previous purchase has taken place, or if some positive or negative 'word of mouth' recommendations have been received. Further input will include all the tangible cues designed to add credence properties to an offering and give customers confidence in

> the supply company, as well as the customer perception of such intangible issues as company image, brand reputation or relationship value. (Adcock 2000, 337)

We can thus see that market exchange is not necessarily an anonymous type of exchange involving no context and history.

3.3.1.2.4.2.6. Baker: The Marketing Book

The book describes 'biographic segmentation', which enables companies to build histories of the customers:

> A further development, and yet another significant one, is the progression from profile data to transactional data. Bar code scanning at point of purchase can match products purchased with details of the customer. A similar story applies to mail, telephone or Internet purchases, because these can match purchases with individuals. For example, an inspection of a resulting retail loyalty scheme database revealed, for a certain Mrs 'Brown', her address and a variety of behavioural information, including: she shops once per week, usually on a Friday, has a baby (because she buys nappies), spends £90 per week on average and usually buys two bottles of gin every week—on Thursdays (Mitchell, 1996). Analysis via data mining software (demonstrated later) can identify purchasing patterns of individuals. By knowing what individual consumers buy, the retailer might be able to target them with relevant offers. (Baker 2003, 264)

Therefore, marketing "moves toward one-to-one targeting in terms of personalised offers based on mining previous buying biographies" (Baker 2003, 276). Thus, we can see that companies try to collect information from all interactions with their customers: "The information management process is concerned with the collection and collation of customer information from all customer contact points, and the utilisation of this information to construct complete and current customer profiles which can be used to enhance the quality of the customer experience" (Baker 2003, 493).

This is an iterative process, because "[a] database exploiting transactional information tells the marketer everything about customers' purchases updated with each new response (and non-response)" (Baker 2003, 579). In such a case, "transactional data become the central focus of segmenters' many databases, and is overlaid with the multitude of profile data discussed earlier. As a result, we have moved into the era of biographic segmentation—the fusion of profile and transaction data. Many marketers are able to produce a 'buying biography' of individual customers" (Baker 2003, 266). However, the book emphasises that ultimately, the goal of CRM "is to build relationships, not databases. This is achieved through dialogue … and not one-way communication" (Baker 2003, 47).

3.3.1.2.4.2.7. Blythe: Principles and Practice of Marketing

Blythe says that "[d]atabase marketing is characterised by its two-directional, interactive nature. The database is used to send out information, but is then improved and refined by collecting the information returned from recipients of the first contact" (Blythe 2006, 608). Here we can clearly see the iterative nature of such a relationship.

According to Blythe, "[t]he aim in direct marketing is to use the information gathered to develop an ongoing, continuous relationship with the customer: each transaction should refine the firm's knowledge of the customer's needs and wants, and this knowledge should be reflected in future dealings" (Blythe 2006, 608).

A company can get information about its customers from various sources, e.g. company records, responses to sales promotions, warranty and guarantee cards, enquiries from potential customers, exchanges of data with other organisations, sales force records, application forms, complaints, responses to previous direct marketing activities, organised events, loyalty cards, and surveys (Blythe 2006, 611).

3.3.1.2.4.3. FINDINGS FOR CRITERION NO. 4

All the selected textbooks describe methods and principles for gathering information about interactions and the purchasing activities of customers. In this manner companies can build databases of the interactions, preferences, etc. of their customers, thus building context and history. All the selected textbooks comply with the fourth criterion of relationship analysis.

3.3.1.2.5. THE ANALYSIS OF CRITERION NO. 5: NON-FUNGIBLE TRANSACTORS

3.3.1.2.5.1. GENERAL ANALYSIS

In transactional marketing, the buyers are anonymous—just one among many. They are nameless and fungible. However, with the advancement of marketing principles and the invention of new technologies, companies started to differentiate customers. It turned out that some customers are more profitable to the company than others. As Kotler and Keller say, "the emphasis is on the lifetime stream of revenue and cost, not on the profit from a particular transaction" (Kotler and Keller 2006, 149). Therefore, "companies are focusing on their most profitable customers" (Kotler and Keller 2006, 28) and "drop unprofitable customers" (Kotler and Keller 2006, 120).

As Peppers and Rogers (2004, 6) have put it, "CRM involves treating different customers differently." In such manner they transform their 'customers' into 'clients'. The distinction between the old and new approaches is described by Donnelly, Berry, and Thompson (1985, 113): "Customers may be nameless to the institution; clients cannot be nameless. Customers are served as part of the mass or as part of larger segments; clients are served on an individual basis. Customers are served by anyone who happens to be available; clients are served by the professional assigned to them."

Instead of treating all customers equally, relationship marketing believes that customers must be treated individually (Boyett 2003, 104). This can be experienced not only in web shops like amazon.com, but also with other companies that successfully implemented CRM. In such cases, a customer receives individualised treatment, showing that the company does not engage in anonymous and impersonal mass marketing, but treats customers as unique.

Relationship marketing attempts to treat customers as partners, and not as a homogeneous mass of buyers, which is there just to buy products and give away money. Christopher summarized this new approach in company treatment of customers in the following words:

> It is now widely accepted that the real purpose of a business is to create and sustain mutually beneficial relationships, especially with selected customers. Equally widely accepted is the view that the cement that binds successful relationships is the two-way flow of value—that is, the customer derives real value from the relationship, which converts into value for the organisation in the form of enhanced profitability. (Christopher et al. 2002, ix)

Boyett (2003, 102) summarizes the difference between transactional and relationship marketing saying that transactional marketing "uses information about what customers have in common to sell to the widest range of customers and find the next most logical customer for a product". Conversely, relationship marketing "uses information about individual customers to find the next most logical product for that customer" (Boyett 2003, 102).

On the other hand, a loyal customer may also feel that the brand or company is non-fungible, because it can not be replaced by another brand or company. Peppers and Rogers (2004, 37) suggest that a customer can feel that a relationship with a company is valuable for various reasons. He can gain utilitarian and symbolic benefits by purchasing from a particular company, get the convenience of repeated purchases from the same vendor, with whom the relationship (and therefore iterative mutual interactions that build history) is already established, etc.

The extent of tangible or intangible benefits that a loyal customer derives from a particular company may be so great that a customer would be unwilling to switch to another supplier. In market exchange relations, a customer can develop trust in the company's durability, reliability and integrity. Moreover, a customer can also develop trust in the company to such an extent, that he believes that the company has the best of intentions to produce a win-win situation for both the customer and the company. In such cases, a customer develops trust, satisfaction and even affection towards the company.

Relationship marketing thus aims to create situations where both parties feel it is valuable to be in such relationship. Relationship marketing "bases the marketplace upon relationships in which customers seek not only products but also advice and consistent care" (Boyett 2003, 103), instead of the conventional approach of transactional marketing which "bases the marketplace upon impersonal, arm's-length transactions during which buyers examine products and make selections based upon their individual needs" (Boyett 2003, 103). Marketers and customers are not adversaries anymore, but rather become collaborators (Boyett 2003, 103).

As discussed earlier, commodities are nowadays usually not just anonymous items, but in most cases (more or less explicitly) try to remind the buyer of the producer. Usually the brand name ('Gillette') is much more prominent on the label than name of the product itself ('disposable razor blade'). If buyer is not shopping for a generic item only, he is not buying a 'razor blade'; he is buying a 'Gillette'.

Marketers are aware of tremendous influence that brands have on consumers' lives. Brands and trademarks tell the customer what to expect from the product. If a buyer is satisfied with a particular brand, he is likely to buy there again, because he will associate the product with the name of its producer (Boone and Kurtz 2005, 382). Strong and respected brands are also created by proper advertising.

For a loyal customer, branded commodities are non-fungible. However, to be precise, they are non-fungible not in the individual sense, but in a general sense: one brand cannot be replaced by another brand[53]. For a committed buyer, Nike cannot be replaced by Reebok. The giver

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[53] It means that a singe commodity is fungible, while the brand is non-fungible. If I buy a bottle of wine, I have basically two options: I can buy a no-name wine that is not prominently assigned to any particular producer. Such wine nicely fits into the category of an alienable commodity. However, most often wine is not just wine, but belongs to a particular geographic region, sort and most importantly—to a specific producer. A bottle of wine is therefore usually strongly and explicitly attached to the producer. It contains not only the name of the producer (for the sake of legal protection); the producer is actually a part of the wine, it is part of the image, part of the spirit or aura that surrounds that particular wine.

However, the inalienability of the producer is present in the wine in a general sense only. The producer sells thousands of exactly the same bottles of exactly the same wine. The particular bottle that I buy in a shop, can (the producer or the seller) of branded commodity is special and irreplaceable by another company.

3.3.1.2.5.2. TEXTBOOK ANALYSIS

3.3.1.2.5.2.1. Kotler and Keller: Marketing Management

In the past, companies did not necessarily care much about keeping customers. In an era of mass production and mass marketing, all that mattered was the sale. However, with rising hyper-competition, companies started to put more attention on their valued customers, because "[a]cquiring new customers can cost five times more than the costs involved in satisfying and retaining current customers. It requires a great deal of effort to induce satisfied customers to switch away from their current suppliers" (Kotler and Keller 2006, 156). Therefore, "[u]ltimately, marketing is the art of attracting and keeping profitable customers" (Kotler and Keller 2006, 148). To do that, "[d]irect marketers need to identify the characteristics of prospects and customers who are most able, willing, and ready to buy" (Kotler and Keller 2006, 607). Moreover, "[l]ove and respect customers as individuals, not as numbers on a spreadsheet" (Kotler and Keller 2006, 13). Since high-value customers generate

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therefore be perfectly substituted by another bottle of the exactly same wine by the same producer. The bottle of wine is therefore fungible, and not unique. It is unique in a general sense (being produced by a specific producer), but every particular bottle is fungible.

We can find a similar situation for commodities, which are given as gifts. For instance, what would happen to a purchased bottle of wine if it were given as a gift? Would it become inalienable? As a matter of fact, not really. Unless the gift-giver signed his name on it, the bottle of wine could be still substituted by exactly the same bottle of wine without the receiver ever noticing. Even gift-wrapping the bottle would still not add the identity of the giver to this particular bottle of wine. If the receiver would unwrap it, someone could replace this very bottle with another one of the same kind, without the receiver noticing the difference.

Therefore we can see that the concept of inalienability is not quite applicable to the particular bottle of wine, regardless of whether it is given as a gift, or purchased as a mere commodity. Inalienability is for consumer goods manifested on a more general level, not on the level of a particular item, unless the item is somehow personified. Maximising customer value means cultivating long-term customer relationships. If I buy it as a disposable, fungible commodity, the notion of inalienability can be seen in the fact that the wine is indisputably connected to the producer. It bears its identity and unless we remove the label, it will always have a pedigree; it will be perceived as somehow inalienably belonging to the producer; it will also be important not only for its taste, but for the intangible elements it might represent. By removing the label, the wine would become just a generic bottle of wine, most probably replaceable by a similar product. However, even this can be disputed, because for someone who knows the taste of his favourite wine, his wine will be recognizable by taste even without a label on the bottle.

most sales, Kotler and Keller advise companies to put more emphasis on "[f]ocusing disproportionate effort on high-value customers. The most valuable customers can be treated in a special way. Thoughtful gestures such as birthday greetings, small gifts, or invitations to special sports or arts events can send a strong signal to the customer" (Kotler and Keller 2006, 154). The book has a sub-chapter devoted to 'Maximizing Customer Lifetime Value' (Kotler and Keller 2006, 148–152), a sub-chapter devoted to 'Cultivating Customer Relationships' (Kotler and Keller 2006, 152–162) and a sub-chapter devoted to 'Customer Databases and Database Marketing' (Kotler and Keller 2006, 162–167). According to Kotler and Keller, "[m]aximizing customer value means cultivating long-term customer relationships" (Kotler and Keller 2006, 152). Such companies do not treat valued customers as anonymous and fungible, but make quite some effort to keep them. By using CRM, companies focus on "on meeting the individual needs of valued customers. The skill requires building a customer database and doing datamining to detect trends, segments, and individual needs" (Kotler and Keller 2006, 168). The goal of CRM is "to produce high customer equity. Customer equity is the total of the discounted lifetime values of all of the firm's customers. Clearly, the more loyal the customers, the higher the customer equity" (Kotler and Keller 2006, 151). Companies should "[d]ifferentiate customers in terms of (1) their needs and (2) their value to your company. Spend proportionately more effort on the most valuable customers (MVCs)" (Kotler and Keller 2006, 154). Companies should work on "[i]ncreasing the longevity of the customer relationship. The more involved a customer is with the company, the more likely he or she is to stick around. Some companies treat their customers as partners—especially in business-to-business markets—soliciting their help in the design of new products or improving their customer service. (Kotler and Keller 2006, 154). Since it is getting difficult and expensive to attract new customers, companies started to work on keeping the existing customers.

On the other hand, a buyer can also feel that particular brand or producer is non-fungible: "Relationship equity is the customer's tendency to stick with the brand, above and beyond objective and subjective assessments of its worth" (Kotler and Keller 2006, 151). Entrenched consumers are those, "who are strongly committed to the brand they are currently using—they are highly unlikely to switch brands in the foreseeable future" (Kotler and Keller 2006, 259). In some cases, customers do not want to change supplier, especially "when this would involve high capital costs, high search costs, or the loss of loyal-customer discounts. The better approach is to deliver high customer satisfaction" (Kotler and Keller 2006, 155). Highly satisfied customers will stick to the supplier, especially because "[h]igh satisfaction or delight creates an emotional bond with the brand or company, not just a rational preference" (Kotler and Keller 2006, 145). A highly satisfied customer "generally stays loyal longer, buys more as the company introduces new products and upgrades existing products, talks favourably about the company and its products, pays less attention to competing brands and is less sensitive to price, offers product or service ideas to the company, and costs less to serve than new customers because transactions are routine" (Kotler and Keller 2006, 145).

3.3.1.2.5.2.2. Kotler et al.: Principles of Marketing

The book describes the difference between the old approach, where customers were fungible, and the new approach, where companies invest a lot of effort to retain valued customers:

> In the past, many companies took their customers for granted. Customers often did not have many alternative suppliers, or the other suppliers were just as poor in quality and service, or the market was growing so fast that the company did not worry about fully satisfying its customers. A company could lose 100 customers a week, but gain another 100 customers and consider its sales to be satisfactory. Such a company, operating on a 'leaky bucket' theory of business, believes that there will always be enough customers to replace the defecting ones. However, this high customer churn involves higher costs than if a company retained all 100 customers and acquired no new ones. Companies must pay close attention to their customer defection rate and undertake steps to reduce it. (Kotler et al. 2005, 475)

According to the book, "in many cases, the company is not seeking simply a sale: it has targeted a major customer that it would like to win and keep" (Kotler et al. 2005, 825). This new paradigm focuses on individual customers and how to retain them:

> By reducing customer defections by only 5 per cent, companies can improve profits by anywhere from 25 to 85 per cent. Unfortunately, classic marketing theory and practice centre on the art of attracting new customers rather than retaining existing ones. The emphasis has been on creating transactions rather than relationships. Discussion has focused on pre-sale activity and sale activity rather than on post-sale activity. Today, however, more companies recognise the importance of retaining current customers by forming relationships with them. (Kotler et al. 2005, 476)

Particularly "[r]elationship marketing is based on the premise that important accounts need focused and ongoing attention" (Kotler et al. 2005, 828). In such cases, "[s]alespeople working with key customers must do more than call when they think a customer might be ready to place an order. They also study the account and understand its problems. They call or visit frequently, work with the customer to help solve the customer's problems and improve its business, and take an interest in customers as people" (Kotler et al. 2005, 828). Companies "use customer relationship management (CRM) software systems to help manage relationships with important customers" (Kotler et al. 2005, 883). Chapter 11 of the book is devoted to relationship marketing (Kotler et al. 2005, 459–489), with sub-chapters on 'Customer value' (Kotler et al. 2005, 474–475) and 'Customer retention' (Kotler et al. 2005, 475).

According to the authors, the critical question is "how much is a customer worth" (Kotler et al. 2005, 474)? The book defines a 'profitable customer' as "[a] person, household or company whose revenues over time exceed, by an acceptable amount, the company's costs of attracting, selling and servicing that customer" (Kotler et al. 2005, 474). The 'customer lifetime value' is defined as "[t]he amount by which revenues from a given customer over time will exceed the company's costs of attracting, selling and servicing that customer" (Kotler et al. 2005, 474).

It is important to have a long-term business relationship with valued customers, know them and serve them on individual basis: "Companies can gain many benefits from customer relationship management. By understanding customers better, they can provide higher levels of customer service and develop deeper customer relationships. They can use CRM to pinpoint high-value customers, target them more effectively, cross-sell the company's products, and create offers tailored to specific customer requirements" (Kotler et al. 2005, 481). On the other hand, customers may also stick strongly to the supplier: "Customers incur switching costs when they change suppliers. Switching costs are beyond the purchase price and include learning how to use a new product or service, the time selecting a new supplier and the difficulty of operating the new product alongside products already owned" (Kotler et al. 2005, 476).

3.3.1.2.5.2.3. Palmer: Principles of Marketing

Chapter 20 is dedicated to 'direct marketing', which is "not just about recruiting new customers. It is concerned with creating loyalty among existing customers and retaining their business" (Palmer 2000, 521). In such a case, the company is interested in the lifetime value of a valuable customer, who thus gains a non-fungible status.

Palmer describes how companies attempt to create a non-fungible status in the eyes of consumers:

> To try to avoid head-on competition with large numbers of other suppliers in a market, companies seek to differentiate their product in some way. By doing so, they create an

> element of monopoly power for themselves, in that no other company in the market is selling an identical product to theirs. To some people, the point of difference may be of great importance in influencing their purchase decision and they would be prepared to pay a price premium for the differentiated product. (Palmer 2000, 91)

When describing the 'life cycle' model of buyer-seller relationships, he says that the commitment stage of relationship development (the stages are: awareness, exploration, expansion, commitment, and dissolution) "implies some degree of exclusivity between the parties and results in a minimal information search for alternatives—if it occurs at all" (Palmer 2000, 200).

Branding is especially important for ensuring that customers develop high commitment to the company and its products:

> Out of the need for product differentiation comes the concept of branding. A company must ensure that customers can immediately recognize its distinctive products in the market-place. Instead of asking for a generic version of the product, customers should be able to ask for the distinctive product which they have come to prefer. A brand is essentially a way of giving a product a unique identity which differentiates it from its near competitors. The means by which this unique identity are created are discussed in more detail in this chapter. (Palmer 2000, 91)

If branding is successful, products belonging to this particular brand will be perceived as unique—as not replaceable by other similar products:

> The brand is the focal point for many organisations' marketing activity. Branding creates a product with unique physical, functional, and psychological values and can help to transform commodities into unique products. To be successful, a brand must have a competitive advantage in at least one aspect of marketing, such that it meets the complex needs of consumers better than competitors. This section discusses the strategic issues involved in creating a strong and distinctive brand. (Palmer 2000, 100)

'Creating barriers to exit' is another strategy, which gives a company non-fungible status:

> Companies can try to keep their customers by making it difficult for them to defect to a competitor. Customers can unwittingly walk into traps where they become dependent upon a supplier for continuing support. Suppliers of industrial machinery create ongoing relationships where they are the sole supplier of spare parts or consumable items, which the purchaser must buy if they are to continue using their equipment. Many companies negotiate exclusive supply agreements with a supplier in return for a promise of preferential treatment. In both cases, the customer is dependent in the short term. (Palmer 2000, 203)

3.3.1.2.5.2.4. Boone and Kurtz: Contemporary Marketing

According to the book, “[t]he cost of maintaining existing customers is far below the cost of finding new ones, and these loyal customers are profitable ones” (Boone and Kurtz 1999, 35). Therefore, companies started to focus on keeping their existing customers:

> One of the major forces driving the push from transaction-based marketing toward relationship marketing is the realization that the expense of gaining a customer is not as high as the cost of losing one. A firm may spend five times as much to attract a new customer as to keep an old one, and customers usually generate more profits for a firm with each additional year of the relationship. A five-year bank customer brings more profitable business than a one-year customer. The typical auto insurance policy doesn’t become profitable until the seventh year. Clearly, it makes sense for a firm to spend money developing customer-retention strategies rather than continually looking for new customers. (Boone and Kurtz 1999, 342)

Contemporary marketing tends to create non-fungible customers, and non-fungible producers (or sellers). In the eyes of consumers, the company wants to achieve the status of an irreplaceable, unique and non-fungible supplier:

> Like all other interpersonal relationships, buyer-seller relationships function at a variety of levels. As an individual or firm progress from the lowest level to the highest level on the continuum shown in Table 10.2, the strength of commitment between the parties grows. So, too, does the likelihood of a continuing, long-term relationship. Whenever possible, marketers want to move their customers along this continuum, converting them from Level 1 purchasers, who focus mainly on price, to Level 3 customers, who receive specialised services and value-added benefits that may not be available from another firm. (Boone and Kurtz 1999, 339)

This is ultimately the goal of relationship marketing, where “social relationships are transformed into structural changes that make buyer and seller true partners in business. As buyer and seller work more closely together, they develop a dependence on one another that continues to grow over time” (Boone and Kurtz 1999, 340). Such a situation can be also beneficial for customers, because

> With a dizzying array of products to choose from, many customers are seeking ways to simplify both their business and personal lives, and relationships provide a way to do this. One reason many consumers form continuing relationships is their desire to reduce choices. Through relationships, they can simplify information gathering and the entire buying process as well as decrease the risk of dissatisfaction. They find

> comfort in the familiar, the "tried-and-true," developed through ongoing, committed relationships with companies. (Boone and Kurtz 1999, 341)

In such cases consumers display high loyalty to the brand: “Brand insistence, the ultimate stage in brand loyalty, leads consumers to refuse to accept alternatives and to search extensively for the desired product. A product at this stage has achieved a monopoly position with its consumers” (Boone and Kurtz 1999, 400).

3.3.1.2.5.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock affirms that a company can become non-fungible for a buyer: “A competitive advantage is created when an offering gives something of value that is not available from other sources” (Adcock 2000, 133). Different influences contribute to a company achieving non-fungible status. There are various “factors that encourage or compel a customer to purchase from a specific source. The influences could come from within a strong satisfactory relationship but more restrictive conditions could derive from some way that a controlling influence is utilized to reduce a customer’s free choice (Adcock 2000, 144). In some cases, the non-fungible status can be created by monopoly: “The creation of a near monopoly situation by manipulating the market could lead to a situation where customers have little choice in the matter” (Adcock 2000, 143). However, in some cases consumers develop “the ‘devotion’ stage loyalty” (Adcock 2000, 205). According to Adcock, “when a brand reaches the ‘acceptance’ stage it is likely to have achieved high awareness and, probably, has become the preferred choice for some purchasers” (Adcock 2000, 204).

On the other hand, buyers can also achieve non-fungible status for the company, because it is “common for a company in business markets to have a relatively small number of important, close customer relationships on which its future depends” (Adcock 2000, 249): “It is these ‘important close’ customers, critical to the supplier’s future business, where increased investment in respect of their needs is warranted. They are the ones with whom the deepest relationships should be formed, and they should be placed at that end of the customer spectrum. For many companies it is possible to develop a relationship portfolio which highlights these ‘cash cow’ partners, separating them from other customers” (Adcock 2000, 250).

3.3.1.2.5.2.6. Baker: The Marketing Book

The book says “marketers are more able to analyse customer behaviour at an individual level, and they increasingly aim to be able to cultivate long-term relationships with those customers

who contribute most to the financial position of the organization. In this way, there has been much attention devoted to concepts of relationship marketing, customer relationship management (CRM) and one-to-one marketing" (Baker 2003, 248). The book says that a company should discover who its profitable customers are and then focus on them: "It is acknowledged that not all customers are profitable as relationship customers. Thus, a first stage of relationship management must clearly be the identification of relationship potential" (Baker 2003, 43). Or, in other words:, "The relational paradigm drives an organisation to focus on relationships. Strategically, this involves identifying which relationships are to be pursued and how they are to be managed … Equally, it is important to consider how each relationship should be managed, i.e. should all customers be treated equally, what resources should be invested in each relationship, how should the portfolio of relationships be managed?" (Baker 2003, 39). Therefore, a company should decide, "which customers the business wants most to attract and to keep, and which customers it would prefer to be without" (Baker 2003, 492). When describing relationship marketing, "definitions of relationship marketing suggest that marketing is concerned with developing relationships with key customers" (Baker 2003, 44). Since "[e]very direct marketer knows that some customers are much more valuable than others" (Baker 2003, 70), "[t]he key priority is retaining the most valuable long-term customers, who will repay the required marketing expenditure. However, in order to attract and retain these valuable long-term customers, the company must create more value for these customers than the competition; any sustainable long-term relationship must be mutually beneficial" (Baker 2003, 523).
On the other hand, customers can also feel that the company is non-fungible: "The longer a customer stays with us, the more they are likely to see us as a preferred supplier, even single sourcing on us" (Baker 2003, 498).

3.3.1.2.5.2.7. Blythe: Principles and Practice of Marketing

Blythe says that a firm should focus on the most profitable customers:

> A study performed by the Cumberland Bank in the United States showed that the top 5 per cent of the customer base accounted for 40 per cent of total deposits, that a 5 per cent increase in retention of top customers added 4 per cent to the bank's profitability, and the minimum balance of the top 20 per cent of customers is $20,000. Reichheld (1996) found that, in US corporations, 50 per cent of customers are lost over five years, 50 per cent of employees are lost in four years, and 50 per cent of investors are lost in less than a year. Firms therefore need to recognise and reward loyal customers

> and ensure (as far as possible) that they remain as customers of the company's products. (Blythe 2006, 381)

The book has a section dealing with 'customer winback'—how to win back potential high-value customers who already had dealings with the company in the past, but later left for various reasons (Blythe 2006, 384–386). It means that good customers are like good friends: if you lose them, you want to get them back, because they are non-fungible.

On the other hand customers can also consider certain brands to be non-fungible: "A successful brand also creates a barrier to entry, so that competitors find it harder to enter the market" (Blythe 2006, 90). The book has a section on 'involvement' (Blythe 2006, 122–124), describing how buyers can become attached to specific goods and services: "High-involvement customers are difficult to persuade—they are unlikely to be moved by advertising, or even by persuasive sales pitches" (Blythe 2006, 123). One way to create a non-fungible status of a product is to emphasise its 'unique selling proposition' (USP): "Product differentiation campaigns aim to show how the product is better than others by emphasising its differences. In most cases this will take the form of the unique selling proposition or USP for short. The USP is the one feature of the product that most stands out, and is usually a feature which conveys unique benefits to the consumer" (Blythe 2006, 278).

3.3.1.2.5.3. FINDINGS FOR CRITERION NO. 5

All selected textbooks describe methods and principles, which make both transacting partners non-fungible. On the one hand, marketing advises companies to create and keep valued customers instead of treating buyers as anonymous and fungible. On the other hand, marketing advises companies to create situations where the company and its products gain such a special status in the minds of consumers that buyers treat the company and its products as non-replaceable by any other company. All the selected textbooks comply with the fifth criterion.

3.3.1.3. DISCUSSION

In recent decades selling has moved to more personal approach. Companies very often aim to create strong and permanent relationships with their customers to increase customer retention. We can see that market exchanges are nowadays not necessarily impersonal, but seek to create social bonds between buyer and seller, which is one of the characteristics of gift exchange.

Certainly, such an approach is not suitable for all businesses. Yet the very fact that relationships are built and can exist even in a commodity transaction environment shows that the strict, conventional distinction between impersonal commodity exchange and personal gift exchange is no longer as sharp as it used to be. An analysis of marketing textbooks shows that contemporary marketing practices fulfil the above listed criteria of gift exchange relationships, indicating that relationships, which emulate gift exchange, can be built in the process of commodity exchange.

However, it is important to mention the controversy that surrounds the very emotive term ‘relationship’, which is used in relationship marketing for describing something that is, after all, just a commercial strategy.

Some critics say that relationships in relationship marketing are described from the perspective of the firm, usually taking for granted that customers are also interested in creating and maintaining such relationships (Carlell 1999, 1). However, according to Barnes, most customers are open to the idea of developing a relationship with brands and companies. Customers do not consciously decide to develop a relationship with brands and companies, because such a relationship simply grows over time. Once a relationship evolves, customers feel a true and enduring trust and loyalty to the enterprise or brand (Barnes 2004, 52).

Egan (2004, 33) has pointed out that there is no final agreement what exactly the term ‘relationship’ in relationship marketing means. Some critics have even argued that various authors just use whatever definition they find to best fit their research agendas (O’Malley and Tynan 1999, 589). Yet, according to Fournier (1998, 343), the metaphor of the relationship has become very common in modern marketing. Moreover, relationship marketing is full of analogies taken from personal relationships such as ‘promiscuous shopper’, ‘seducing’ or ‘flirting with the competition’ (Egan 2004, 33).

O’Malley and Tynan argue that commercial relationships are qualitatively different from interpersonal relationships. Therefore, they maintain that the term ‘relationship’ can be used only as a metaphor for relations in commercial transactions: “As a conceptual tool a metaphor must be literally false whilst simultaneously offering creative possibilities. Thus in the case of relationship marketing it is important to understand that exchange between consumers and organisations are not interpersonal relationships *per se* but that the attributes of interpersonal relationships might be usefully employed when describing or attempting to understand that exchange” (O’Malley and Tynan 1999, 593).

However controversial this topic might be, it all depends on how one defines the term ‘relationship’. If the definition requires that a relationship can only be built between two individuals who personally and emotionally interact with each other, then the relationship developed in a commercial transaction certainly falls short of such a definition. However, definition as used for my analysis is based on the type of relationship, which exists in gift exchange relations as described by Mauss, Gregory, and Carrier. If we take such a definition of relationships, then my first sub-hypothesis is verified, and this particular definition of a relationship is one of the conditions for my first sub-hypothesis to be true.

My analysis reveals that, at least in the case of relationship marketing, commodity exchange can actually build and rely on creating mutual relationships between exchange participants. Such a relationship lasts longer than the actual commodity transaction itself, and fulfils all the criteria I have operationalised as defining a gift exchange relationship, thus supporting my first sub-hypothesis. Contemporary market exchange transactions can, therefore, deviate from a purely impersonal mode of exchange, which characterizes the dichotomous model of commodity exchange.

3.3.2. THE SECOND SUB-HYPOTHESIS: MUTUAL OBLIGATIONS AS A KIND OF MORAL DEBT

The second dimension, along which gifts and commodities may be distinguished, concerns whether or not the exchange creates non-contractual long-term obligations among exchange participants.

Even though the two models mentioned in the Chapter 2.2.2.4.1. (the 'spirit of the gift' model and 'reciprocity' model) use different explanations for elucidating the reason why an obligation to return the gift exists, both models concur that receiving a gift generates an obligation to reciprocate, and that failure to fulfil this obligation socially disadvantages the recipient. Gift exchange contains an unarticulated obligation to reciprocate the gift sometimes in the future. By accepting a gift, the receiver becomes indebted to the giver, and has social and moral obligation to reciprocate the gift. Gift exchanges thus keeps the exchange partners indebted after the transactions have been completed, which is contrary to commodity exchange, where they have no social or moral obligations after the transaction is over.

In commodity exchange, after the exchange transaction is over, the transactors are not obliged to have any further mutual social relation or obligation. Beyond the requirement to pay the agreed amount of money to the seller and to deliver the paid goods to the buyer, both parties involved in the transaction have no social or moral obligation to each other.

As mentioned above, the Maussian view of gifts disagrees with the Western notion of the gift "that (a) it is something voluntarily given, and that (b) there is no expectation of compensation" (Belk 1979, 100). As Gregory said: "The problem that is most difficult for a European to understand is the obligation to give a thing as a gift" (Gregory 1982, 19).

The exchange of a gift does not involve any bargaining or negotiation over price. However, there is a moral and social expectation that the gift will be returned at some later time, otherwise the relationship between giver and receiver will suffer.

My second research sub-question is: do market exchange transactions pertaining to relationships described in the first sub-hypothesis create social obligations as a kind of moral debt between exchange partners and, if so, under what conditions?

Based on this research sub-question, my second sub-hypothesis is, therefore, that the relationships described in reference to my first sub-hypothesis (Chapter 3.1.5.3.) create social obligations as a kind of moral debt between exchange partners.

3.3.2.1. OPERATIONALIZING AND DEFINING MORAL OBLIGATION

Gift exchange relationships involve social and moral obligations. After two individuals exchange gifts and begin a relationship, they cannot just forget about the whole thing and walk away, unless they have no intention of continuing the relationship. It is expected that they will continually re-affirm their relationship, nurture it and grow it. The gift exchange relationship produces a web of interactions and obligations, which maintain and uphold the relationship that has been created.

Mauss pointed out that the exchange of gift is governed by an obligation[54] to give, to receive and to return the gift (Mauss 1954, 10–11). This notion of an obligation[55] to reciprocate the gift can be seen in the English language, where 'thank you' can also be expressed with the synonymous phrase 'much obliged' (Cialdini 2001, 19).

For the sake of analysis, I operationalised the concept of 'moral obligation', which exists in gift exchange relations, and then examined whether these factors, which define 'moral obligation', can be found in market exchange transactions as well.

3.3.2.1.1. CRITERION NO. 1: OBLIGATIONS ARE NOT CONTRACTUAL, BUT REGULATED ON THE BASIS INTERNAL VALUES

When a commodity transaction is over, both exchange parties are supposed to be left with no mutual obligations whatsoever.

Conversely, even though gifts may appear to be voluntarily given, they are in reality given due to the sense of obligation (towards, friends, family, etc.). Mauss has pointed out, that giving a gift is not something done voluntarily. He stated that people give and return gifts because they are expected to act in this manner (Mauss 1954, 1). Conformance to the above mentioned three obligations is sanctioned by social norms and governed by public expectation

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[54] It is important to understand that this tripartite obligation does not apply to just everyone, but only to those that are engaged in a relationship. Namely, obligation to give does not mean that one has to give a gift to just anyone that crosses his path. It simply means that when we establish a relationship with someone, our actions are governed by obligations to give, to receive and to return the gift.

[55] If any exchange partner starts to feel that the exchange is very imbalanced, and one party in investing more in the relationship than the other, such an imbalance may signal that the other party does not properly value and nourish the relationship. Therefore, if the impaired party in time decides to terminate the relationship, it will not be done by calculating debts. The relationship will simply cease to exist due to repeated violation of the tripartite rule that obliges both parties. When the impaired party at some time declares the end of a relationship, such an act represents merely the formal recognition of an already dead relationship (Carrier 1991, 124).

and personal belief (Carrier 1991, 123). Therefore, even though no institution formally monitors conformity to these three rules, people obey them without thinking, regardless of whether they are consciously aware of this obligation or not. Hart describes the difference between moral and legal obligation:

> The coercion characteristic of moral obligation takes the form not of the infliction of harm or the use of force but primarily of the exposure of the individual to reminders that he has failed to comply with rules regarded by the social group as a matter of serious importance and to demand that he should comply. The typical moral pressure takes the form of an appeal not to fear of harmful consequences or to futility of refusing to do what in the end one will be forced to do but to the delinquent's presumed respect for the rules he has broken …
>
> What is most needed is a reminder of what the rules require and that the guilt or shame engendered by the contemplation of their breach will suffice or at least tend to inhibit future or continued failure to comply. (Hart 1958, 102–103)

The obligation created by gift exchange is not a legal obligation, caused by a written contract or legal liability, enforced by law or supervised by an institution; it is, rather, based on moral and social values. The principle of reciprocity is so deeply embedded in our thinking that people label those, who do not reciprocate, with pejorative labels, for instance "moocher," "ingrate," "free-loader" and "welsher" (Katz et al. 2003, 40).

Therefore, the first criterion of moral obligation is that it is not a formal or contractual obligation; instead, conformity to moral obligation is regulated on the basis of the exchange participant's internal values.

3.3.2.1.2. CRITERION NO. 2: REPAYMENT RECHARGES THE OBLIGATION AND PRODUCES A SERIES OF EXCHANGES

Carrier (1991, 124) has pointed out that in our culture it is believed that people who engage in commodity exchange are free and independent actors, who only temporarily bind together for the time of transaction itself and engage in a temporary relationship, which ceases after the act of transaction is over. After the transaction, the buyer and seller are not obliged to have even the slightest social interaction or moral obligation towards each other, because after the transaction is over, both of them resume their independent status. Their obligation is freed and the relationship is dissolved at the end of the transaction.

This is in a stark contrast to gift giving, where people remain mutually dependent and obliged even after the exchange is over. Even though to return a gift is obligatory, the obligation of the recipient is not freed by fulfilling the obligation to reciprocate, while in commodity exchange repayment does not recharge the obligation, but dissolves it (Carrier 1995, 23). On the contrary, when the recipient returns the gift, he actually reaffirms the relationship, thus creating a new set of obligations, which have to be fulfilled.

For example, if I do my friend a favour and he then invites me to a fancy restaurant for dinner, by repaying my favour with an expensive dinner, he has not concluded our mutual obligations, but reaffirmed them. In this manner our relationship is strengthened and by accepting his invitation to dinner, I am again obliged to give him further help in the future, whenever he will need it.

The threefold sequence of obligation to give, to receive, and to give back, produces a perpetual, predictable and orderly series of exchanges that continue as long as a relationship continues. This continuous cycle of exchange, where relations and obligations are perpetually recreated, is traditionally supposed to be the exact opposite of the exchange relations that exist in commodity exchange, where the end of an exchange discharges all mutual obligations and, therefore, does not produce a further series of exchanges. The ongoing exchange of gifts confirms people's relationships and recreates their mutual obligations to give, receive and return gifts. Since gift transactions spring from moral obligations that form the relationship and not from rules of economic exchange, these transactions cannot be explained in terms of economic exchange, because they "are manifestations of the personal relationship between the transactors" (Carrier 1991, 124).

Therefore, the second criterion of moral obligation is that repayment actually recharges the obligation and produces a series of exchanges.

3.3.2.1.3. CRITERION NO. 3: THE TIME OF THE COUNTER-GIFT IS POSTPONED

In a market exchange the seller knows he will be repaid and after he receives his payment, the interaction between the buyer and him is over. Conversely, giving a gift indebts the receiver and obliges him to make a counter-gift in the future (Mauss 1954, 18; Gregory 1982, 46; Berking 1999, 8).

Gregory (1982, 46) has pointed out that commodity exchange appears as one single transaction: person A gives object x to person B, while person B gives object y to person A. Conversely, gift exchange appears as two separate transactions: person A gives a gift x to person B. By accepting the gift, a gift relationship is established between A and B. Then,

sometime in the future,[56] person B returns counter-gift y to person A. This situation can become more complex when B simultaneously gives a gift to person A (Gregory 1982, 46).[57]
The third criterion of moral obligation that constitutes gift exchange is that the time of repayment is postponed into the future.

3.3.2.1.4. CRITERION NO. 4: THE EXCHANGE IS PERFORMED ON BEHALF OF SYMBOLIC GROUPS

Commodity exchange is formally voluntary and performed by individuals, who may freely decide whether they want to buy or sell something. One can decide whether he wants to buy something, where and when to buy and from whom to buy. The only restriction that one has is the amount of available money (Carrier 1995, 21).

Commodity exchange in industrial societies is concerned with "the social conditions of the reproduction of things" (Gregory 1980, 641), and not with the reproduction of social relationships. Commodity exchange participants are therefore relationally defined only by their positions in the division of labour and the class system. According to Carrier, "the transaction between buyer and seller reflects nothing fundamental about either, but bears only on their accidental and alienable aspects" (Carrier 1991, 129). Therefore, "in commodity relationships the link between the parties is based on alienable attributes, while in gift relationships it is based on inalienable identities" (Carrier 1995, 33).

In gift exchange, each transactor has a certain social role that cannot be alienated, for instance, father, mother, son, aunt, etc. This alienable social role defines the nature of mutual obligation between the transactors and the fashion in which they exchange. Gift exchange participants are therefore social persons, and their gifts are exchanged by "related and mutually-obliged transactors" (Carrier 1995, 31), who are connected "by their inalienable attributes" (Carrier 1995, 31).

Carrier says that even in industrial societies "people are constrained in their social relationships and they do act as moral persons, however ambivalent they may be about their relatives and their obligations to them" (Carrier 1995, 159). Carrier says:

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[56] As discussed in Chapter 2.2.2.4.3., in generalised reciprocity the time of the counter-gift is completely undetermined.

[57] For example, when two business partners meet, they simultaneously exchange gifts. In such a case B becomes indebted to A for gift x, while person A becomes indebted to person B for gift y. When they meet again sometime in the future, they exchange gifts on the basis of their first interaction.

> In a gift relationship, the parties are linked by their inalienable attributes, so that the relationship is part of their basic identity, as is their obligation to give, receive and repay gifts in appropriate ways. My mother and I are linked by what our society sees as inalienable attributes. Our blood relationship defines each of us and imposes on each of us the obligation to transact in certain ways in certain circumstances. Thus, gift transactors are social persons defined in significant ways by their inalienable positions in a structure of personal social relations that encompasses them. (Carrier 1995, 31)

In gift exchange, reciprocity does not necessarily require direct reciprocity between two specific individuals. Reciprocity can also mean the social obligation to give, accept, and reciprocate within the social network (cf. Mauss 1954; Gouldner 1960). Mauss pointed out that gift exchange obligations are imposed upon exchange parties by their respective social groups, rather than by the individuals engaged in gift exchange transactions, because even though the gift transactions are de facto performed by individuals, they act as a *'personne morale,'* on behalf of symbolic groups—the categories they belong to (the son, the uncle, the village member, etc.) (Mauss 1952, 3). In Mauss' view, gift exchange participants are not independent, autonomous individuals, but social persons, defined in accordance with the social relations in which they live (Mauss 1954, 3). As Parry emphasized, for Mauss: "It is not individuals but … moral persons who carry on exchanges" (Parry, 1986, 456).

My fourth criterion for judging whether gift exchange style obligations can exist in market exchange is whether commodity exchange is performed on behalf of symbolic groups acting as moral persons in the process of exchange.

3.3.2.2. THE ANALYSIS

Bagozzi emphasizes that for many buyers 'moral virtues' and 'moral obligations' are a very important part of commodity exchange and that the "aspect of relationship marketing in consumer markets that is in need of attention ... is moral behaviour" (Bagozzi 1995, 276). Besides, trust is an important element that is built into contemporary market exchange relations. Trust is not only a requirement, but also a product of successful relationships. Trust is a multidimensional concept, which enables exchange partners to overcome feelings of insecurity and doubt and thus develop higher levels of commitment in a relationship (Peelen 2005, 34). Moorman, Deshpande and Zaltman define trust as "a willingness to rely on an exchange partner in whom one has confidence" (Moorman et al. 1993, 82). Morgan and Hunt (1994, 23) say that trust is: "the perception of confidence in the exchange partner's reliability and integrity." According to Peelen, trust is associated with qualities like "honesty, fairness, responsibility, helpfulness and involvement" (Peelen 2005, 34).

Trust is built gradually and signifies the belief that the other party will act beneficially. Geyskens and Steenkamp associate honesty with keeping promises: "The honesty of a partner may be defined as the conviction that the partner is trustworthy, keeps his promises" (Geyskens and Steenkamp, in Peelen 2005, 34). Honesty is very important, because it results in confidence in the other party. It not only strengthens the relation, but also makes them persist in the future (Rouchier et. al. 2002, 368). For building trust, both buyer and seller use various strategies, for instance exhibition of guarantees in a first meeting. The context of trust can also develop in time through repetitive interaction, or by building up socially recognized reputation (Rouchier et. al. 2002, 368).

Trust and honesty are important elements of gift exchange relationship and not something that we would traditionally expect to form in the context of supposedly impersonal commodity exchange. What is important for our discussion is that trust develops from fulfilling obligations. The interactions of two gift exchange partners are definitely dependent on mutual trust and honesty. In such a case, neither can afford, nor even want, to betray the other party, because that would severely impair their relationship. However, commodity exchange was supposed to be free of any such long-term commitments and obligations; it represents 'negative reciprocity' (see Chapter 2.2.2.4.3.), where both parties seek to maximize its own gain only.

3.3.2.2.1. THE ANALYSIS OF CRITERION NO. 1: OBLIGATIONS ARE NOT CONTRACTUAL, BUT REGULATED ON THE BASIS INTERNAL VALUES

3.3.2.2.1.1. GENERAL ANALYSIS

The most obvious kind of obligation, which can occur in commodity exchange, is between buyer and seller. Since giving a gift creates an asymmetry in a relationship, and indebts the receiver, a well-served buyer therefore feels morally obliged to be a loyal and returning customer. Personal selling allows various relationships to occur and develop between buyer and seller. This can vary from a brief selling relationship to a profound personal friendship. The result of personal selling is that the buyer feels to be under some kind of obligation for having listened to the seller (Kotler and Keler 2006, 556). Social psychologist Robert Levine wrote a book about the various strategies skilful sales people employ to invoke a sense of obligation in their customers. One method is to devote a considerable amount of time to helping a customer. Since "time is money," devoting immaterial time to someone actually equals giving any other material item—including money (Levine 2003, 74). If a customer gets the feeling that a sales person spent significant time counselling, helping, giving information, listening and assisting his shopping decision, it will be difficult for the customer to just walk out of the shop without buying anything. In most cases he will be compelled to buy at least something small. Moreover, it will create a moral obligation to buy there again. Also, by talking with customers about non-business issues and by using humour, sales people create a sense of moral obligation (Levine 2003, 75).[58]

A customer's resolution to be loyal or not to be loyal is the sum of all the elements and events that he encountered with the company. That is one of the reasons sales personal are trained to be nice, kind and helpful. The pioneer of the relationship marketing Evert Gummesson says that "you buy from a friendly person or friend because you feel *a sense of obligation* and the buying becomes a part of the social protocol" (Gummesson 2002, 151; my emphasis).

A feeling of moral obligation might also exist on the side of the seller. For instance, some checkout personnel expressed that "there was a moral obligation to provide good service" (Payne et al. 1998, 119).

Another strategy to create a feeling of obligation exploits people's natural tendency to accept gifts. It is simply not polite to refuse a gift, even if it comes from a stranger. This human tendency to accept gifts reduces our ability to decide to whom we want to be indebted for accepting his or her gift (Cialdini 2001, 22). Once accepted, a gift creates the moral obligation for a counter gift. To compel reciprocation and generate a feeling of obligation it is not necessary to have an amicable relationship with the giver. The rule of reciprocity is so deeply imbedded in most people and its influence so strong, that even those whom we do not like, or we do not trust (for instance salespeople or politicians), can make people feel obliged for receiving small gifts or favours from them (Cialdini 2001, 26–27).

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[58] As a member of my own society, I experience this obligation myself. For example, suppose I want to buy some cherries. I go to the fruit market and suppose it is the beginning of the cherry season. Therefore I don't know from which seller to buy, so I walk around the marketplace and finally find the best offer for buying cherries. It turns out to be an elderly lady who is selling them. She is very kind and I end up having a 10 minutes conversation with her. After I buy my 1 kg of cherries, I don't have only the cherries, but also a nice, warm feeling inside.

Now, what will happen the next day if I go to the same market and want to buy cherries again? Will I dare to buy cherries from the seller next to her? Maybe yes, but most probably no. That is the reason why sales personnel are trained to be nice, kind and helpful.

Very often the giver not only determines whom he wants to oblige, but also chooses the form of the counter gift. For instance, pharmaceutical companies regularly give various gifts to medical doctors. If medical doctors want to return the initial gift, they cannot do it in any manner they want, but only in one particular way: by prescribing products of the donor's company (Katz et al. 2003, 41). Here we can see how a simple gift between two parties who are in a pure business relationship, creates a moral obligation on the side of the receiver. It also shows that in a purely business environment a moral obligation is created, which then shapes the form of the counter-gift itself.

The size of the initial gift is actually not important in generating feelings of obligation. For example, a pharmacy that gave its visitors a simple and inexpensive $0.50 key chain boosted its sales for 17% (Friedman and Herskovitz in Katz et al. 2003, 41). Darr, for instance, describes how salespeople considered gifts a very important element in "cementing … market ties, by creating an obligation in the buyers to reciprocate" (Darr 2003, 45). In his study Darr found that "salespeople engaged in a large set of strategies designed to build trust and obligation in customers" (Darr 2003, 50). He pointed out that "gifting … should be viewed as one mechanism that assists salespeople in constructing obligation networks" (Darr 2003, 33).

According to Belch and Belch, "promotional products marketing" (Belch and Belch 2003, 445) dramatically increases the response to other selling or promotion approaches: in advertising, for example, "[i]ncluding direct mail with a promotional product increased response to a print ad to 4.2%, versus 2.3% with direct mail only and .7% with an ad only" (Belch and Belch 2003, 445).

For personal selling, "[c]ustomers receiving a promotional product expressed more goodwill toward the company than did those receiving a letter. They rated the company more positively in 52% of the cases and rated the salespeople more proficient (34%) and more capable (16%). Business-to-business customers receiving a promotional product were 14% more likely to provide leads, while salespersons who gave gifts to customers received 22% more leads than those who did not" (Belch and Belch 2003, 445).

For trade shows, "[r]esponses to invitations to visit a booth were higher when a promotional product was enclosed" (Belch and Belch 2003, 445).

For direct mail, "[r]esponses to direct-mail sales pieces were 1.9% with only a letter but 3.3% with a promotional product (75% higher). Other studies have shown increases of 50 to 66%" (Belch and Belch 2003, 445).

Therefore, companies often give customers all sorts of small gifts. Such gifts can be given either to regular customers or to prospective customers. In any case, a gift creates a sense of moral obligation, which is then used to not only generate a sale, but also to engage prospective customers in, ideally, a continuing relationship.

Marketing textbooks very often use synonyms of the term ‘obligation’. According to thesaurus, (Merriam-Webster Online Thesaurus 2008; Thesaurus.com 2008), ‘obligation’ is synonymous with the terms ‘commitment’, ‘responsibility’, ‘promise’, ‘trust‘ and ‘duty’. Therefore, the occurrence of obligation in market relations can be also judged from its synonyms, especially the term ‘commitment’—even though the term ‘commitment’ might have a different flavour than the term ‘obligation’. Moreover, scientists still do not agree on the common definition of the term ‘commitment’ (Andaleeb 1996, 81).

Morgan and Hunt (1994, 22) for instance define commitment as an “enduring desire to maintain a relationship.” According to Kracklauer, “commitment is seen as an inner *sense of obligation* felt by a person” (Kracklauer et al. 2003, 117; my emphasis). Johnson (in Peelen 2005, 31) describes three fundamental modes of commitment in business relationship: personal, moral and structural. In personal commitment, one desires to continue a relationship, because one is a satisfied customer. This commitment originates from a personal choice.

In moral commitment, a customer feels a sense of obligation to continue a relationship. For example, customers stick to the local shop where they have been shopping for many years and feel they cannot simply go and buy stuff in a new supermarket, even though it is cheaper there. Moral commitment stems from a customer’s internal values and the *sense of obligation* that he feels toward the other exchange party.

In structural commitment, customers have had to invest so heavily into their relationship that the exit barriers are very high and switching to a new supplier would mean a very substantial investment in money, energy and time (Peelen 2005, 31–32).

Geyskens et al. (1996, 305) see commitment as an obligation that the buyer takes upon himself to stay in the business relationship. The consumer takes such a decision on the basis of calculative or emotional reasoning (Hennig-Thurau and Hansen 2000, 135). Calculative commitment is founded on consideration of costs and benefits, and as such neatly fits into neoclassical paradigm of *Homo oeconomicus*. However, emotional commitment is based on feeling, and can therefore include obligations that are not supposed to exist in a purely impersonal commodity exchange.

Even though commitment is a psychological concept, commitment is also experienced within the social context as an external pressure to continue or end the relationship, all according to social norms and values that dominate in a certain social environment (Peelen 2005, 33).

As explained earlier, companies have started to put ever-greater emphasis on building mutual relationships, loyalty, trust and commitment with their customers. Loyal buyers usually cost less, buy more, are more indifferent to price, and are not very receptive to competing offers from other companies (Kotler and Keler 2006, 145). Greater customer loyalty results in greater commitment to the product, brand or the vendor. Highly committed customers will even defend the product or the brand against competing brands and try to defend any possible faults the product may have. Like an evangelist, a highly committed customer will also tell everyone how marvellous the product is, and try to convince friends to buy it. From the perspective of the purely utilitarian, neoclassical economic point of view they are not obliged to do so after the transaction is over.

Here we can see that market exchange can create moral, not contractual, obligations, conformity to which is regulated by internal values, thus fulfilling the first criterion of similarity to obligations created in gift exchange.

3.3.2.2.1.2. TEXTBOOK ANALYIS

3.3.2.2.1.2.1. Kotler and Keller: Marketing Management

Kotler and Keller (Kotler and Keller 2006, 588) describe various promotional tools and customer loyalty programs that companies use for attracting customers: samples, coupons, cash refund offers (rebates), price packs (cents-off deals), premiums (gifts), frequency programs, prizes (contests, sweepstakes, games), patronage awards, free trials, product warranties. Even though such promotional tools are most often used for generating sales, they can also "encourage consumers to make a *mental commitment* to buy a product" (Kotler and Keller 2006, 543; my emphasis). Here we can see again that promotional 'gifts', which are given in a market exchange environment to prospective buyers, can create a sense of obligation to buy or re-buy a product.

A customer that is highly satisfied with the purchased item or service usually develops loyalty and emotionally feels (to a smaller or greater extent) obliged and tied to the company (or its product). Kotler and Keller describe loyalty as "[a] deeply held commitment to re-buy or re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behaviour" (Kotler and Keller 2006, 143).

Companies are well aware of the fact that loyal customers have very strong emotional attachments to the chosen brand or product. High satisfaction or delight creates an emotional bond with the brand or company, not just a rational preference (Kotler and Keler 2006, 146). For instance, Nike managed to create “a cult following among American consumers”—a highly emotional attachment of the buyers to the brand (Kotler and Keller 2006, 68). These obligations spring from a commitment that develops in the buyer-seller relation, where both parties have a desire to continue the relationship.

The book has a sub-chapter about the ‘Principles of Personal Selling’ (Kotler and Keller 2006, 625–628). At the beginning of the sub-chapter it says that:

> Personal selling is an ancient art. It has spawned a large literature and many principles. Effective salespeople have more than instinct; they are trained in methods of analysis and customer management. Today’s companies spend hundreds of millions of dollars each year to train salespeople in the art of selling. Sales training approaches try to transform a salesperson from a passive order taker into an active order getter who engages in customer problem solving. (Kotler and Keller 2006, 625)

Kotler and Keller say that “[p]ersonal selling makes the buyer feel under some obligation for having listened to the sales talk” (Kotler and Keller 2006, 556). Besides, the book admits that gifts help to close the sale: “The salesperson might offer the buyer specific inducements to close, such as a special price, an extra quantity, or a token gift” (Kotler and Keller 2006, 627). Some direct marketers “send birthday cards, information materials, or small premiums to certain customers” (Kotler and Keller 2006, 604).

Kotler and Keller also say that companies also have an obligation to fulfil the promises the company brand represents:

> Consumers have varying degrees of loyalty to specific brands, stores, and companies … The key to generating high customer loyally is to deliver high customer value … The brand must represent a promise about the total experience customers can expect. Whether the promise is kept depends on the company’s ability to manage its value-delivery system. The value-delivery system includes all the experiences the customer will have on the way to obtaining and using the offering.” (Kotler and Keller 2006, 143)

When a company fulfils its obligations to its customers “brand bonding” occurs (Kotler and Keller 2006, 286). Kotler and Keller say that “[t]he satisfied customer will also tend to say good things about the brand to others. Marketers say: “Our best advertisement is a satisfied customer” (Kotler and Keller 2006, 198). That is the reason why the Apple Corporation “has created an army of Apple evangelists” (Kotler and Keller 2006, 277).

Kotler and Keller emphasize that “‘[m]arketing failures’, where insufficient consumers were attracted to a brand, are typically much less damaging than ‘product failures’, where the brand fundamentally fails to live up to its promise” (Kotler and Keller 2006, 299).

3.3.2.2.1.2.2. Kotler et al.: Principles of Marketing

Chapter 19 of the book is devoted to 'personal selling' (Kotler et al. 2005, 807–852). The book states that companies "train their salespeople to be friendly, helpful and persuasive" (Kotler et al. 2005, 719). The goal of personal selling is not only to make the sale, but also to build customer relationship (Kotler et al. 2005, 719). According to the book,

> [p]ersonal selling also allows all kinds of relationships to spring up, ranging from a matter-of-fact selling relationship to a deep personal friendship. The effective salesperson keeps the customer's interests at heart in order to build a long-term relationship … Finally, with personal selling the buyer usually feels a greater need to listen and respond, even if the response is a polite 'no thank you'. (Kotler and Keller 2006, 742)

The book also describes 'sales promotion' and defines it as "[s]hort-term incentives to encourage the purchase or sale of a product or service … Sales promotion includes activities such as point-of-purchase displays, premiums, discounts, coupons, competitions, speciality advertising and demonstrations" (Kotler et al. 2005, 719). Furthermore, "sales promotion includes a wide assortment of tools—coupons, contests, price reductions, premium offers, free goods and others" (Kotler et al. 2005, 742). On page 788, the book offers a detailed description of various promotion tools. Sales promotion tools "create a stronger and quicker response" (Kotler et al. 2005, 743). The purpose of sales promotion "should be consumer relationship building. Rather than creating only short-term sales volume or temporary brand switching, sales promotions should help to reinforce the product's position and build long-term relationships with customer relationships" (Kotler et al. 2005, 787).

The book also describes the obligation that the company has towards buyers. A set of benefits, promised to the customers, is called a 'value proposition' (Kotler et al. 2005, 9). The book says: "Strong positions are not built upon empty promises. If a company positions its product as offering the best quality and service, it must then deliver the promised quality and service" (Kotler et al. 2005, 421). Even though this obligation is not contractual or written anywhere, the book compares it to a contract: "A brand is the company's promise to deliver a specific set of features, benefits, services and experiences consistently to the buyers. It can be thought of as a contract to the customer regarding how the product or service will deliver value and satisfaction. The brand contract must be simple and honest" (Kotler et al. 2005, 560).

Satisfied and delighted customers become committed to the company: "Customers are attracted by promises and held by satisfaction. Marketing defines the promise and ensures its delivery" (Kotler et al. 2005, 67)

3.3.2.2.1.2.3. Palmer: Principles of Marketing

Palmer describes 'personal selling' (Palmer 2000, 466–480) and how fulfilling the obligations creates trust between buyer and seller:

> Much attention has been given to the role of trust, which can be defined as 'a belief that a party is reliable and will fulfil its obligations in an exchange relationship' (Schurr and Ozanne 1985). Many analyses of trust in a marketing context build upon models used in social psychology to explain its role in interpersonal dyads (e.g. Pruitt 1981, Rotter 1967). In their analysis of the development of trust, Swan and Nolan (1985) conceptualize three stages. In the first stage, there has been no opportunity for exploration of each party's credentials, therefore the level of trust between buyer and seller is at a minimum until a minor exchange occurs. Once exchanges have occurred, trust development moves into the second stage in which the buyer has the opportunity to check actual delivery of a service against the promises that the seller has made. Trust is established where the perceived performance matches the promised performance. Finally, trust established through interaction is combined with other external factors (e.g. word-of-mouth opinions and media reports about the seller) to form an overall perception of trust in the seller. (Palmer 2000, 198)

Palmer also describes in this textbook how a relationship can be developed between a salesperson and buyer:

> A number of studies have sought to measure the extent to which a company's personnel are customer oriented and are able to empathize with their customers' needs (e.g. Saxe and Weitz 1982, Michaels and Day 1985). In the case of front-line sales personnel, customer-oriented selling has been defined by Saxe and Weitz as 'the practice of the marketing concept at the level of the individual salesperson and customer'.
>
> Saxe and Weitz analysed customer orientation in terms of two factors: 'relations' and 'ability to help'. The former refers to the abilities of sales personnel to develop long-term relationships with customers on the basis of trust, co-operation, and conflict resolution, while ability to help refers to sales personnel's ability to help customers satisfy their needs.
>
> Employees' abilities to empathize with customers have been identified by a number of researchers as a prerequisite to successful selling (Saxe and Weitz 1982). Even where

> a fault has occurred, the ability of a company's staff to empathize with the customer can help build a stronger relationship. This can be particularly important for highly variable services where the ability of an employee to empathize with customers can make the difference between a complete failure and the development of a closer relationship. (Palmer 2000, 199)

Palmer also explains 'loyalty programmes', which

> work on the basis of providing rewards to customers in return for their continuing patronage. For the customer, a loyalty programme can add to the value of a relationships in the ways described above. For the seller, the main attractions are based on the ability to gather large amounts of information about identifiable individuals, rather than aggregate level data about the 'average' customer. A loyalty programme can also have the effect of 'tying-in' a customer, at least in the short term while the customer collects sufficient points in order to obtain a reward. (Palmer 2000, 202–203)

Palmer also elaborates on 'sales promotion' (Palmer 2000, 421–422), and describes various incentives, which can (as I explained in Chapter 3.3.2.2.1.1.) cause a buyer to develop a feeling of obligation for receiving a gift: free samples, money-off price incentives, coupons, gift offers, competitions, sales bonuses, etc. (Palmer 2000, 503–508).

3.3.2.2.1.2.4. Boone and Kurtz: Contemporary Marketing

The occurrence of moral obligations is evident in the book's section entitled "Promises in Relationship Marketing" (Boone and Kurtz 1999, 336). It says:

> Relationship marketing is based on promises that go beyond obvious assurances that potential customers expect. A whole network of promises—outside the organization, within the organization, and in the interactions between buyer and seller—determine whether a marketing encounter will be positive or negative and either enhance or detract from an ongoing buyer-seller relationship. In Figure 10.4, insurance company Massachusetts Mutual Life effectively stresses the theme of promises: "Nothing binds us one to the other like a promise kept. For more than 140 years, we've been helping people keep their promises by ensuring we have the financial strength to keep ours." In addition to the firm's external promises to policyholders, Mass Mutual implicitly refers to an internal promise to keep the company financially strong, which benefits employees, as well as customers. (Boone and Kurtz 1999, 336)

For a company it is quintessential to keep its promises: "Every customer interaction with a business reaches a moment of truth when the business provides a good or service and the customer receives it. This action was defined in Chapter 1 as the exchange process. This exchange, the third stage in the buyer-seller relationship following external and internal marketing, defines the point at which a company keeps its promises" (Boone and Kurtz 1999, 338).

These are not contractual but moral obligations. The outcome of keeping the promises is trust:

> Trust is ultimately the glue that holds a relationship together over the long haul. Trust reflects the extent of one party's confidence that it can rely on another's integrity. When parties follow through on commitments, they enhance trust and strengthen relationships. When they don't fulfill commitments, however, then trust suffers. Stronger trust leads to more cooperation between parties in a relationship. In personal selling situations, studies demonstrate that a customer's level of trust and satisfaction with the salesperson affects the quality of the organizational relationship. Successful salespeople emphasize trust more than their less successful counterparts. (Boone and Kurtz 1999, 339)

The book also describes 'frequent buyer and user programs' (Boone and Kurtz 1999, 344), 'personal selling' (chapter 19), and 'sales promotions' (Boone and Kurtz 1999, 624–629). Regarding personal selling, the book nicely demonstrates how a seller can help: "Today's salespeople need a different model to satisfy cost-conscious, knowledgeable buyers. They are moving toward consultative selling, which involves meeting customer needs by listening to customers, understanding—and caring about—their problems, paying attention to details, and following through after the sale. It works hand-in-hand with relationship selling to build customer loyalty" (Boone and Kurtz 1999, 652).

3.3.2.2.1.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock says that the relationship between buyer and seller requires the development of trust and other similar non-contractual bonds: "The development of a strong relationship requires mutual trust and commitment from both parties, which will help to overcome any difficulties that might arise" (Adcock 2000, 187). He also says: "Key to any partnership is the commitment of both parties to develop a relationship, and demonstrating this is an important aspect of building trust in each other for the future. Every contact between supplier and customer is part of this process, and hence any failure to deliver benefits could put a strain on the relationship" (Adcock 2000, 195). He mentions "the importance of promises, both made and kept, to the development of long-term relationships … it is not only the supplier, but also the customer who has to promise commitment to a relationship if it is to flourish in the future" (Adcock 2000, 152). The development of a relationship is based on how much the company is able to fulfil its promises and obligations: "There is a vital relationship between promises and the total product actually offered. Customer satisfaction, and the development of long-term relationships is heavily dependent upon the promises both made and kept" (Adcock 2000, 337). Buyer satisfaction is created, "by meeting the expectations of customers. Even this can be difficult to assess as different customers perceive and evaluate the components in many different ways. Quality is best defined as the achievement of customer satisfaction. This applies to product quality, service quality and the quality of the relationship between supplier and customer" (Adcock 2000, 349). The company also has an obligation to take care of its customers: "Customer care means doing everything possible to look after the existing customers of an organization. The focus is on ensuring satisfaction for these customers and that involves creating a 'customer first' culture throughout an organization" (Adcock 2000, 349). Customer care is important because it is "ensuring satisfaction. It should include everything that could maximize the level of satisfaction for a purchaser both during and after a sale. That involves all the interactive elements of the basic offer as well as the after-sales support, such as service" (Adcock 2000, 350).

3.3.2.2.1.2.6. Baker: The Marketing Book

The book admits that obligations between buyer and seller are not necessarily only formal or contractual: "Buyer–seller relationships are often long term in nature, tend to be based on mutual trust, rather than a formal contract, and often start months or even years before money and goods are exchanged" (Baker 2003, 159). Such relationship between buyer and seller contains moral elements: "indeed, concepts such as retention, loyalty, commitment, trust, mutuality, reciprocity, structural bonds and attraction are central to understanding relationships. These concepts … have been borrowed, refined and moulded by contemporary understandings of service relationships, business relationships and consumer behaviour" (Baker 2003, 40). Furthermore, "trust, commitment, co-operation and mutual benefit have attracted the most empirical attention, and are considered fundamental to understanding and creating commercial relationships" (Baker 2003, 43). Or, in other words, "[s]uccessful relationship marketing requires a relationship based on commitment and trust, which is underpinned by values including honesty, transparency and integrity" (Baker 2003, 673).
Chapter 14 is devoted to 'Selling and sales management' (Baker 2003, 360–371). The book says that the role of salespeople "is being absorbed into their relationship role. Salespeople must take responsibility for creating, developing and maintaining profitable relationships with their customers … A third role is relationship building, and salespeople must initiate, build

and develop relationships between the firm and its customers" (Baker 2003, 361). For that reason,

> the role of the salesperson seems to have moved away from traditional aggressive and persuasive selling, to a new role of 'relationship manager' and, in practice, we are witnessing a tendency to change the sales lexicon from salesforce to sales counsellors, professional representatives or sales consultants … The new reality of relationship marketing directs salespeople and sales managers to develop long-lasting relationships with their customers based on mutual trust and commitment. (Baker 2003, 362)

Therefore, for most salespeople, "relationship maintenance is a key role" (Baker 2003, 364). Even though the primary role of salespeople is still to sell something, relationship building (and obligation building through help, counselling etc.) starts to become more and more important: "The traditional sales process still applies in many exchange situations, but the key role for salespeople is to build, maintain and promote longterm profitable relationships with customers" (Baker 2003, 369).

Chapter 18 of the book is about 'sales promotion' (Baker 2003, 458–483). It says: "In addition to encouraging sales or product trial, promotions are used by marketers to pursue a wide range of other strategic and tactical objectives, including … developing a relationship with customers" (Baker 2003, 461). In Table 18.1, the book describes major forms of consumer promotions (Baker 2003, 462–463). The book even has a section entitled 'Building relationships through promotions' (Baker 2003, 473–474). It says: "Because promotions go beyond the 'magic bullet' approach to communication, they create opportunities to build relationships between the promoter and the target. In consumer markets this is often achieved through loyalty schemes" (Baker 2003, 473). Such promotions, "which aim to build relationships require a much longer-term approach to promotions management than the 'quick fix' campaign stereotype. Major joint promotions can take years to plan, and loyalty schemes or major mechandising programmes may run for many years" (Baker 2003, 474).

3.3.2.2.1.2.7. Blythe: Principles and Practice of Marketing

The book describes the commitment-trust theory developed by Morgan and Hunt (1994), where "relationship marketing refers to all marketing activities directed towards establishing, developing and maintaining successful relational exchanges" (Blythe 2006, 664). In this context "[a]ll relationships (whether business or personal) are affected by the degree of trust which exists between the parties. Establishing a relationship of trust between businesses can be a complex affair, since many different individuals will need to be part of the process and consequently part of the outcome" (Blythe 2006, 664). Between buyer and seller, "[u]ltimately, good relationships depend on commitment and trust" (Blythe 2006, 373). Obligations in such relationship are not based on contracts, but on trust: "The starting point for building trust is to keep promises, and the first set of promises any firm must keep is the promises surrounding the product and its performance. On the whole, customers understand that things do not always go perfectly, but a failure on the part of the firm to correct any faults in the product or the service means that the firm has broken its promises—a sure way to lose a customer" (Blythe 2006, 382).

Chapter 18 is devoted to sales promotion (Blythe 2006, 576–604). Blythe describes various sales promotion techniques (Blythe 2006, 596). Interestingly he says that "[i]n general, sales promotions involve giving something away. The gift should (ideally) be something which is not too expensive for the promoter to supply" (Blythe 2006, 596).

The book also contains a section about 'personal selling' (Blythe 2006, 545–547), where it states, "salespeople provide a personal touch. A salesperson is able to meet a customer, discuss the customer's problems, and develop a creative solution … The key point in this is that selling is about establishing a dialogue: it is not about persuading people to buy things they don't really want, it is not about fast-talking a buyer into making a rash decision, and it is most definitely not about telling lies about the firm's products" (Blythe 2006, 545). It is interesting that "many salespeople regard their relationship with their customers as being more important than their relationship with the firm that pays their salaries … Research shows that salespeople are often defensive of their good relationships with customers even when this conflicts with instructions from the marketing department … Salespeople also know that establishing a social rapport with customers is important" (Blythe 2006, 550). Blythe describes how a good salesperson establishes obligations and builds relationships:

> Particularly when first meeting a new customer, the salesperson needs to establish a personal rapport. This is established by showing a genuine interest in the customer and his or her problems … Typically salespeople begin with an 'icebreaker'. This is an opening remark or series of comments, which tend to put the relationship on a human level; they are the common politeness which anybody might use when meeting someone new. Comments about the weather or the state of the traffic help to put both parties at ease before getting down to business, but it is usual to proceed fairly quickly to the business at hand. Often the aim of the exercise is to create a perceived similarity between the salesperson and the prospect; if the prospect feels that they have something in common, this will increase the level of trust in what the salesperson has to say. Salespeople seek to establish relationships with their prospects, because this is

> a more certain way of making sales; it is also a way of making the working day more pleasant … Second, salespeople need to be ultra-polite, and very aware of the customer's sensibilities … Good salespeople look after their customers. (Blythe 2006, 556)

3.3.2.2.1.3. FINDINGS FOR CRITERION NO. 1

All selected textbooks extensively describe principles and methods for creating strong customer commitment and obligations, which are not formal or contractual but rather of a moral and social nature. Therefore, all selected textbooks comply with the first criterion of moral obligation.

3.3.2.2.2. THE ANALYSIS OF CRITERION NO. 2: REPAYMENT RECHARGES OBLIGATION

3.3.2.2.2.1. GENERAL ANALYSIS

Gift giving creates a moral and social obligation, which is bi-directional. The sense of obligation is not restricted to the buyer-seller relationship alone, but also exists in the direction seller-buyer. Therefore, we can find that contemporary commodity exchange also creates certain moral obligations on the side of the supplier. One such obligation is customer service.

Even though we nowadays consider customer service to be something normal and almost self-evident, it was not always like that. It is good to note, that several decades ago, customer service was very rare (Wright 1999, 6). As Wright has pointed out, after the World War II there was a shortage of consumer products on the market, which continued until the early 1960s. Sellers did not feel they should offer any post-sale customer service. It seemed as if the seller or the producer felt that his obligation to the customer ended as soon as the act of purchase was over. If the customer wanted to return a defective item, the seller was very reluctant to accept it. It was highly unusual for a seller to take back any malfunctioning item. A typical response from the seller would be something like: 'you have misused the product', or 'the product was used in an unacceptable way', or 'what more did you expect at the price?' If the item was exceptionally taken for repair, it usually took several months before it was repaired (Wright 1999, 6).

According to Wright (1999, 6), only after the late 1960s did suppliers start to offer customer service. Customer service indicates a post-sale obligation from the side of the seller and care for the customer that persists even after the transaction is over. If the item is defective, the seller will either take care of its repair or replace it. Customer service therefore signifies an ongoing obligation on the side of the vendor to offer help to the customer. This obligation lasts longer than the actual commodity transaction, showing it is a long-term obligation and not just a temporary obligation that would cease immediately after the transaction is over. This kind of obligation is especially prominent in the context of relationship marketing: “In the world of relationship marketing, the buyer and seller become interdependent. The relationship entails mutual expectations and *obligations*. If the product carries a warranty, the buyer registers the purchase with the manufacturer, thereby establishing the basis for marketing relationship” (Shajahan 2006, 182; my emphasis).

As Mauss (1954, 3) has pointed out, gift exchange does not include “exclusively goods and wealth, real and personal property, and things of economic value. They exchange rather courtesies, entertainments, ritual military assistance, women, children, dances, and feasts.” Gifts can therefore also include help, information, assistance, etc. This is exactly what customer service does: the seller is obliged to offer help and assistance to the buyer after the act of purchase is over. This prolonged service, which extends from a definite, long-term time-frame, to even the indefinite future, can also manifest itself as an info-desk or a toll-free telephone line, where representatives are obliged to listen to the customers and help them regarding their past or future purchases. Once the defective item has been repaired, or once the representative has listened to the customer and helped him solve the problem, the obligation of the company towards the customer is not discharged but rather re-affirmed.

Another way to create cycles of exchange is to have loyal customers who regularly buy products from the same company. Repeated purchases show there is constant exchange going on between buyer and seller. Kotler and Keller (2006, G4) define loyalty as “a commitment to re-buy or re-patronize a preferred product or service.”

Relationship marketing is especially dedicated and focused on existing customers, their retention and loyalty. It therefore creates a very strong web of mutual obligations between buyer and seller. Both of them are engaged in a mutual relationship and such a relationship brings obligations. As Tapp has pointed out, “the heart of relationship marketing is dialogue, human interaction, identifying mutual benefits, having shared ideals, and *keeping promises*. The outcomes are trust, mutual respect, and a commitment to continue the relationship” (Tapp 2005, 210; my emphasis). Relationship marketing “involves the establishment (where possible) of personal contacts and bonds between the customer and the firm’s representatives; the eventual emergence of *feelings within each party of mutual obligation*, of having common goals, and of involvement with and empathy for the other side" (Blythe and Bennett 2002, 334; my emphasis).

Loyalty and high commitment therefore establish a series of exchanges,[59] which is my second criterion, demonstrating the occurrence of moral obligation in contemporary commodity exchange.

3.3.2.2.2.2. TEXTBOOK ANALYIS

3.3.2.2.2.2.1. Kotler and Keller: Marketing Management

Chapter 5 of the book is devoted to 'Creating Customer Value, Satisfaction, and Loyalty' (Kotler and Keller 2006, 139–172). Kotler and Keller say that "[i]f the consumer is satisfied, he or she will exhibit a higher probability of purchasing the product again" (Kotler and Keller 2006, 198). To get highly loyal customers a company must deliver high customer value (Kotler and Keller 2006, 143), because "[a] customer's decision to be loyal or to defect is the sum of many small encounters with the company" (Kotler and Keller 2006, 144).

The book has a sub-chapter entitled 'Maximizing Customer Lifetime Value' (Kotler and Keller 2006, 148–152), which describes how to involve a customer in loyal, repeated purchasing activity and thus maximize the outcome for both parties. Furthermore, the sub-chapter 'Cultivating Customer Relationships' (Kotler and Keller 2006, 152–162) describes how to engage customers in a long-term relationship with the company. How to 'attract, retain, and grow customers' is described in a separate section (Kotler and Keller 2006, 154), where it says: "It is not enough, however, to attract new customers; the company must keep them and increase their business" (Kotler and Keller 2006, 155). There are sections, which deal with "building loyalty" (Kotler and Keller 2006, 157–158), "reducing customer defection" (Kotler and Keller 2006, 158–159), and "forming strong customer bonds" (Kotler and Keller 2006, 159–162). In these sections, the book teaches how to involve customers into ongoing cycles of exchange. The goal of marketing is no longer to sell once and then disappear, but to engage customers in repeated interaction with the company. The aspiration for "maximizing long-term customer profitability is captured in the concept of customer lifetime value" (Kotler and Keller 2006, 150), which "describes the net present value of the

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[59] However, it is important to mention, that not every repeated purchase implies high commitment or mutual moral obligations. For instance, one may regularly buy food in a nearby shop purely for reasons of convenience and not due to any kind of moral obligation. Yet there are instances, where very high commitment is developed between buyer and seller.

stream of future profits expected over the customer's lifetime purchases" (Kotler and Keller 2006, 150). Delivering high customer value and satisfaction "leads to high repeat purchases and ultimately to high company profitability" (Kotler and Keller 2006, 150).

Kotler and Keller also describe various post-sale services that companies use. The obligation of the company towards a customer persists even after the transaction is over by offering customers "suggestion forms, toll-free numbers, Web sites, and e-mail addresses [that] allow for quick, two-way communications" (Kotler and Keller 2006, 155). The book has a section on "how to handle customer complaints" (Kotler and Keller 2006, 156), where it says:

> Customers must feel an immediate sense that the company truly cares. 1. Set up a 7-day, 24-hour toll-free 'hotline' (by phone, fax, or e-mail) to receive and act on customer complaints. 2. Contact the complaining customer as quickly as possible. 3. Accept responsibility for the customer's disappointment; 4. Resolve the complaint swiftly and to the customer's satisfaction. Some complaining customers are not looking for compensation so much as a sign that the company cares. (Kotler and Keller 2006, 156)

There are also sections dealing with "managing product support services" (Kotler and Keller 2006, 424–425), "warranties and guarantees" (Kotler and Keller 2006, 395–396), where it says that "[p]roducts under warranty can be returned to the manufacturer or designated repair center for repair, replacement, or refund" (Kotler and Keller 2006, 395), and "postsale service strategy" (Kotler and Keller 2006, 425–426), where it says: "Customer service choices are increasing rapidly … The service mix includes both presale services (facilitating and value-augmenting services) and post-sale services (customer service departments, repair and maintenance services)" (Kotler and Keller 2006, 426).

3.3.2.2.2.2.2. Kotler et al.: Principles of Marketing

The very introductory quote shows how a company has an obligation to take care of its customers even after the initial exchange is over:

> Today's successful companies have one thing in common. Like Nike, their success comes from a strong customer focus and heavy commitment to marketing. These companies share an absolute dedication to sensing, serving and satisfying the needs of customers in well-defined target markets. They motivate everyone in the organisation to deliver high quality and superior value for their customers, leading to high levels of customer satisfaction. These organisations know that if they take care of their customers, market share and profits will follow. (Kotler et al. 2005, 5)

Thus, the obligation of the company towards its customers is not dissolved after the first purchase is over. According to the book, "[c]ompanies are … realising that losing a customer means losing more than a single sale. It means losing the entire stream of purchases that the customer would make over a lifetime of patronage" (Kotler et al. 2005, 33). Therefore, "the proper focus of marketing planning is that of extending loyal customer lifetime value, with brand management serving as an essential marketing tool" (Kotler et al. 2005, 558). The book has sections, which teach how to engage customers into an ongoing interaction, and repeated purchases. There are several connected subchapters dealing with customer value and satisfaction (Kotler et al. 2005, 463–576). The book also describes how companies care for customers by giving them after-sale attention in the form of "gifts, free entertainment or corporate hospitality" (Kotler et al. 2005, 828), thus trying to engage them in ongoing cycles of exchange. According to the book, "[l]oyalty schemes have grown hugely in recent years. At their best these are attempts to build customer relationships based on the long-run customer satisfaction" (Kotler et al. 2005, 510). There are also different sections, which describe the post-sale obligations of the company. For instance, "[t]he customer service department provides information on customer satisfaction or service problems" (Kotler et al. 2005, 338). Further, the 'customer service process' is defined as: "All the activities involved in making it easy for customers to reach the right parties within the company to obtain service, answers and resolutions of problems" (Kotler et al. 2005, 470). In a sub-chapter entitled 'Product-support services' (Kotler et al. 2005, 551–552), the book elaborates on customer service:

> Customer service is another element of product strategy. A company's offer to the marketplace usually includes some services, which can be a minor or a major part of the total offer … Here, we address product-support services—services that augment actual products. More and more companies are using product-support services as a major tool in gaining competitive advantage. Good customer service makes sound business sense. It costs less to keep the goodwill of existing customers than it does to attract new customers or woo back lost customers. (Kotler et al. 2005, 551)

Also, elsewhere the book states that "[s]ome customer-centred companies may set up free customer hotlines to make it easy for customers to enquire, suggest or complain" (Kotler et al. 2005, 467). We can see that the actual act of purchasing creates an obligation on the side of the company to provide customer service, which in turn creates satisfied and loyal customers and thus continuous cycles of exchange between company and its satisfied customers:

“Satisfied customers are more likely to be loyal customers, and loyal customers are more likely to give the company a larger share of their business” (Kotler et al. 2005, 33).

3.3.2.2.2.2.3. Palmer: Principles of Marketing

Palmer says that companies want to engage customers in perpetual cycles of exchange: “Companies undertake marketing activities in order to elicit some kind of response from buyers. The ultimate aim of that activity is to get customers to buy their product, and to come back again” (Palmer 2000, 165). He also suggests that involving customer into a perpetual exchange is not something that relationship marketing invented: “Any casual glance through academic or practitioner marketing journals may leave you with the impression that relationship marketing is a very new development. In reality, companies have always taken measures—some more so than others—to ensure that a sale is not so much the end of one transaction, but the beginning of the next one” (Palmer 2000, 183). Therefore, “[t]he need for organizational buyers’ risks to be reduced and their desire to seek the active cooperation of suppliers in tackling shared problems has resulted in greater attention being paid to the development of organizational buyer-seller relationships over time, rather than seeing individual purchases in isolation” (Palmer 2000, 183).

When talking about direct marketing, Palmer emphasises that “direct marketing is not just about recruiting new customers. It is concerned with creating loyalty among existing customers and retaining their business” (Palmer 2000, 521).

Palmer describes services which a company can offer to its customers besides just the core product: the ‘augmented level’ “differentiates a particular product from its competitors. The augmented level of a product tends to include intangible features such as pre-sales and after-sales service, guarantees, credit facilities, brand name, etc” (Palmer 2000, 224). Also, “[c]ustomer helplines are becoming an important feature of many companies in both the goods and services sectors” (Palmer 2000, 521).

3.3.2.2.2.2.4. Boone and Kurtz: Contemporary Marketing

Once the seller has provided the item in exchange for a buyer’s money, the seller’s obligation towards the buyer is not dissolved, but rather re-created: “The exchange also provides the place where long-term relationships develop between buyers and sellers. A company that doesn’t keep its promises at the exchange point in the marketing process destroys any hope of continuing buyer-seller relationships. While positive encounters help to build long-term relationships, a negative encounter has a devastating effect” (Boone and Kurtz 1999, 338).

The purpose of relationship marketing is to develop highly loyal customers and engage them in perpetual cycles of exchange: “Relationship marketing gives a company new opportunities to gain a competitive edge by moving customers up a loyalty hierarchy from new customers to regular purchasers, then to loyal supporters of the company and its goods and services, and finally to advocates who not only buy the company’s products but recommend them to others. By converting indifferent customers into loyal ones, companies generate repeat sales” (Boone and Kurtz 1999, 35).

The book affirms that reciprocal cycles of exchange can be created in market exchange: “Every long-term relationship includes some give-and-take between the parties; one makes allowances and grants favors to the other in exchange for the same treatment when its own need arises. This give-and-take process, termed reciprocity, becomes a web of commitments among the parties in the relationship, binding them ever closer together” (Boone and Kurtz 1999, 339).

Boone and Kurtz also describe customer service strategies used by retailers (Boone and Kurtz 1999, 536). According to Boone and Kurtz “[t]he basic objective of all customer services focuses on attracting and retaining target customers, thus increasing sales arid profits” (Boone and Kurtz 1999, 536).

3.3.2.2.2.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock says that contemporary market exchange can create repeated cycles of exchange between buyer and seller:

> There are many opportunities to continue contact with a customer after a sale. These are important both in building relationships and in trying to achieve repeat purchase, and all businesses have to decide the role and level of such contacts. It could involve a formal after-sales contract (maybe a guarantee or maintenance deal) or some needed service such as installation, but it might be restricted to a single communication, which asks if everything is working as expected. (Adcock 2000, 136)

Companies can engage customers into continuous cycles of exchange, for instance, by “attractive financial benefits which bind a customer to a particular supplier. These benefits could come from use of loyalty discount schemes or increased rewards for increased orders” (Adcock 2000, 155). Adcock emphasises that:

> Marketing is not about capturing customers and holding them as ‘hostages’ because these customers will move on as soon as a better proposition is available; they are the loyal dissatisfied customers discussed its earlier chapters. The marketing task is to create satisfied customers who wish to return on their own terms. They will do

> business in the future because they like what is offered and, more importantly, trust an organization to keep the promises it makes to customers. (Adcock 2000, 325)

3.3.2.2.2.2.6. Baker: The Marketing Book

According to the book, companies often no longer focus on a single transaction, but rather try to engage customers in an ongoing exchange: [c]ompanies are now trying to assess customer lifetime value and are using increasingly sophisticated tools to do so" (Baker 2003, 525). The book advises companies to "[r]eward loyal users and encourage repeat purchases" (Baker 2003, 475), thus creating cycles of exchange.

The book says, "the quality of after-sales customer service is a critical factor in the winning of repeat business" (Baker 2003, 442).

When describing the role of CRM and SCM (supply chain management) in improving customer service, the book admits that after a sale is over, the seller's obligation to help the buyer is not dissolved, and for that reason "both CRM and SCM systems must themselves be capable of providing the flexible response that individual customers require" (Baker 2003, 497). By providing post-purchase services to buyers, a company effectively builds a relationship with its customers: "The impact of customer service and total quality improvement can be enduring, leading to longer-term relationships with customers, improved retention rates and, hence, greater profitability" (Baker 2003, 497).

3.3.2.2.2.2.7. Blythe: Principles and Practice of Marketing

According to Blythe, "customer value should be measured in terms of how much the customer spends in a lifetime, rather than in a single transaction" (Blythe 2006, 707). Blythe describes how companies want to create cycles of exchange with their customers: "The ideal situation for any marketer is that customers return regularly and buy again and again—a situation which is unlikely to occur if the customers did not feel that they had been fairly treated in the first place" (Blythe 2006, 3). Such repeated exchanges are based on mutual trust, which is the result of continually fulfilling obligations: "Customers tend to increase their purchases year-on-year with firms with whom they have a relationship … people are more likely to spend money with firms in whom they trust" (Blythe 2006, 706). After a transaction is over, the obligation of the seller towards the buyer is not over: "After-sales activities include calling on the customer afterwards to ensure that the process went smoothly, to learn lessons for the future, and perhaps to correct any shortcomings in the delivery or the product" (Blythe 2006, 555). The ultimate purpose of such a strategy is to create relationships:

"Customer retention and customer winback are both sides of the same coin: establishing and maintaining long-term relationships" (Blythe 2006, 386).

Blythe describes how airline companies create cycles of exchange: "Airline loyalty schemes are aimed at reinforcing the frequent flyers, whose loyalty is desirable since they are most likely to be the most profitable customers. The airlines offer free flights to their most regular customers, and for many business travellers these flights offer an attractive reason for choosing the same airline every time" (Blythe 2006, 128). For instance, "KLM's frequent-flyer programme, Flying Dutchman, offers more than just free flights. Frequent flyers collect points which build towards various rewards—free flights, free hotel rooms, upgrades, car hire discounts, and so forth" (Blythe 2006, 129).

3.3.2.2.2.3. FINDINGS FOR CRITERION NO. 2

All the selected textbooks describe methods, ideas, principles or examples of a company's obligation to take care of its customers even after the initial exchange is over. Contemporary marketing emphasises that after a transaction is over, the company still has to take care of its customers. Textbooks describe various concepts, ideas, practices, programs and techniques, which show that the act of purchase in some cases does not dissolve obligations, but rather creates new obligations. All the selected textbooks comply with the second criterion.

3.3.2.2.3. THE ANALYSIS OF CRITERION NO. 3: THE TIME OF THE COUNTER-GIFT IS POSTPONED

3.3.2.2.3.1. GENERAL ANALYSIS

As discussed earlier, various marketing strategies aim to establish a relationship between customer and company. In this manner both of them maintain cycles of exchange, which are beneficial for both of them: a company gets a loyal customer, who will bring money through regular purchases, while the customer reduces risk and saves time that would otherwise be spent researching alternative choices.

As demonstrated in Chapter 3.3.1., companies often try to involve customers into an ongoing relationship, rather than just engage them in short-term transactions. Instead of simply creating products and then trying to just 'make the sale' through mass advertising, companies have started to put a much stronger emphasis on building long-term relationships with customers.

Once a company has established a long-term relationship with its customers, it has all the various moral and social obligations that any relationship inevitably brings. Tapp has pointed out that the very act of selling and buying “always involves *the keeping of a promise* in the sense that the seller promises something to the buyer in return for cash” (Tapp 2005, 210; my emphasis).

What is it that the seller promises to the buyer, and what obligations does it bring?

More and more evidence shows that customer commitment is mainly determined by customer satisfaction with past transactions (Nigel and Jim 2000, 18). For a customer it is utterly frustrating if a newly purchased item breaks down after only few days of usage, starts to malfunction or does not live up to expectations. Once the company has established a good reputation, it has a definite obligation to provide the same or ideally even better level of quality. At the beginning of the industrial revolution, this element was not so important, and has gained in significance only since the 1980s. In the US it was heralded by Ford, Xerox and Motorola, who strove to regain market shares lost to Japanese competitors (Boone and Kurtz 2005, 364).

Therefore, one moral obligation of the seller, which is postponed to future, is to satisfy a customer’s expectations by continuing (or ideally even improving) what was initially delivered to him. Unless the seller wants to sell only once and then disappear, the vendor has a permanent obligation to the customer to sustain or even improve the level of quality, service, reputation, prestige, etc., that his product or service represents in order to keep loyal customers. Customers like to be ‘surprised’—getting more than they expected: “Although reliability is the most important dimension in *meeting* customers’ service expectations, process dimensions (e.g., assurance, responsiveness, and empathy) are most important in *exceeding* customer expectations, for example, by surprising them with uncommon swiftness, grace, courtesy, competence, commitment, and understanding” (Kotler and Keller 2006, 417; my emphasis).

The famous proponent of quality-control methods Edwards Deming[60] has, in his famous book *Out of the Crisis* (initially published in 1982), urged companies to “[c]onstantly improve design of product and service. This *obligation* never ceases. The consumer is the most important part of the production line” (Deming 2000, 26; my emphasis). To stimulate and promote continuous quality improvement, the US Congress established the Malcolm Baldrige National Quality Award in 1987. In Europe the ISO 9000, 9001 and later 9002 standards aim for the constant improvement of quality. The idea of constant improvement of quality is

[60] According to the Encyclopaedia Britannica, Deming was largely responsible for a quick economic recovery of Japan after WW2, and the subsequent commitment to quality by Japanese firms.

woven all throughout the 9001 standard (Persse 2006, 133). The well-known concept of Total Quality Management (TQM) is also based on a continuous dedication to improving products (Boone and Kurtz 2005, 364).

A company thus does not have a contractual, but rather a moral obligation towards its customers to maintain and improve the quality and prestige that its products represent. Commodities are very often not purchased only for their utilitarian value, but for other reasons as well. What a consumer gets with the purchase is usually not just the pure utilitarian value of the object purchased, but also other symbolic and social elements.

For example, someone may not buy a Panasonic digital pocket camera, even though numerous tests may show Panasonic has the best camera of the year in the category of compact digital cameras. Instead, he would rather buy a more expensive Canon or Nikon, which have excellent high–end cameras, but not necessarily always the best pocket digital cameras. By buying a Canon or Nikon he will pay more and get the prestigious brand name camera. Since he has paid a premium price for it, he expects that that the prestige will not vanish the next day.

The producer thus has an obligation to maintain the prestige and quality of the product for which the buyer has paid a premium price. If I buy the item of a prestigious brand, and I pay a premium price for that, I would not be happy if the brand's reputation suddenly deteriorated . I expect and demand that my premium brand digital camera will keep its prestige for at least the next couple of years. However, if I buy a no-name product for a very low price, I do not really care what happens to the producer and its reputation in the future. In this case, all I expect is that the product will properly function for at least a few years.

Such a moral obligation can be seen in the following mission statement of *'Rubbermaid Commercial Products, Inc.'*: Our Vision is to be the Global Market Share Leader in each of the markets we serve. We will earn this leadership position by providing to our distributor and end-user customers innovative, high-quality, cost-effective and environmentally responsible products. We will add value to these products by providing legendary customer service through our *Uncompromising Commitment to Customer Satisfaction*" (Quoted in Kotler and Keller 2006, 45; my emphasis), or in the Mission statement of *'Motorola Inc.'*: "The purpose of Motorola is to honorably serve the needs of the community *by providing products and services of superior quality …*" (Quoted in Kotler and Keller 2006, 45; my emphasis).

Especially relationship marketing, which is dedicated to create an environment of commitment, relationship and trust, aims to meet or preferably even exceed customer expectations (Buttle 1996, 8, 13). Or, as Barnes has put it, "The outcome of this concern for customers, in an environment of relationship commitment and trust, is a desire to provide excellent service" (Barnes and Open University 2000, 107).

We can see that the ongoing obligation of the producer to maintain quality, even after the transaction is over, appears to be an important feature of commodity exchange. It includes a moral obligation where the repayment is postponed until the indefinite future.

3.3.2.2.3.2. TEXTBOOK ANALYIS

3.3.2.2.3.2.1. Kotler and Keller: Marketing Management

For contemporary marketing the very act of purchase marks the beginning of a possible relationship between company and customer. Now the company has an obligation (which extends into the future) to fulfil its brand promise and create customer satisfaction, because "[f]or customer-centered companies, customer satisfaction is both a goal and a marketing tool" (Kotler and Keller 2006, 146). Therefore, "[c]ustomer feedback should be collected continuously after purchase to learn how to improve the product and its marketing" (Kotler and Keller 2006, 38).

Moreover company should even exceed customers' expectations, because "[c]ustomers' expectations are the true standards for judging service quality" (Kotler and Keller 2006, 409), especially because "[c]ustomers increasingly expect higher quality and service and some customization." (Kotler and Keller 2006, 14).

The obligation to constantly improve quality,

> has led some countries—and groups of countries—to recognize or award prizes to companies that exemplify the best quality practices (e.g., the Deming Prize in Japan, the Malcolm Baldridge National Quality Award in the United States, and the European Quality Award). Product and service quality, customer satisfaction, and company profitability are intimately connected. Higher levels of quality result in higher levels of customer satisfaction, which support higher prices and (often) lower costs. (Kotler and Keller 2006, 148)

According to Kotler and Keller, "[t]he companies at greatest risk are those that fail to carefully monitor their customers and competitors and to continuously improve their value offerings" (Kotler and Keller 2006, 4). Good companies "continuously improve and refine the product on the basis of market feedback … They continuously improve product quality, aiming for zero defects … They measure company image and customer satisfaction on a continuous basis … They continuously gather and evaluate ideas for new products, product improvements, and services" (Kotler and Keller 2006, 21).

Therefore, the book has a sub-chapter devoted to ‘Total Quality Management’ (Kotler and Keller 2006, 147–148), which is defined as follows: “Total quality management (TQM) is an organization-wide approach to continuously improving the quality of all the organization’s processes, products, and services” (Kotler and Keller 2006, 147).

3.3.2.2.3.2.2. Kotler et al.: Principles of Marketing

As discussed in the general analysis, “[a] product’s failing reputation can cause customer concerns about the company and its other products” (Kotler et al. 2005, 611). Therefore, “companies do not design their products to break down earlier, because they do not want to lose their customers to other brands. Instead, they seek constant improvement to ensure that products will consistently meet or exceed customer expectations” (Kotler et al. 2005, 175). Here we can see that a company has a post-purchase obligation, which extends into the future. Companies put efforts into “improving product appeal and performance, learning from product sales results and managing repeat performance” (Kotler et al. 2005, 6). To do this, “[c]ustomer-driven companies research current customers to learn about their desires, gather new product and service ideas and test proposed product improvements” (Kotler et al. 2005, 17). Long-run consumer loyalty is generated “by continually improving the value that consumers receive from the firm’s marketing offer” (Kotler et al. 2005, 192). The book urges that “[t]he task of improving product and service quality should be a company’s top priority. Most customers will no longer tolerate poor or average quality. Companies today have no choice but to adopt total quality management if they want to stay in the race, let alone be profitable” (Kotler et al. 2005, 472).

The book has a subchapter devoted to ‘Total quality management’ (Kotler et al. 2005, 471–474). It defines TQM as follows: “Programmes designed to constantly improve the quality of products, services, and marketing processes” (Kotler et al. 2005, 473). The book also has a sub-chapter on ‘Product quality’ (Kotler et al. 2005, 545–546), where again emphasises the need for TQM: “‘Total quality management’ (TQM) is an approach in which all the company’s people are involved in constantly improving the quality of products, services and business processes” (Kotler et al. 2005, 545). To illustrate the need for constant improvement, it recalls a quote, which says, “[m]arketers who don’t learn the language of quality improvement, manufacturing and operations will become as obsolete as buggy whips” (Kotler et al. 2005, 474). Therefore, the firm should “keep current customers by improving product appeal and performance, learning from product sales results and managing repeat performance” (Kotler et al. 2005, 6). Since companies are aware of the obligation to continually improve products and services, "[r]ecently, a growing number of companies have turned to benchmarking, comparing the company's products and processes to those of competitors or leading firms in other industries to find ways of improving quality and performance. Benchmarking has become a powerful tool for increasing a company's competitiveness" (Kotler et al. 2005, 500). The book also advises that "[t]he company should periodically survey buyers who have used the product and ask these questions: How do you like the product? Which specific features of the product do you like most? Which features could we add to improve the product" (Kotler et al. 2005, 546)? We can see that nowadays a company has to constantly improve what it offers, to fulfil its long-term commitment and obligation to the customers.

3.3.2.2.3.2.3. Palmer: Principles of Marketing

Palmer dedicates a section to the issue of 'quality' (Palmer 2000, 225–226) He says that "organizations must establish requirements and specifications; once established, the quality goal of the various functions of an organization is to comply strictly with these specifications" (Palmer 2000, 225). While in traditional transaction oriented marketing "quality is the responsibility of [the] production department" (Palmer 2000, 198), in relationship marketing "quality is the responsibility of all" (Palmer 2000, 198). According to Palmer, "[t]o try to provide reassurance to buyers, many companies incorporate some sort of guarantee of quality into their product offer" (Palmer 2000, 226). In chapter 10 (Palmer 2000, 239–259) he describes "Innovation and New Product Development" (Palmer 2000, 239), emphasising the need for constant innovation and the development of better products (Palmer 2000, 239). Palmer also mentions total quality management as something that centres primarily on customers' needs and expresses a company's concern for its customers (Palmer 2000, 265).

3.3.2.2.3.2.4. Boone and Kurtz: Contemporary Marketing

After the initial exchange is over, a company continues with post-sale activities, which extend into future:

> Follow-up helps to strengthen the bond that salespeople try to build with customers in relationship selling. Automobile dealers often keep elaborate records of their previous customers so that they can promote new models to individuals who already have shown a willingness to buy from them. Some auto dealers assign representatives from their service departments to call several days after customers' appointments and make sure that the work has satisfied them. One successful travel agency never fails to

> telephone customers when they return from their trips. Proper follow-up is a logical part of the selling sequence. (Boone and Kurtz 1999, 664)

A company has to keep or even improve its brand's reputation: "Esteem is a combination of perceived quality and consumer perceptions about the growing or declining popularity of a brand. A rise in perceived quality increases consumer admiration for the brand. Positive public opinion about a brand also promotes the brand's esteem. On the other hand, negative impressions about a brand's popularity reduce esteem" (Boone and Kurtz 1999, 402).

An example of post-sales activities, which extend into future, can be also be found in retail stores: "A retailer may provide a variety of customer services for shoppers. Examples are gift wrappings, alterations, return privileges, bridal registries, consultants, interior designs, delivery and installation, and perhaps even electronic shopping via gift-ordering machines in airports" (Boone and Kurtz 1999, 504).

The book also has sections about total quality management (Boone and Kurtz 1999, 54), worldwide quality programs (Boone and Kurtz 1999, 56), and a section dedicated to "working toward continuous improvement" ((Boone and Kurtz 1999, 66). It says:

> The goal of continuous improvement is a critical aspect of any TQM program. Continuous improvement is the process of constantly studying and making changes in work activities to improve their quality, timeliness, efficiency, and effectiveness. Continuous improvement helps a firm to produce value-added goods and services that meet customer needs, and it supports innovations that exceed customer expectations. This process must be ongoing, since customers' needs, wants, and expectations are always changing. (Boone and Kurtz 1999, 66)

3.3.2.2.3.2.5. Adcock: Marketing Strategies for Competitive Advantage

According to Adcock, "attention must be given to constant improvements in the offering" (Adcock 2000, 87). There is a "vital relationship between promises and the total product actually offered. Any competitive advantage enshrined in the promises must be reflected in the product. This will involve issues of total quality of an offering as well as delivering those aspects of high perceived value and low delivered cost (see Chapter 8) that form the key success factors energizing customers to purchase" (Adcock 2000, 133).

According to Adcock, "there is a distinct difference between a one-off sale occasion … and the marketing of products over an extended period of time with the necessity of repeat purchases and the hope of developing a positive reputation from which the selling organization can benefit in the future" (Adcock 2000, 162).

The book also has a section on 'total quality management' (Adcock 2000, 168–171). However, Adcock suggests there should also be 'total quality marketing' "as distinct from total quality management. The comparative benchmarking of performance is a continuous activity. As competitors improve their offerings so programmes can be implemented with the aim of keeping ahead in the key components which 'energize' customers" (Adcock 2000, 171). Since "[q]uality improvements can help to build strong relationships by developing additional benefits for both buyers and sellers" (Adcock 2000, 171), there is a continuous obligation to improve quality. Therefore "[q]uality is a journey, not a destination—there should be continuous quality improvement" (Adcock 2000, 176).

3.3.2.2.3.2.6. Baker: The Marketing Book

The book says that after a transaction the obligation of the seller extends into the future:

> The idea is to create enduring relationships with customers not just through superior products, but also through superior service. This twin focus on total quality and service as a source of customer satisfaction has come to be called 'relationship marketing' … The impact of customer service and total quality improvement can be enduring, leading to longer-term relationships with customers, improved retention rates and, hence, greater profitability. (Baker 2003, 497)

According to the book, the proposition, "supported by a growing body of evidence, is that superior service helps build relationships with customers, which then leads to improved rates of customer retention" (Baker 2003, 497). Therefore, the book advises that companies should "[c]ontinuously strive to serve customer needs more effectively" (Baker 2003, 103). One type of obligation is to continually improve quality: "Added value is a relative concept that enables customers to make a purchase on the basis of superiority over competing brands. It can also be judged by customers in terms of how the brand has improved over time, for example the pleasant surprise a car owner experiences when trading in their model for a newer model of the same marque" (Baker 2003, 379).

If the producer continuously improves the quality of its products, this positively affects customer loyalty: "An alternative strategy could be to build a brand around the innovations developed by the company, so that it develops a reputation as the leading innovator in the industry. This branded reputation may attract a substantial loyal group of customers and this could create the ability to earn a super profit; each new product innovation therefore reinforces the brand attributes rather than having to earn a super profit itself" (Baker 2003, 513).

3.3.2.2.3.2.7. Blythe: Principles and Practice of Marketing

According to Blythe, the post-purchase obligation of the seller towards the buyer is a very important part of the selling process: "Service support is critical to relationship marketing, because it is during the pre-sale and after-sale support that customers are approached as individuals. It is at this time that customers' perceptions of quality will become apparent—and the front line staff (salespeople, etc.) who deal directly with customers are able either to adjust the customers' expectations (pre-sale) or correct any problems with the product (after-sale)" (Blythe 2006, 375).

Blythe also describes the post-purchase obligation, which exists in relationship marketing:

> In the past, quality was seen as the province of the production department, which led to the product concept mentioned in Chapter One. Under a relationship marketing ethos, quality has become the integrating concept between production orientation and marketing orientation. Marketing has the role of managing the customers' expectations—either by adjusting the expectations or by fine-tuning the product: concentration on the product alone is not enough.
>
> If we subscribe to this philosophy, then service quality can be defined as the ability of the organisation to meet or exceed customer expectations. The relationship marketer therefore needs to monitor the quality of the firm's output against two criteria: the customers' expectations, and the firm's actual output. (Blythe 2006, 375)

When discussing 'total quality management', Blythe says it is not enough to focus only on fulfilling high quality standards: "The problem with this is that it does not take account of the customer's expectations, but instead relies on the firm's view of what constitutes a high-quality process" (Blythe 2006, 376).

Blythe also offers a section about 'creating and managing a reputation' (Blythe 2006, 520). He says that

> an organisation's reputation is composed of the overall view that people have about the organisation. Reputation is important for two reasons: first, it has a direct effect on the bottom line because organisations with good reputations are more likely to attract customers, and second a good reputation acts as a buffer should a crisis occur … One of the main advantages of a favourable reputation is that it cannot be copied by other organisations, so it becomes a differentiator for the firm (Blythe 2006, 520).

Therefore, it is important that the company maintains or, better, improves its reputation. It is important to create "the right reputation so that the organisation's publics are clear about what to expect" (Blythe 2006, 520).

3.3.2.2.3.3. FINDINGS FOR CRITERION NO. 3

All the selected textbooks describe the obligation of the company to continuously improve its products and services and to exceed customer expectations. Such post-sale obligations extend into the future. All the selected textbooks thus comply with the third criterion of moral obligation.

3.3.2.2.4. THE ANALYSIS OF CRITERION NO. 4: THE EXCHANGE IS PERFORMED ON BEHALF OF SYMBOLIC GROUPS

3.3.2.2.4.1. GENERAL ANALYSIS

One of the most interesting situations where obligations are created in the framework of contemporary commodity exchange is when obligations exist on a more symbolic level. In the past, the social position of a person was determined at birth by his origin, parents, place of birth and his religion. Nowadays, people have different associations and form part of various social networks that give them their identities. Various recent studies reject the traditional approach that studies market phenomena on the basis of modernist categories of gender, class, age, etc. This is the approach that Cova et al. (2007b, 5) call "a top down modernist sociology." Instead, they prefer to use "a bottom up postmodern sociology," which recognizes that everyone participates in multiple social groupings that are popularly termed 'neo-tribes' (Cova et al. 2007b, 5).

Traditional studies treat consumers' decisions as if they were autonomous individuals taking decisions in a kind of 'social vacuum'. However, in reality everyone is part of some social network or other (Kapferer 2008, 215). I would add that this criticism is also applicable to the traditional anthropological understanding of the gift-commodity distinction, where gift exchange supposedly takes place within social networks, while commodity exchange is treated as exchange among atomized and autonomous individuals. However, I wish to show that contemporary commodity exchange can also construct obligations that are rooted in consumers' membership in symbolic groups.

Contemporary commodity exchange is sometimes significantly different from what it used to be a few decades ago. Cova has pointed out that for contemporary consumers, social relationships have started to be more important than the purchased object themselves (Cova et al. 2007b, 6). Brands are carriers of symbolic meanings and representations that people nowadays use even for constructing new social networks and constructing a new sense of belonging. Brands are often used as a cornerstone on which people build their social identity, and sometimes brands are used to mark people's identity. As Martin pointed out, "we not only identify with brands but also … appropriate them for our own use. The family crests borne by the knights and noblemen of old have been replaced by Nike swooshes and Tommy Hilfiger's red, white and blue" (Martin 2003, 1).

I stumbled across a stark demonstration of this principle in summer 2008, when I saw a man with an Adidas tattoo on his shoulder walking on the street in Ljubljana. It would not be unusual to see someone tattooed with a national or religious symbol, but to see someone with the Adidas logo permanently tattooed on his shoulder was definitely atypical—a powerful demonstration of the influence that contemporary brands have.

Here we can see the capacity of commodities to embody and mediate social relationships. The object (the branded commodity) becomes an embodiment of moral values that signifies the moral nature of the relationships between all those persons who have bought that object, and creates a community of buyers. What binds these people together, and what mediates their relationship, is the fact that they own commodities of the same brand. We have seen that the moral obligation between buyer and seller is, under certain conditions, analogous to what we see in gift exchange relationships; however, here we have a moral obligation between buyers of commodities belonging to the same brand. It is not a relationship between buyer and seller, but a relation between individuals and objects.

However, their interconnections are valued in reference to the 'gift' they have all received from the company. This is how a ritual community is created: not on the basis of gift exchange among themselves, but on the basis of the gift exchange of each buyer with the company. There are two aspects to the moral nature of this debt: the moral values between buyer and seller, and deriving from that, the values in the object, which mediate the relationships among buyers of the same brand.

The commodity becomes an embodiment of the values of the gift. The internal coherence, what binds the group together, is not exchange among members of the group, but the exchange that each member has with the company. Because they own the same brand of commodity, they valorise their relations in terms of objects they have all received from the company. Their interrelation is the result of, but not the same as, the relation each individual has with the company. The relationship they established with the company separates them from the buyers of other brands.

As demonstrated earlier, companies usually try to engage their customers into a long-lasting relationship and create loyal clients. Customers are often placed into a more or less subtle web of relationships with the company. When a customer becomes strongly committed to a certain brand, he starts to belong to the symbolic group that the brand represents. Although such group identification defies traditional classification, which is based on family, clan, tribe etc., it can still represent a very strong factor of social identification. Since branding usually employs emotional elements, it is especially inclined to build ties between consumers and the brand. As Brock has neatly put it, "the personality of the brand becomes extremely attractive to consumers, and so brands become new friends, who over time become old friends" (Brock, in Martin 2003, 1).

Since brands can have their own personality, consumers often form "parasocial" relationships with them. Such a relationship is formed between a real person and the constructed personality of a brand (Gummesson 2002, 111). Moreover, a brand can even create a kind of a community. People that are highly committed to a particular brand can feel like being a part of something that is much bigger than themselves (Lindstrom et al. 2004, 82; Cova et al. 2007a). In their seminal paper, Muniz and O'Guinn (2001) proposed the idea of the brand community and described it as a non-geographical community that is established and exists on the basis of structural relations among people that strongly favour and admire a particular brand. Consumers of some brands actually go beyond just owning a product of a particular brand, but also have in common three characteristics that are traditionally considered indicators of community: shared consciousness, rituals and traditions, and a sense of moral responsibility.

Shared consciousness implies the idea that 'in a way we know each other', even though they have never met each other. The main characteristic of a brand community is exactly this triangular relationship between a consumer, other consumers of that particular brand and the brand itself. There is a shared feeling among such brand followers that they are somehow different from other people that use other brands (Rosnow and Hantula 2006, 230).

In some cases, group identity is even built as opposition to other brands. Apple computer users are a good example: they perceive themselves as being different and superior to 'ordinary' users of Windows computer operating system. Another example from Muniz's and O'Guinn's research is Saab car users, who always waved or flashed their headlights, whenever they met another Saab driver on the road. According to a very good friend of mine, who is a devotee and owner of two Mini Cooper cars, the same very strong sense of community exists among Mini Cooper car owners.

Brands can therefore represent the starting and focal points of symbolic groups, and act much like the 'moral persons' that are typical of gift exchange. In such a symbolic relationship between consumer and brand, both parties have mutual obligations they have to fulfil. It is a kind of mutual interplay that engages both consumers and the company.

A company has various obligations to its highly committed customers. It should continuously provide them with new products, which re-affirm its commitment to those highly loyal customers. It has an obligation to maintain its image and also in a way to take care of its fans. Therefore companies sometimes build a community around the brand (Elliot and Percy 2007, 67–68). For instance, Harley-Davidson established a ‘Harley Owners Group’ club, which has over one million members from all over the world (Harley-Davidson 2009).

The Harley Owners Group also publishes two magazines, offers an emergency roadside service, has an insurance program, owns a travel agency, various competitions for its members and has in total 750 local chapters (Buttle 2000, 100). All that enterprise is carefully built around the iconic Harley Davidson motorcycle and a brand image that was carefully nurtured by the firm. The Harley-Davidson owner has the image of an outlaw biker and is seen as an icon of American freedom, independence, affluence and masculinity.

The official club of Harley-Davidson owners, which is sponsored by the Harley-Davidson Corporation, principally restricts the participation of non-Harley-Davidson bikers in their events. According to Schouten, this sense of exclusiveness is also reflected in the attitude of Harley owners, who usually drive together and do not mix with non-Harley owners. They pejoratively consider non-Harley owners as “crotch-rockets, rice burners or wannabes.” Their attitude is clearly displayed in what they normally say about non-Harley owners: “There are two kinds ob motorcycle riders: Harley owners and those that wish they had a Harley” (Schouten et al. 2007, 70).

On the other hand, a highly committed customer is obliged to buy products that belong to the brand otherwise he is not part of the brand-community anymore. By purchasing a Harley-Davidson product(s), he may become (if he wants) a part of the Harley-Davidson community, and thus differentiate himself from non-community people. But once part of that brand-community, he has an obligation to re-affirm his membership in the group and his loyalty to the brand by further purchases, otherwise he will drop out. This obligation is enforced both subjectively (morally) and socially: by purchasing non-Harley-Davidson accessories he may internally feel like he is going off the track, thus experiencing psychological pressure to fulfil his obligations towards the Harley-Davidson community. Besides, he will also experience external, social pressure to fulfil his obligation towards his brand-community to have genuine Harley-Davidson accessories.

3.3.2.2.4.2. TEXTBOOK ANALYIS

3.3.2.2.4.2.1. Kotler and Keller: Marketing Management

Kotler and Keller devote a sub-chapter to 'Key Psychological Processes', which determine buying activities (Kotler and Keller 2006, 184–185). One of the theories of human motivation that the book describes is Abraham Maslow's. (Kotler and Keller 2006, 184, 185). The book also includes Maslow's diagram of hierarchy of human needs, where one of the needs is the "need to belong" (Kotler and Keller 2006, 185).

The book advice to marketers is to "[c]reate a community of consumers. Radical marketers 'encourage their customers to think of themselves as a community, and of the brand as a unifier of that community.' " (Kotler and Keller 2006, 13). Companies should aspire towards creating customers who will "stick with the brand, above and beyond objective and subjective assessments of its worth. Sub-drivers of relationship equity include loyalty programs, special recognition and treatment programs, community-building programs, and knowledge-building programs" (Kotler and Keller 2006, 151). The book says that "consumers may develop a strong, unique bond with the firm that transcends normal marketplace transactions. Some of the specific means by which cause marketing programs can build brand equity with consumers include: (1) building brand awareness, (2) enhancing brand image, (3) establishing brand credibility, (4) evoking brand feelings, (5) creating a sense of brand community, and (6) eliciting brand engagement" (Kotler and Keller 2006, 710).

The book also presents the Harley-Davidson company, which "developed a strong brand community in the form of an owners' club, called the Harley Owners Group (HOG)" (Kotler and Keller 2006, 161, 295), which is "one of the most successful club membership programs" (Kotler and Keller 2006, 161). As described in the general analysis, members of such a brand-community have to continually reaffirm their membership in such a group. Therefore it comes as no surprise that "Harley-Davidson sells more than motorcycles and riding supplements (such as gloves, leather jackets, helmets, and sunglasses). Harley dealerships sell more than 3,000 items of clothing—some even have their own fitting rooms … Harley-branded merchandise amounted to more than $211 million in company sales in 2003" (Kotler and Keller 2006, 154). Altogether, Harley sells "more than $500 million worth of parts and accessories to its loyal followers" (Kotler and Keller 2006, 496).

Another example is Apple, which "encourages owners of its computers to form local Apple-user groups. By 2001, there were over 600 groups ranging in size from fewer than 25 members to over 1,000 members. The user groups provide Apple owners with opportunities to learn more about their computers, share ideas, and get product discounts" (Kotler and Keller 2006, 161).

3.3.2.2.4.2.2. Kotler et al.: Principles of Marketing

According to the authors, "[p]eople often choose products that show their status in society" (Kotler et al. 2005, 262). It means that purchased objects affirm that the buyers belong to a particular group. Groups can be formed on the basis of various factors. The book states that "[g]roups influence a person's behaviour. Groups that have a direct influence and to which a person belongs are called membership groups" (Kotler et al. 2005, 259). There are two kinds of groups: 'reference groups' and 'aspirational groups': "Reference groups are groups that serve as direct (face-to-face) or indirect points of comparison or reference in forming a person's attitudes or behaviour" (Kotler et al. 2005, 260). According to the book, "[r]eference groups influence a person in at least three ways. They expose the person to new behaviours and lifestyles. They influence the person's attitudes and self-concept because he or she wants to 'fit in'. They also create pressures to conform that may affect the person's product and brand choices" (Kotler et al. 2005, 260).

On the other hand, an "aspirational group is one to which the individual wishes to belong, as when a teenage football fan follows David Beckham or a young girl idolises Britney Spears. They identify with them, although there is no face-to-face contact" (Kotler et al. 2005, 260). Obviously, someone can also follow a brand, especially if it has a distinct and attractive brand personality, not only a person like David Beckham.

The book also analyses motivational factors which affect consumer behaviour" (Kotler et al. 2005, 268–273). It presents 'Maslow's theory of motivation' (Kotler et al. 2005, 269) and shows that for some people a " 'sense of belonging' might be the motivating force for buying" (Kotler et al. 2005, 271, 272). It says, "[a] person has many needs at any given time. Some are biological, arising from states of tension such as hunger, thirst or discomfort. Others are psychological, arising from the need for recognition, esteem or belonging" (Kotler et al. 2005, 268–269). It even accentuates a quote, which explicitly states that people buy things to connect with other owners of the same object:

> People have the mistaken notion that the thing you do with books is read them. Wrong … People buy books for what the purchase says about them—their taste, their cultivation, their trendiness. Their aim … is to connect themselves, or those to whom they give the books as gifts, with all the other refined owners of Edgar Allen Poe collections or sensitive owners of Virginia Woolf collections … [The result is that]

> you can sell books as consumer products, with seductive displays, flashy posters, an emphasis on the glamour of the book, and the fashionableness of the bestseller and the trendy author. (Kotler et al. 2005, 268)

3.3.2.2.4.2.3. Palmer: Principles of Marketing

Palmer discusses Maslow's theory as having important implications for understanding the consumer decision process, where 'affection from others' is one of the needs, which marketing tries to satisfy (Palmer 2000, 120–121, 168–169). When discussing the fundamentals of marketing, he says that "consumers are motivated by the desire to satisfy complex needs" (Palmer 2000, 15) and gives few examples: the need for "identification with the group" (Palmer 2000, 16) is in western Europe likely to be satisfied by "wearing branded clothing, patronizing 'cool' nightclubs and bars" (Palmer 2000, 16). There is also a passage which gives a hint how consumers may actually start to strongly identify with the brand:

> There is an extensive literature on the emotional relationship consumers develop between a brand and their own perceived or sought personality. Brands are chosen when the image that they create matches the needs, values, and lifestyles of customers. Through socialization processes, individuals form perceptions of their self, which they attempt to reinforce or alter by relating with specific groups, products, and brands (Solomon and Buchanan 1991). There is evidence that branding plays a particularly important role in purchase decisions where the product is conspicuous in its use and purchase and in situations where group social acceptance is a strong motivator (Miniard and Cohen 1983). (Palmer 2000, 99)

3.3.2.2.4.2.4. Boone and Kurtz: Contemporary Marketing

According to Boone and Kurtz, every consumer belongs to a number of social groups (Boone and Kurtz 1999, 271). Furthermore, "[g]roup membership influences an individual's purchase decisions and behavior in both overt and subtle ways. Every group establishes certain norms of behavior" (Boone and Kurtz 1999, 271).

The book does not explicitly write about building brand communities. However, it describes how "[t]he Internet provides an opportunity for individuals to form and be influenced by new types of groups. Usenet mailing lists and chat rooms allow groups to form around common interests. Some of these online 'virtual communities' can develop norms and membership roles similar to those found in real-world groups" (Boone and Kurtz 1999, 272). Boone and Kurtz also describe how the Saturn carmaker organized a party for Saturn car owners, where we can see that a sort of ritual community is created among Saturn car owners:

> Imagine 44,000 people spending their summer vacations in Spring Hill, Tenn. (pop. 3,500) to pay homage to the Saturn automobile. It really did happen. With General Motors picking up the tab, happy Saturn owners from as far away as Hawaii, Alaska, and even Taiwan swarmed over Spring Hill like ants at a picnic … The special relationship that Saturn nurtures with its customers is corporately manipulated," said Stuart W. Leslie, a history professor at Johns Hopkins University, who happens to be a Saturn owner. "But it only works because people feel a genuine affection for the company." (Boone and Kurtz 1999, 342)

3.3.2.2.4.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock only briefly mentions that customers can "admire the supplier, or perhaps identify with a brand" (Adcock 2000, 156).

3.3.2.2.4.2.6. Baker: The Marketing Book

According to the book, one of the methods utilised by successful brands to add value is developing 'shared experiences': "Some brands build added values by offering a vision of shared associations and experiences. Examples are Nike with its 'just do it' attitude; Microsoft suggests the sky's the limit with its 'where do you want to go today?' slogan; Coca-Cola's brand proposition is about sharing the experiences and values of the young, hip generation" (Baker 2003, 301). Another example used is the Levi's jeans owner, who "perceives emotional value in the brand, since wearing these with their peer group, they feel more connected and integrated with the group" (Baker 2003, 379).

3.3.2.2.4.2.7. Blythe: Principles and Practice of Marketing

Blythe says that "[h]uman beings are all members of several groups, and in general wish to be part of one or more groups. In order to join or remain in a given group, individuals need to act in particular ways, and this often means buying the right items or the right services" (Blythe 2006, 21). The book has a section on 'tribalism', where it says:

> Some recent thinking has likened groups to tribes. Neo-tribalism applies to primary groups and, to an extent, to secondary groups, but the emphasis on consumption is in the linking powers of the product rather than its utility as a product. For example, the France Telecom pager, Tattoo, has been marketed in a tribal way by using in-line roller skaters as an example tribe. Roller skaters are used in the firm's promotion, with events being organised for them and advertising built around them, even though (of course) the company's target market is much wider. The approach has been highly

> successful, but attempts by other firms to cash in on the idea have not always worked. (Blythe 2006, 136)

Blythe also describes how 'reference groups' affect consumer choice (Blythe 2006, 137). He says that

> normative compliance is probably the most powerful. The source of normative compliance lies in operant conditioning; the individual finds that conforming behaviour results in group approval and esteem, whereas non-conforming behaviour results in group disapproval … The principles of good moral behaviour are not absolutes—they are the result (in most cases) of normative compliance with a reference group.
>
> Of course, the pressure to conform will only work on someone who has a strong motivation to be accepted. If the pressure is coming from an aspirational group, this is likely to be the case (Blythe 2006, 136).

3.3.2.2.4.3. FINDINGS FOR CRITERION NO. 4

For this criterion, not all the textbooks explicitly describe symbolic groups. Kotler and Keller are very explicit: they describe brand communities and even advise marketers to create brand communities. Kotler et al. only generally describe different groups that buyers belong to and that some groups can be formed on the basis of buying the same commodities. Both textbooks describe Maslow's theory of motivation, where a need to belong is one of the basic social needs. Palmer describes how consumers can identify with the brand. Boone and Kurtz generally describe various social groups and offer two examples, which depict buyer affiliation with a symbolic group. Adcock is very scarce regarding this particular criterion, and only says that a buyer can identify with a brand. Baker describes how brands can offer shared associations and experiences for devoted buyers, and gives some examples. Blythe describes the human need to belong to a social group and has a section on 'tribalism'. Since all textbooks at least implicitly describe how brands can serve as a focal point of symbolic groups, I consider that all textbooks (to a lesser or greater degree) conform to the fourth criterion.

3.3.2.3. DISCUSSION

Commodity exchange has changed significantly in recent years and nowadays almost always involves mutual long-term social obligations among exchange participants in some way or other. The loyalty and commitment that are formed in contemporary commodity exchange mean that there is a very strong incentive for repeated purchases. Repeated purchases mean there is a constant exchange going on between buyers and sellers. Such exchanges include elements of trust, loyalty, commitment and relationship, which cannot exist without mutual obligations. We can see that contemporary commodity exchange can create mutual obligations between exchange participants, that these obligations are moral, and that conformity to them is sanctioned by internal values. We have also seen that repayment in some types of commodity transactions actually recharges the obligation, and that the time of repayment can be postponed to future, thus creating a long-term obligation for repayment. We have also seen that such mutual moral obligations produce a series of exchanges: loyalty, trust and commitment show that exchange parties do not transact only momentarily, but are engaged in cycles of exchange. And finally, commodity exchange can be performed on behalf of symbolic groups, which act as mutually obligated moral persons in the process of exchange.

The analysis along defined criteria reveals that contemporary commodity exchange can, under specific conditions, contain mutual long-term moral obligations between commodity exchange participants. All this supports the validity of my second sub-hypothesis. We can therefore see that the traditional anthropological understanding, which treats commodity exchange as performed by atomized, autonomous and socially unrelated individuals, who have no lasting obligations after the act of transaction is over, is incomplete. A deeper analysis reveals that contemporary market exchange transactions create mutual moral obligations between buyers and producers (or sellers) under certain conditions, thus showing that we need to update our traditional understanding of commodity exchange as always impersonal and completely without lasting moral obligations.

3.3.3. THE THIRD SUB-HYPOTHESIS: IN SOME INSTANCES, COMMODITIES MANIFEST A FORM OF INALIENABILITY FROM THE GIVER (I.E. THE PRODUCER OR THE SELLER).

The third dimension where gifts and commodities are traditionally distinguished, concerns whether or not the item being transacted can be alienated from the giver.

Mauss suggested that in gift exchange "[i]t is wrong to speak here of alienation, for these things are loaned rather than sold and ceded" (Mauss 1954, 42). The 'spirit of the gift' model, which originated from Mauss' book, was revived during the 1980s. Several anthropologists have criticised the reciprocity model as basing its explanation on economic rationality that is rooted in Western values (see for example Gregory 1980, 1982; Damon 1982; Carrier 1995). However, instead of using Mauss' notion of the '*hau*', anthropologist preferred to utilise the concept of inalienability of the gift to explain why there are non-utilitarian bonds between partners in gift exchange. The most prominent work in this regard was done by Annette Weiner, who stated that there is a relationship between the '*hau*', the person and the valuables (*taonga*). Due to that relationship the valuables acquire an identity, which gives them the status of inalienable possessions. That is then the reason why they have to be returned (Weiner 1992, 46–56). Weiner emphasised that people try to keep out of circulation certain objects that are unique possessions.

As already mentioned earlier, Gregory considered gifts to be 'inalienable things' (Gregory 1982, 19). Therefore, "commodities are alienable objects transacted by aliens; gifts are inalienable objects transacted by non-aliens" (Gregory 1982, 43).

Carrier describes the inalienable quality of the gift as follows: "In gift transactions, the object is linked to the giver, the recipient and the relationship that binds and defines them. In commodity transactions, the object is not linked in any significant, personal way to the transactors: it is an alienable and impersonal property" (Carrier 1995, 11). In short, Carrier takes the term "inalienable" to mean associated with a person, a possession (Carrier 1995, 24). Unlike anonymous commodities, gifts are thus supposed to be inalienable, always to some extent attached to their donor.

As discussed earlier, my third research sub-question is: are commodities always fully alienated from the giver (i.e. the producer or the seller) and if not, under what conditions?

To test the validity of the conventional gift-commodity dichotomy, this research sub-question is extended to the following sub-hypothesis (see Chapter 3.1.5.3.): under certain conditions, commodities manifest a form of inalienability from the giver (i.e. the producer or the seller).

3.3.3.1. OPERATIONALISING AND DEFINING INALIENABILITY

A significant idea in Mauss' description of gift exchange is the inalienability of the gift. Whenever an object is sold in market exchange, the new owner acquires complete ownership of the object he has bought. Since the seller transfers the ownership rights to the buyer, the object of exchange therefore becomes alienated from its previous possessor. Conversely, gift is inalienable, because the giver's rights over his gift cannot be taken away from him; a gift is not alienated from the giver. As Mauss has stated: "The gift received is in fact owned, but the ownership is of a particular kind" (Mauss 1954, 22).

Subsequent scholars elaborated and refined Mauss' argument. Gregory (1982; 1997) and Weiner (1992), in coming back to Mauss' conceptualisation, became the two main proponents of the gift exchange theory that utilises the idea of inalienability. Gregory expanded Mauss' ideas into a theory where gifts and commodities are seen as two fundamentally different types of property, representing two different forms of social system (Gregory 1982, 8–9).

Weiner also discriminates between two types of possessions, alienable and inalienable. Inalienable items "are imbued with the intrinsic and ineffable identities of their owners which are not easy to give away" (Weiner 1992, 6). She writes: "Inalienable possessions attain absolute value that is subjectively constituted and distinct from the exchange value of commodities or the abstract value of money" (Weiner 1992, 191). Weiner suggests that "all exchange is predicated on a universal paradox—how to keep while giving" (Weiner 1992, 5).

As Carrier has put it, commodities are just property, while gifts are possessions. "In commodity relations objects are impersonal bundles of use value and exchange value that are bought and sold. In gift relations objects are personal possessions that are given and received" (Carrier 1995, 18).

Even an ordinary commodity given as a gift becomes unique and comes to bear the identity of the giver. Carrier thus decided to use the term 'possession' to name objects that are appropriated by their owners and therefore entail Maussian embeddedness of the original owner:

> At one pole are what I call possessions, objects that inalienably bear the personal identities of the people who have them, of those from whom those people received them, and of the personal relationship between givers and receivers … At the other

> pole are what I call commodities, objects that carry no personal identities, being alienated from those who have them, from those from whom they received them, and from the relationship between givers and receivers. (Carrier 1994, 361)

If I receive a shirt from my beloved girlfriend on our very first date and then lose it somewhere, I can surely buy a shirt exactly alike in every way. However, that would not be really the same thing, even though it would look exactly the same. Baudrillard pointed out that "once it has been given—and because of this—it is this object and not another. The gift is unique, specified by the people exchanging it and the unique moment of the exchange" (Baudrillard 1981, 64).

Conversely, commodities do not posses such unique qualities. On the supermarket shelf a box of washing powder is just one among a dozen boxes of the same kind. Therefore, it can be substituted by another box of the same kind. As Carrier says,

> objects transacted in pure gift relations are viewed in terms of their basic, inalienable identities and relationships, so that they are uniquely specified and linked to each other. In pure commodity relations, on the other hand, they are viewed in terms of their accidental identities and relationships, so that they are identified in terms of abstract and general structures, whether of utility or of exchange or sign value, and so are fungible rather than unique. (Carrier 1995, 30–31)

The only relationship that may exist between a commodity and a person is ownership, where the object is sheer property, without identity (Carrier 1995, 27). That is the reason why a commodity is alienable.

A box of chocolate bought in the supermarket can be perfectly substituted by another box of the same kind. A box of chocolate is supposed to be alienated from producer and seller alike. Once the buyer pays the money and leaves the store, he can do whatever he likes with it. If he does not like it, he can even throw it away. However, if the same box of chocolate were received as a gift from his girlfriend, it would be very difficult to just throw it away. Therefore, Carrier (1995, 28) argues that commodities are fungible, meaning that they can be replaced by another equivalent object.

According to Miller, 'property' in commodity system corresponds to "abstract relationships between anonymous people and postulated objects," and does not represent any "close relationship between person and thing" (Miller 1987, 120–121).

3.3.3.1.1. CRITERION NO. 1: AN INALIENABLE OBJECT IS PERCEIVED TO BELONG INHERENTLY TO ITS ORIGINAL OWNER

We can find this idea in Mauss writing, where he says that gifts are inalienable[61] because they are "to some extent parts of persons" (Mauss 1954, 11). According to Mauss, "the objects are never completely separated from the men that exchange them" (Mauss 1954, 31). Therefore, "[e]ven when abandoned by the giver, it [the gift] still forms a part of him" (Mauss 1954, 9).

Mauss has given an example where this understanding was even juridically preserved: "The Chinese has preserved from archaic times the very legal principle that interests us: it recognizes the indissoluble bond of a thing with its original owner. Even today the man who sells property, even personal property, retains the right even during the rest of his life to 'weep over it'" (Mauss 1954, 62). The same notion of inalienability of the gift and its indissoluble tie to the original owner can be also seen in the mediaeval rule that English law established in the 13th century: the law required that once a gift was given, "the transaction is then irrevocable" (Lowes et al. 1968, 220). It shows that they considered the gift to be inalienable *per se* to such an extent that they had to introduce a law to abolish the inalienability of the object, which was given as a gift.

According to Weiner, inalienable objects are distinguished from other, alienable objects because "[w]hatever happens to these objects, they are perceived to belong in an inherent way to their original owners. Inalienable possessions are imbued with affective qualities that are expressions of the value an object has when it is kept by its owners and inherited within the same family or descent group" (Weiner 1992, 210).

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[61] Thomas (1991, 24) has pointed out that, even though the notion of inalienability is acknowledged in Mauss' work, it is not explicitly mentioned there. The English term 'inalienability' is a translation of the French word '*immeuble*' used by Mauss. This particular French word used by Mauss actually refers to "the fixity of property in mediaeval law." Even though French has the words '*alienabilite*' and '*inalienabilite*', Mauss did not use them in his essay. Thomas (1991, 24) therefore asks: "is it really the case, for instance, that a thing can never be definitively transmitted, such that it belongs in an unqualified sense to someone else? Can the interest of a producer, 'owner', or donor never be categorically erased? This, if true, would be a strong proposition." Thomas agrees with Weiner that certain category of objects such as shell body decorations, heirlooms or rights in land can be given without losing "their identity and attachment to the lineage that originally owned them"(Weiner 1985, 211). However, he doubts that such specific examples can be taken as generalisations for all types of gifts. He suggests that, rather, "both inalienability and alienability must be imprecise terms which may refer to various bonds between persons and objects, or the erasure of such bonds" (Thomas 1991, 39).

This is in accordance with the findings of Belk (1988a), who demonstrated that people use objects as if they are part of their 'extended self'. In constructing their self-concepts people do not use their internal psychological factors alone, but also include external objects. People feel that besides their bodies, their possessions are also something that not only belong to them, but also actually form them.

Ethnographic evidence further shows that people around the world believe that objects contain something of the original owner. As a result, people of many cultures actively practice incorporating objects into their selves. They do this by licking newly acquired items and bury the dead together with their personal belongings.

Megis describes how the Hua people from the Eastern highlands of Papua New Guinea believe that food always contain the self and the feelings of the person who produced it. To eat food produced by a friendly person means receiving nourishment from the food; conversely, to eat food produced by an enemy brings illness, physical degeneration and even death. "To eat a food produced by another person is to experience that person, both physiologically and emotionally" (Megis 1997, 103).

It is interesting that people usually do not treat things, which are in their possession as mere objects, but consider them to be a part of their extended personal self. In this light we can better understand why people consider things to be somehow inalienably attached to their owner: because they are part of the owner's self. Already long ago, psychologist William James observed that people use external objects to construct their personal identity:

> The Empirical Self of each of us is all that he is tempted to call by the name of me. But it is clear that between what a man calls me and what he simply calls mine the line is difficult to draw. We feel and act about certain things that are ours very much as we feel and act about ourselves. Our fame, our children, the work of our hands, may be as dear to us as our bodies are, and arouse the same feelings and the same acts of reprisal if attacked. And our bodies themselves, are they simply ours, or are they us? …
>
> The same object being sometimes treated as a part of me, at other times as simply mine, and then again as if I had nothing to do with it at all. In its widest possible sense, however, a man's Self is the sum total of all that he CAN call his, not only his body and his psychic powers, but his clothes and his house, his wife and children, his ancestors and friends, his reputation and works, his lands and horses, and yacht and bank-account. All these things give him the same emotions. If they wax and prosper, he feels triumphant; if they dwindle and die away, he feels cast down … (James 1950, 291)

If people treat objects as something that is part of their selves, it comes as no surprise that people also feel that giving away a piece of property implies giving away a part of oneself. They consider gifts as something that always somehow belongs to the giver, like a kidney donated for transplantation always belongs to the original owner. However, when we say that the gift is inalienable from the giver, we do not imply that the giver has a juridical right to claim back the object given as a gift; it only means that symbolically the gift cannot be detached from him. For Carrier, 'inalienable' means "associated with a person, a possession" (Carrier 1995, 24). Here we can extract the first criterion of alienability: an inalienable object is perceived as inherently belonging to its original owner.

3.3.3.1.2. CRITERION NO. 2: AN INALIENABLE OBJECT HAS A HISTORY WHICH TIES IT TO ITS ORIGINAL OWNER

As explained earlier, an object that is given as a gift retains an association with its giver and the circumstances of the giving occasion. It is not just anonymous member of a category, to which other similar or identical objects belong, as is the case with commodities like shirts, bottles of milk, flowers, etc. A gift is unique, because it has a history that connects it to its pervious owner.

Mauss says about gifts in the *Kula*: "All of them, at least the most valuable and most coveted, have a name, a personality, a past, and even a legend attached to them …" (Mauss 1954, 22).

In his famous essay, Kopytoff (1986) suggested that objects could have biographies just like people. The meaning and importance of any object will thus change according to its context:

> In doing the biography of a thing, one would ask questions similar to those one asks about people: What, sociologically, are the biographical possibilities inherent in its 'status' and in the period and culture, and how are these possibilities realized? Where does the thing come from and who made it? What had been its career so far, and what do people consider to be an ideal career for such things? What are the recognized 'ages' or periods in the thing's 'life', and what are the cultural markers for them? How does the thing's use change it with its age, and what happens to it when it reaches the end of its usefulness? (Kopytoff 1986, 66–67)

Kopytoff says that through usage, commodities become 'singularized' (Kopytoff 1986, 74). With each new owner, new attributes are adjoined to their 'life histories' (Kopytoff 1986, 68). Part of a gift's biography is who were its original owner and giver; in what context was the gift received, etc. For instance, in the *Kula* exchange, items are rank ordered according to their histories and not according to their tangible, material values. An item that was previously in possession of some famous chief is thus very highly valued.

We can find an equivalent situation in our gift exchange practices: if I receive a book as a gift from the CEO of the corporation where I work, such gift will be valued much higher than the same book received as a gift from my co-worker whom I barely know. The identity of the giver is thus invariably interwoven into the gift received.

Weiner says that what makes an object inalienable is its "exclusive and cumulative identity with a particular series of owners through time" (Weiner 1992, 33).

> The primary value of inalienability, however, is expressed through the power these objects have to define who one is in a historical sense. The object acts as a vehicle for bringing past time into the present, so that the histories of ancestors, titles or mythological events become an intimate part of a person's present identity. (Weiner 1992, 210)

When we get a gift from someone, we also get its history, not just a mere object. Even the most ordinary item that is given as a gift will bear the mark of the giver and remind the recipient of the situation and circumstances that surrounded the situation of giving. According to Carrier, "[b]ecause of the association between person and object, the object has a history and carries the stamp of those who possessed it previously. In possessing the object, then, we possess as well that object's past" (Carrier 1995, 26).

This is the second criterion of inalienability: an inalienable object has a history, which ties it to its original owner(s).

3.3.3.1.3. CRITERION NO. 3: GIFTS EMBODY RELATIONS BETWEEN GIVER AND RECEIVER

Market exchange de-socialises commodities that are exchanged and separates them from social relationships. According to Mauss, modern industrial society constructs a strict distinction between persons and objects that are exchanged (Mauss 1954, 46). Commodities are seen only in terms of their exchange value, where everything is reduced to the price and "people increasingly think of objects in terms of abstract and impersonal frames of value, particularly exchange value, of which monetary amount is the definitive, anonymous marker" (Gregory 1980, 640). According to Mauss, the de-socialisation, alienation and commoditisation of objects is something that evolved in our industrial societies, while archaic societies still hold objects and persons to be indissolubly connected.

A gift binds people together, and the relationship one has with a gift is like a relationship to the person who gave it, because it contains the identity of the giver. The relationship one has with a gift is not like a relationship one has with a mere material object, since gifts establish personal relationships between exchange participants,

Hyde, for instance, says that a gift has an 'erotic' property, like in a romantic (or 'erotic') relationship: "a gift establishes a feeling-bond between two people" (Hyde 1983, 56). Mauss says: "Things have values which are emotional as well as material; indeed in some cases the values are entirely emotional" (Mauss 1954, 63). If a teenager receives a cheap plastic necklace from her boyfriend as a token of love, this necklace will be priceless even 30 years latter, because it will embody the relation between them and thus have an emotional component attached to it.

Carrier (1991, 126) has pointed out that the connection between the gift and the giver is most obvious when a gift is rejected or abandoned. People feel uncomfortable or even embarrassed when they discard a present, which they do not like or need. One would feel very uncomfortable throwing away a sweater that his mother gave him as a gift (supposing he has a loving relationship with his mother).

One does not feel such discomfort when discarding a newspaper or any other commodity that he does not like. It is difficult to abandon a gift, even if the recipient does not like it, because it represents the relation between the giver and receiver. Since the gift is not just an item with some practical utility but rather a symbol of donor's concern, rejecting the gift would mean rejecting the giver and the relationship with him.

Godelier also suggested that the power to reciprocate, that is supposed to be inherent in the gift, simply represents "the relationship which binds it to the person of the giver" (Godelier 1999, 44).

Compared to a commodity, which is supposed to be devoid of emotional or sentimental attachments, a gift has a strong emotional or sentimental value appended to it, connected to the giver and to the occasion of receiving the gift. Again, a closer analysis reveals that contemporary marketing tends to create a situation that resembles this emotional quality of the gift.

This leads to the fourth criterion for judging whether an object possesses a quality of the giver: gifts embody the relationship between giver and receiver. Gifts are therefore not mere material objects, but have emotional component as well.

3.3.3.1.4. CRITERION NO. 4: A GIFT IS IMPORTANT FOR ITS INTANGIBLE FEATURES

A gift is not given or received because of its use or exchange value, but in order to manage social relation between giver and receiver. In other words, a gift is important for its symbolic, intangible features. As has already been said in Chapter 3.1.4., "the concept commodity … is a mirror image of the concept gift" (Gregory 1982, 24). With the growing separation between things and persons, people more and more treat objects as if they were important only for their monetary, exchange value (Gregory 1980, 640). The only thing that starts to matter is use and exchange value: "A commodity is defined as a socially desirable thing with a use-value and an exchange-value" (Gregory 1982, 10). These objects are exchanged by autonomous individuals and the only measure of their value is their monetary exchange value (Gregory 1982, 11). Conversely, gifts are not exchanged on the basis of their exchange-value but on the basis of what Gregory calls 'exchange-order' (Gregory 1982, 48). Mauss also describes how gifts are "vehicle of their *mana*—magical, religious and spiritual power" (Mauss 1954, 8).

From this we can extract the fourth criterion of alienability: whether the object exchanged is important for its use and exchange value, or for its intangible, symbolic features.

3.3.3.2. THE ANALYSIS

In spite of the traditional anthropological view that holds commodities to be alienable, the strictly binary alienable-inalienable dichotomy obscures the variety of everyday relationships between things and persons. Even without taking recourse to contemporary marketing practices, we can find examples of commodities, which do not fit precisely into this strictly binary conceptualisation.

Carrier emphasizes that to consider commodities as anonymous is a generalisation, because "the different things we buy are more or less perfect commodities, and so are more or less impersonal" (Carrier 1995, 29). For instance, an ordinary commodity, such as a generic item bought at the supermarket, can be appropriated into a personal and particular object that we 'own' and use in our home (Carrier 1995, 117).

Miller says that "consumption as work may be defined as that which translates the object from an alienable to an inalienable condition; that is, from being a symbol of estrangement and price value to being an artefact invested with particular inseparable connotations" (Miller 1987, 190). Elsewhere, Miller describes long-standing branded consumer goods that become a part of family tradition over several generations of their usage: soup, ketchup, etc. Such consumer goods have remained almost the same for many decades and survived social changes. Therefore they symbolize tradition, permanence, stability, constancy, and history. Miller says that such commodities are very close to Weiner's inalienable objects. Such commodities can serve as an element in constituting a family as a descent group that transmits knowledge, experience and models of behaviour from one generation to another (Miller 2001, 109).

Furthermore, there are commodities that are traded in market exchange, and yet they cannot be alienated from the producer, such as artwork. It is customary that artwork, craftwork and design-work bear the name of the author, and are even legally protected as something that is permanently attributed to the author. No one is permitted to modify it without the permission of the author.

The buyer becomes only a possessor, a keeper, a guardian of the artwork, but never its complete owner (Carrier 1995, 29; Kirshenblatt-Gimblett 2001, 263–264). By purchasing a book, music CD or movie on DVD, a buyer owns only the carrier (the medium), but not the content. The artwork cannot be alienated from the author who created it, even though he finally sold it in what is considered to be a pure market exchange transaction. The artwork will always be attributed to its author, never to its possessor, even though the buyer paid for it and can do whatever he likes with it, even destroy it.

We can see that in case of the artwork that was sold in a pure market exchange transaction, the commodity involved (the artwork) manifests a form of inalienability that is otherwise characteristic of a gift.

Besides the artwork, which always bears the mark of the producer, we can find this feature expressed in other commodities as well.

According to Carrier, before the rise of impersonal trade in the early capitalism, the owner of a shop was actively engaged in the whole process of not only selling, but also of acquiring, and sometimes even producing the items he was selling. For that reason, the item in his shop had the mark of his identity—sometimes even literally as a seal or stamp on the items. The items were the shopkeeper's possessions. When production and selling is not alienated from those who produce and sell, people tend to think of items as possessions that are inalienably connected to the producer or the seller. However, in the period starting around 1900, the system changed and the seller was no longer involved in such processes. People started to perceive items as anonymous, impersonal commodities, alienated from both producer and seller (Carrier 1995, 39, 71, 97–98).

3.3.3.2.1. THE ANALYSIS OF CRITERION NO. 1: AN INALIENABLE OBJECT IS PERCEIVED TO BELONG IN AN INHERENT WAY TO ITS ORIGINAL OWNER

3.3.3.2.1.1. GENERAL ANALYSIS

In the last few decades the market has become hypercompetitive, forcing companies to heavily differentiate their products. To create and maintain a distinct identity has become extremely important in recent decades. Therefore, marketing puts great efforts into presenting a product as unique through the process called 'branding' (cf. Keller 1998; Dowling 2004, 207–208). Branding creates differences among similar products by adding certain aspects to a product or service. By doing so, it facilitates differentiation of a particular product or service from other producers' similar products or services. The differences that the brand adds or emphasises may be symbolic, functional, rational, or emotional (Kotler and Keller 2006, 274). Sometimes they are related to a particular performance of the product or service and sometimes to what the brand stands for (cf. Aaker 1996). Through marketing activities, consumers are taught various characteristics of the branded product: its name, what the product does and—last but not least—why consumers should care about it (Kotler and Keller 2006, 275). In doing this, branding creates mental constructs and helps consumers to organize the knowledge they have about products and services more easily (Kotler and Keller 2006, 274).

Brands are conditional assets, meaning that a brand cannot exist without a product, service or place. The starting point of creating a brand therefore starts with "creating products, services and/or places that embody the brand" (Kapferer 2008, 10). The conditional nature of brands is also seen in the legal protection of brands and trademarks, which requires that a brand should not be used as a noun, but only as an adjective added to a name, for example 'Mercedes car', not just 'Mercedes' (Kapferer 2008, 10).

Historically, brands were invented to protect producers from others stealing their products. The brand originally referred to assign of ownership burned into cattle so that they were easily recognisable should they be stolen. In ancient Greece amphorae containing wine or olive oil were marked to distinguish the producer. This marking served to establish the reputation of producers or distributors in the eyes of buyers (Kapferer 2008, 10).

According to Kotler and Keller, branding has been known for centuries and helped to differentiate the products of one manufacturer from those of another. In Europe the first precursor of contemporary branding was the obligation that medieval guilds imposed upon craftspeople to put trademarks on their manufactured goods to protect consumers and themselves against substandard quality. In the production of artwork, branding started when artists began to sign their works. Brands allowed a consumer to identify the producer and therefore helped to assign responsibility for products or services to a particular manufacturer or seller (Kotler and Keler 2006, 274). The branding of commodities appeared in late capitalism, following the Industrial Revolution (Wengrow 2008, 7). Branding can be applied to virtually everything: physical goods (from shampoo to soup, automobiles to airplanes, etc.), services (banks, medical insurance, airlines etc.), stores, people (e.g. a politician, rock star, writer or scientist), places (a city, national park or country), an organisation, or an idea (Kotler and Keler 2006, 276).

Everything can be branded, even generic commodities like (bottled) water, salt or sugar. By the means of branding an item (or service) ceases to be an anonymous commodity; it is not just a stereo, it is a Sony; it is not just a car, it is a Mercedes; it is not just water, it is Evian. The last example can (due to very successful branding) costs more than some beers, which require much more processing.

Interestingly enough, there is still not complete agreement as to what a brand really is (Kapferer 2008, 9). Keller defines a brand as: "a set of mental associations, held by the consumer, which add to the perceived value of a product or service" (Keller 1998, 13). Another definition emphasizes the differentiating aspect of brands: "A brand is a name, term, sign, symbol, design, or some combination that identifies the products of one firm while differentiating these products from competitor's offerings" (Boone and Kurtz 2005, 382). Kapferer defines brand as "a name with power to influence buyers" (Kapferer 2008, 11).

Branding has an important consequence for the traditional anthropological understanding of commodities. Due to branding, most commodities nowadays display inalienability from the producer. And when purchased, the product is put into a bag that carries the name of the shop, printed in big letters all over the bag. Both producer and seller thus try to imprint their identity on the product and in the mind of the buyer. Most commodities are not just plain, anonymous items. Very rarely can we buy a generic product—a product with a plain label, no brand name, and no advertising. We do not buy 'razor blade', but 'Gillette'. We do not buy 'a car', but 'BMW'. We do not buy a beer, but 'Budweiser'.

Usually companies always put various distinctive symbols on their products and endow them with brand names. They also use unique packaging that differentiates the products from other similar products (Boone and Kurtz 2005, 388). A branded commodity is usually strongly connected to its producer and it is impossible (or at least unreasonable) to separate the branded commodity from its producer, because the removal of the brand would reduce the value (symbolic, monetary, emotional) of the product.

For example, a Mercedes car will always remain a Mercedes, regardless of who owns it. Its Mercedes-ness cannot be alienated by any buyer. Moreover, if it would be alienated, it would cease to be what it was meant to be in the first place—a prestigious Mercedes car. It would become just a vehicle, which could be substituted by any other car. It is the same with other branded products: the brand is so deeply imbedded into the nature of the product itself that it is impossible to separate the two. Here we can see how the object cannot be fully alienated from the giver (producer or seller).

As it will be discussed in Chapter 3.3.4., companies can basically use two branding strategies (and anything in between these two extremes): they can either connect all their products to the master, corporate brand, or create a separate brand for each product individually. Even though the second strategy does not explicitly emphasize the producer, it is still known that the producer is, for instance, 'Procter and Gamble' and not an anonymous company from Taiwan. For example, even though Toyota decided to create a separate Lexus brand for its luxury cars, the buyers still know it is produced by Toyota (famous for its highly reliable cars), and not just by an anonymous or even disrespected company.

However, especially in the case of the first strategy, where the corporate brand serves as the basis for all sub-brands or products, the inalienability of the producer from its products is very prominent and straightforward. The identity of the producer is both legally and symbolically attached to the product. It is assured that no one can either take away the identity of the producer or mistake the product as belonging to another producer. For a consumer, the element of inalienable identification that a brand or trademark gives, is of paramount importance. No one wants a trademark to be alienable, because that would disable recognition of the products and bring chaos to the market. Research has shown how important the distinctive elements of brand names, colours, labels, packaging, etc., are for a consumer's ability to differentiate one manufacturer or brand from another (Zaichkowsky 2006, 48–76).

3.3.3.2.1.2. TEXTBOOK ANALYSIS

3.3.3.2.1.2.1. Kotler and Keller: Marketing Management

Kotler and Keller are very straightforward regarding the connection of the brand and the company, which owns the brand: "A brand is an offering from a known source" (Kotler and Keller 2006, 25), and: "Brands identify the source or maker of a product and allow consumers—either individuals or organizations—to assign responsibility to a particular manufacturer or distributor" (Kotler and Keller 2006, 274).

They say that "[b]randing has been around for centuries as a means to distinguish the goods of one producer from those of another" (Kotler and Keller 2006, 274), and quote 'The American Marketing Association' which defines a brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors" (Kotler and Keller 2006, 274).

The inalienable nature of the brand can be seen in the fact that companies are usually very careful about protecting the legal rights over their products. They use various protection mechanisms such as the copyright, trademark and patent to assure the inalienability of their products: "The brand name can be protected through registered trademarks; manufacturing processes can be protected through patents; and packaging can be protected through copyrights and designs. These intellectual property rights ensure that the firm can safely invest in the brand and reap the benefits of a valuable asset" (Kotler and Keller 2006, 274).

3.3.3.2.1.2.2. Kotler et al.: Principles of Marketing

Inalienability and clear connection to the producer is evident from the definition of a brand: "A name, term, sign, symbol or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors" (Kotler et al. 2005, 549), and "[a] brand is a name, term, sign, symbol, design or a combination of these, that identifies the maker or seller of the product or service" (Kotler et al. 2005, 549). According to the book, almost everything is branded and thus displays a connection to the producer or seller, "[e]ven fruit and vegetables are branded—Sunkist oranges, Del Monte pineapples and Chiquita bananas" (Kotler et al. 2005, 549). A brand is not only psychologically tied to the company which owns it, but also legally: "The supplier's brand name and trademark provide legal protection for unique production features that otherwise might be copied by competitors" (Kotler et al. 2005, 549).

3.3.3.2.1.2.3. Palmer: Principles of Marketing

According to Palmer, one of the purposes of a brand is to show who the producer is: "A brand is essentially a way of distinguishing the products of one company from those of its competitor" (Palmer 2000, 94). The inalienability of the brand is also ensured legally: "Companies make great efforts through the use of patents to protect the distinctive characteristics of their products from competition, although this can be much more difficult in the case of intangible service processes" (Palmer 2000, 101).

The role of branding in identifying the producer can be traced to mediaeval times:

> Farmers who allowed their cattle to graze on open common land needed some means of distinguishing their cattle from those, which were owned by other farmers sharing common grazing rights. They therefore 'branded' their animals with a branding iron, leaving an indelible mark, which would clearly identify to whom a particular animal belonged. The role of a brand to identify products with a particular source is shared by the medieval farmer and the modern corporation" (Palmer 2000, 92)

Contemporary branding thus enables consumers to identify the producer or seller.

3.3.3.2.1.2.4. Boone and Kurtz: Contemporary Marketing

The book is explicit that "[a] brand is a name, term, sign, symbol, design, or some combination that identifies the products of one firm and differentiates them from competitors' offerings" (Boone and Kurtz 1999, 399).

The inalienability of a brand is even legally protected: "Trademark protection confers exclusive legal right to use a brand name, brand mark, and any slogan or product name abbreviation …" (Boone and Kurtz 1999, 404).

3.3.3.2.1.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock quotes Kotler who "suggests a brand is 'A name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors' " (Adcock 2000, 202). Here we can see an echo of the idea already expressed in Kotler, that the branded product is seen as something, which inherently belongs to the producer.

3.3.3.2.1.2.6. Baker: The Marketing Book

When defining a brand, the book quotes the definition proposed by the American Marketing Association. In this definition, the identity of the producer is the most important element of the brand: "A name, term sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors" (Baker 2003, 373). For example, "[t]he unique shape of Coca-Cola's bottle, the distinctive 'golden arch' of McDonald's, the blue and white roundel of BMW, and the spectrum coloured, part-eaten apple of the Apple Mackintosh are notable examples of brands instantly identifiable through their logos" (Baker 2003, 373).

Inalienability is also legally ensured: "One of the simpler interpretations of a brand is that of ensuring a legally enforceable statement of ownership. Branding represents an investment and thus organisations seek legal ownership of title, as protection against imitators. As part of its brand strategy, Absolut Vodka stresses the importance of continually monitoring competitors' brand activity, to quickly stop any firm adopting the name or bottle design" (Baker 2003, 373).

3.3.3.2.1.2.7. Blythe: Principles and Practice of Marketing

In describing the strategic functions of brands, Blythe says that the brand can serve as a sign of ownership: "Brands were at one time a way of showing who had instigated the marketing activities for the brand. This was an attempt to protect the formulation of the product in cases where intellectual property protection is insufficient, and also to ensure that customers knew whether they were buying a manufacturer's brand or a retailer's brand" (Blythe 2006, 91). In other words, "[a] brand name is a term, symbol or design which distinguishes one seller's product from its competitors" (Blythe 2006, 92).

Attachment to the owner of the brand is even legally ensured, because the brand can serve as a legal device: "Brands give a certain amount of legal protection to the producer, since pack design and name can be protected where (often) the formulation of the product cannot. Strong branding offers some protection for the firm's intellectual property" (Blythe 2006, 91). Blythe elaborates on this point by noting: "Brand names can be protected in most countries by registration, but there is some protection for brands in that it is illegal to try to 'pass off' a product as being a branded one when it isn't. For example, using a very similar brand name to a famous brand, or even using similar package design could be regarded as passing off. This is a civil offence, not a criminal one, so it is up to the offended brand owner to take legal action" (Blythe 2006, 92).

3.3.3.2.1.3. FINDINGS FOR CRITERION NO. 1

All selected textbooks describe brands as something, which symbolically or even legally connects products to the producer, thus complying with the first criterion of inalienability.

3.3.3.2.2. THE ANALYSIS OF CRITERION NO. 2: AN INALIENABLE OBJECT HAS A HISTORY WHICH TIES IT TO ITS ORIGINAL OWNER

3.3.3.2.2.1. GENERAL ANALYSIS

Since brand names are legally protected, brands actually have a 'birthday'—their registration day (Kapferer 2008, 11). Even though brand creation takes years, it is clear that the moment of legal registration establishes a brand as the inalienable property of the company. Besides that, through advertising, they also imprint the name of the producer in the minds of consumers.

Contemporary consumer goods also have relevant and important biographies, even though they are characterized as pure commodities. Similarly to gifts, where it is important who gave it and in what context, commodities also derive their symbolic meaning from their biographies: from knowing the producer, from the shopping context, etc.

According to Erdem, brands 'signal' their level of quality to consumer . If a buyer is satisfied with the purchased product, the brand will help him to choose the same product again (Erdem 1998). Suppose I come to a foreign country and want to buy yogurt in the local supermarket. Since I do not know their local brands, I will just try some of them. When I finally come across yogurt that I like, I will stick to it and buy it every day. A history was built on the basis of my experience with the brand. If I buy a Sony television, there is all kind of history included in that: my past experience with Sony products, my past experience with the Sony brand, an image of Sony that was built through advertising, etc. In such a case, the Sony TV will not be just a plain TV, but will have quite a bit of history.

To fully understand the significance of the above-mentioned elements, just recall a situation when you entered a supermarket in a foreign country—for instance Turkey or Brazil. Even though you are fully able to recognize items as milk, yogurt, bread, shirt or wine, you do not know the producers. Therefore you are not able to infer anything about the quality or other symbolic characteristics of the products.

Without knowing the producer, a shirt is just a generic shirt—something that can be replaced by any other shirt. It has no biography, and therefore no extra meaning attached to its mere utilitarian value. Conversely, a branded product has a pedigree and biography: "A new brand should … tell a fascinating story. If print and TV will pick up the story, people will hear about it and tell their friends" (Kotler 2003, 9).

Moreover, another chapter in its biography is added by the context in which the item is sold. Was it sold at a marketplace or in a prestigious shop? Was it sold by a unpleasant seller or by nice and friendly seller who made shopping a memorable experience? We know that even cheap wine tastes better when served in nice glasses.

All these elements add to the biography of commodity, and thus determine its value, which can also be—after all—measured in terms of how much we are willing to pay for such item. The same-looking cotton T-shirt can be sold for as much as a hundred times more if it has proper biography (prestigious producer, prestigious shop, etc.). Much like gifts or *Kula* exchange items, where an object's history determines its value, a commodity's value is also determined by the brand's status, reputation, and history among others.

3.3.3.2.2.2. TEXTBOOK ANALYIS

3.3.3.2.2.2.1. Kotler and Keller: Marketing Management

According to Kotler and Keller, customers build history about commodities and brands: "Consumers learn about brands through past experiences with the product and its marketing program" (Kotler and Keller 2006, 274).

Therefore, "the power of a brand lies in what customers have seen, read, heard, learned, thought, and felt about the brand over time. In other words, the power of a brand lies in the minds of existing or potential customers and what they have experienced directly and indirectly about the brand" (Kotler and Keller 2006, 276). In other words, buyers form their expectations "[f]rom past buying experience, friends' and associates' advice, and marketers' and competitors' information and promises" (Kotler and Keller 2006, 144). Therefore, "[a]t the end of the day, the true value and future prospects of a brand rest with consumers, their knowledge about the brand, and their likely response to marketing activity as a result of this knowledge" (Kotler and Keller 2006, 278).

However, advertising is not the only channel of information, which contributes to consumer's experience of the brand:

> Brands are not built by advertising alone. Customers come to know a brand through a range of contacts and touch points: personal observation and use, word of mouth, interactions with company personnel, online or telephone experiences, and payment transactions. A brand contact can be defined as any information-bearing experience a customer or prospect has with the brand, the product category, or the market that relates to the marketer's product or service. (Kotler and Keller 2006, 284)

Through various activities companies build history in the minds of consumers about products and brands: “To brand a product, it is necessary to teach consumers ‘who’ the product is—by giving it a name and using other brand elements to help identify it—as well as ‘what’ the product does and ‘why’ consumers should care. Branding involves creating mental structures and helping consumers organize their knowledge about products and services in a way that clarifies their decision making and, in the process, provides value to the firm” (Kotler and Keller 2006, 275–276). According to the book, “[m]arketing can be seen as making sure that consumers have the right types of product and service experiences such that the right brand knowledge structures are created and maintained in memory” (Kotler and Keller 2006, 188).
Therefore, “[a]lthough competitors may easily duplicate manufacturing processes and product designs, they cannot easily match lasting impressions in the minds of individuals and organizations from years of marketing activity and product experience” (Kotler and Keller 2006, 275). Again, “[t]he premise of customer-based brand equity models is that the power of a brand lies in what customers have seen, read, heard, learned, thought, and felt about the brand over time. In other words, the power of a brand lies in the minds of existing or potential customers and what they have experienced directly and indirectly about the brand” (Kotler and Keller 2006, 276).

3.3.3.2.2.2.2. Kotler et al.: Principles of Marketing

The product constantly tells a story about itself: “The product’s design, its price, the shape and colour of its package, and the stores that sell it—all communicate something to buyers” (Kotler et al. 2005, 719). Through experience, a consumer builds a history of the particular brand:

> However, the fact is that brands are not maintained by advertising but by the brand experience. Today, customers come to know a brand through a wide range of contacts and touchpoints. These include advertising, but also personal experience with the brand, word of mouth, personal interactions with company people, telephone interactions, company Web pages and many others. Any of these experiences can have a positive or negative impact on brand perceptions and feelings. The company must put as much care into managing these touchpoints as it does into producing its ads. (Kotler et al. 2005, 567)

Therefore, “[b]rand names tell the buyer something about product quality. Buyers who always buy the same brand know that they will get the same quality each time they buy … Brand names also increase the shopper’s efficiency. Imagine a buyer going into a supermarket and finding thousands of generic products … The brand name becomes the basis upon which a whole story can be built about the new product's special qualities" (Kotler et al. 2005, 549). A product history is not built by consumer experience, but also by proper marketing. Therefore, a salesperson can tell the product 'story' to a buyer (Kotler et al. 2005, 824, 825).

A history that a buyer builds for a brand or company enables him to infer what to expect from it in the future: "A brand can provide a guarantee of reliability and quality. For example, a book buyer might not entrust her credit card details to an unknown online book store, but would have little hesitation doing so when buying from Amazon.com as experience has taught her to trust the Amazon brand" (Kotler et al. 2005, 549).

3.3.3.2.2.2.3. Palmer: Principles of Marketing

Brands enable consumers to attach a history and thus develop trust or mistrust on the basis of all previous experiences: "In a market characterized by choice, a brand was used by buyers to select a product which they had come to trust and which satisfied their needs through the particular benefits of the product" (Palmer 2000, 93). The impersonality of market exchange is the reason why consumers rely on brands: "In impersonal mass markets, consumers who cannot judge a product on the basis of a trusted relationship with a supplier instead seek reassurance through other means. The brand emerged as a means of providing reassurance of consistent quality to spatially dispersed customers who, because of the use of intermediaries, had no direct relationship with the consumers of their products" (Palmer 2000, 93). Therefore, "[m]any of our most familiar fast-moving consumer goods brands have a long history" (Palmer 2000, 95).

One aspect of the brand's history is 'consistency': "Consistency is at the heart of branding strategy. To have value in simplifying buyers' purchasing processes, consumers must come to learn that a brand stands for the same set of attributes on one purchase occasion as on all subsequent and previous occasions" (Palmer 2000, 94).

3.3.3.2.2.2.4. Boone and Kurtz: Contemporary Marketing

The book describes how branded products acquire a history, which is created through all the experiences a consumer encounters with the brand: "Brand preference is the second stage of brand loyalty. At this stage, consumers rely on previous experience with the product when they choose it over competitors' products if it is available" (Boone and Kurtz 1999, 400).

3.3.3.2.2.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock says that branded commodities do have a history, which develops from all their experiences and interactions with the brand:

> The salient features of a brand … develop over time from the complex interactions of past and present experience and messages, and expectations as to future developments. It is the combination of these that is represented by the brand, and which should make it the primary source of competitive advantage … The brand message is much wider than advertising. It includes everything a customer experiences related to a brand … A brand will develop as a result of direct and indirect input from the brand owner/supplier, together with input from the customers themselves. (Adcock 2000, 212)

Branded commodities are not just anonymous, content-less items: "Customer perception is … influenced by all the cognitive appeals made by a supplier, which makes claims and offers information about an offering. Such actions are the explicit and implicit promises made, but customers will evaluate them alongside other clues from previous experience and knowledge gained from a variety of sources" (Adcock 2000, 132). Adcock says that a commodity is never just a plain, 'naked' item, because what customer really gets is the 'total offering':

> The total offering was defined in Chapter 4 as 'everything, both favourable and unfavourable, that is received in an exchange'. The offering is, therefore, a multidimensional concept and should not be confused with a simple commodity. The idea of a 'product' as being naked, without the totality of an offering, is also useful, especially if it is understood that much of the clothing will be provided by the customer. Image and positioning are outcomes of customer perception, and alongside these there is the complementary concept of a brand, which is derived from customers' attitudes towards specific products offerings and the values they ascribe to them. (Adcock 2000, 202)

3.3.3.2.2.2.6. Baker: The Marketing Book

The book admits branded commodities are not just anonymous items, but allow consumers to build history:

> People do not react to reality but to what they perceive to be reality. This perspective encourages a more consumer-centred approach to brands as the set of associations perceived by an individual, over time, as a result of direct or indirect experience of a brand. These may be associations with functional qualities, or with individual people or events. It is unlikely for two people to have exactly the same image of a brand

> (since no two people have the same experiences), but their images may have common features. These features constitute, for example, 'the sociable image' of a particular brand of beer. (Baker 2003, 381)

Marketers use various channels to build context around a certain brand:

> Integrated marketing communications is a simple concept. It brings together all forms of communication into a seamless solution. At its most basic level, IMC integrates all promotional tools so that they work together in harmony. Key to the issue is the fact that the consumer does not see advertising, public relations, sales promotion and other marketing communications techniques as separate and divisible components. As the receivers of a variety of messages from an equally wide range of sources, they build up an image of a company, its brands and its services—both favourable and unfavourable. (Baker 2003, 398)

Since brands have a history, "[n]ew products launched under a strong brand name are more likely to be trusted by consumers and to achieve faster market penetration. Strong brands also contribute to more efficient supply chains. Suppliers are more confident in forging partnerships with established brand names and making the investments to maintain these associations" (Baker 2003, 301).

3.3.3.2.2.2.7. Blythe: Principles and Practice of Marketing

Blythe describes how products accumulate history and value while passing from producer to seller:

> In the past, marketers have tended to consider the product as being that which comes from a manufacturer, is passed through wholesalers and retailers, and eventually lands with the end consumer. This view has been superseded to an extent by a holistic view, which examines the whole chain of events from raw material extraction through to the store shelf. This chain is called the value chain, because it is the means by which value is delivered to the end consumer in exchange for money.
>
> Value chain analysis examines the ways in which organisations add value to the products as they pass along the chain. This involves analysis of the organisations themselves, and also the interactions between suppliers and distributors within the chain. Value chain analysis recognises that each organisation within the chain adds value to the product. (Blythe 2006, 368)

Through experiences, consumers accumulate knowledge of the brand:

> If a consumer buys a product and is pleased with the outcome of using it, then he or she is likely to buy the product again. The sources of knowledge which influence reputation are:

1 Direct experience of dealing with the organisation.

2 Hearsay evidence from friends, colleagues and acquaintances.

3 Third-party public sources such as newspaper articles, TV documentaries, and published research.

4 Organisation-generated information such as brochures, annual reports and advertising. (Blythe 2006, 521)

3.3.3.2.2.3. FINDINGS FOR CRITERION NO. 2

All the selected textbooks agree that branded commodities are no longer anonymous objects, because they have a history, which connects the object to the giver (producer or seller). Such history is built through the advertising efforts of producer or seller, and through a customer's experience with the brand. Therefore, all the selected textbooks comply with the second criterion of inalienability.

3.3.3.2.3. THE ANALYSIS OF CRITERION NO. 3: GIFTS EMBODY RELATIONS BETWEEN GIVER AND RECEIVER

3.3.3.2.3.1. GENERAL ANALYSIS

In some cases, market exchange transactions can produce an emotional connection among exchange participants. This emotion can be either embodied in the object produced by the company, or even directly oriented towards the company, which is the giver of the object. For some devoted customers it is extremely hard to separate the product from the brand. In their article, Pimentel and Reynolds (2004) describe situations, where buyers are so intensely devoted to a brand (or company) that their loyalty is not shaken even when the product is bad, has poor performance, receives bad publicity, costs comparatively more, has bad promotion or the producer is involved in scandal.

The relationship between buyer and brand can even go as far as love or passion, as the extensive research of Susan Fournier shows (Fournier 1996; Fournier and Yao 1997, Fournier 1998). In such cases, loyal customer may have an attitude towards a product that cannot be explained purely in terms of the fulfilment of functional needs. Such a buyer may aggressively, with evangelical zeal and great commitment, speak about a producer. He may feel separation anxiety if he cannot get a product of his particular brand. Several of my friends actually very strongly exhibit such emotional loyalty and passionate attitudes toward certain brands: Toyota, Nike, Sony, Canon, Apple, etc. They strictly buy only products from their favourite brands and speak scornfully of other brands.

A successful brand creates emotional bonds and beliefs in the hearts and minds of consumers (Kapferer 2008, 10). There is even a hype called 'Emotional Branding', with Sergio Zyman (former chief marketing officer of Coca-Cola) as one of its main evangelists (Gobé and Zyman 2001). Emotional Branding advocates that marketing should touch customers' deepest emotions. It aims at developing emotional responses to brands, and builds emotional links with consumers.

Contemporary commodities are often endowed with emotional qualities. Such commodities resemble the emotional characteristics of the gift, where they start to embody the relationship between buyer and producer. To use the term that Hyde utilised for describing gifts, commodities also acquire an 'erotic' property (Hyde 1983, 163).

3.3.3.2.3.2. TEXTBOOK ANALYIS

3.3.3.2.3.2.1. Kotler and Keller: Marketing Management

Kotler and Keller present 'The brand resonance model', which views brand building as an ascending, sequential series of steps, from bottom to top, "converting brand response to create an intense, active loyalty relationship between customers and the brand" (Kotler and Keller 2006, 280). In this model, at the top of the pyramid is 'brand resonance', which "refers to the nature of the relationship that customers have with the brand and the extent to which customers feel that they are 'in sync' with the brand" (Kotler and Keller 2006, 280), while "[b]rand feelings are customers' emotional responses and reactions with respect to the brand" (Kotler and Keller 2006, 280).

According to Kotler and Keller, "[r]esonance is characterized in terms of the intensity or depth of the psychological bond customers have with the brand, as well as the level of activity engendered by this loyalty. Examples of brands with high resonance include Harley-Davidson, Apple, and eBay" (Kotler and Keller 2006, 281). According to Kotler and Keller, "[h]igh satisfaction or delight creates an emotional bond with the brand or company, not just a rational preference" (Kotler and Keller 2006, 145–146). Therefore, an effective brand identity "delivers emotional power beyond a mental image" (Kotler and Keller 2006, 321).

The book emphasises that "[g]reat brands establish enduring customer relationships—They have more to do with emotions and trust than with footwear cushioning or the way a coffee bean is roasted" (Kotler and Keller 2006, 294). Marketers aim "to create an intense, active loyalty relationship between customers and the brand" (Kotler and Keller 2006, 280).

Kotler and Keller also present a 'BRANDZ model' of brand strength, which holds that "brand building involves a sequential series of steps, where each step is contingent upon successfully accomplishing the previous step" (Kotler and Keller 2006, 280).

According to this model, the sequence of steps in brand building is, first, presence: "Do I know about it?" Second, relevance: "Does it offer me something?" Third, performance: "Can it deliver?" Fourth, advantage: "Does it offer something better than others?" And, fifth, bonding. Nothing else beats it (Kotler and Keller 2006, 280). Bonding between a brand and its customers is thus seen as the final, and the most desirable stage in the brand building process. According to Kotler and Keller, "[r]esearch has shown that bonded consumers, those at the top level of the pyramid, build stronger relationships with the brand and spend more of their category expenditures on the brand than those at lower levels of the pyramid … The challenge for marketers is to develop activities and programs that help consumers move up the pyramid" (Kotler and Keller 2006, 280).

3.3.3.2.3.2.2. Kotler et al.: Principles of Marketing

According to Kotler et al, "[b]rand equity has emerged over the past few years as a key strategic asset', observes a brand consultant. 'CEOs in many industries now see their brands as a source of control and a way to build stronger relationships with customers. " (Kotler et al. 2005, 556). The book asserts that "behind every powerful brand stands a set of loyal customers. Therefore, the basic asset underlying brand equity is customer equity—the value of the consumer relationships that the brand creates. This suggests that the proper focus of marketing planning is that of extending loyal customer lifetime value, with brand management serving as an essential marketing tool" (Kotler et al. 2005, 558). The brand represents a focal point and mediates the relationship between a committed buyer and a company, because "customer delight creates an emotional affinity for a product or service, not just a rational preference, and this creates high customer loyalty" (Kotler et al. 2005, 466). A brand represents "the company's promise to deliver a specific set of features, benefits, services and experiences consistently to the buyers. It can be thought of as a contract to the customer regarding how the product or service will deliver value and satisfaction. The brand contract must be simple and honest" (Kotler et al. 2005, 560).

3.3.3.2.3.2.3. Palmer: Principles of Marketing

Palmer says that brand embodies the relationship between committed buyer and the company:

> A number of dimensions of a brand's emotional appeal have been identified, including trust, liking, and sophistication and it has been shown that products with a high level of subjective emotional appeal are associated with a greater level of customer involvement than where a product provides essentially objective benefits… As consumers buy products, they learn to appreciate their added value and begin to form a relationship with them. For example, as Pitcher (1985) observed, there are many companies selling petrol and credit cards, but individual companies such as Shell and American Express have created brands with which customers develop a relationship and guide their choice in a market dominated by otherwise generic products. (Palmer 2000, 97, 99)

Palmer also notes that companies try to use brands for building emotional connections with buyers: "With improved product ranges and corporate image strategies, intermediaries have sought to extend the functional aspects of their branding (e.g. quality of products, range of products) with the emotional appeal of the corporate brand. The use of distinctive colour schemes and alignment with good causes can help to develop an emotional relationship between the store and its customers" (Palmer 2000, 111).

The traditional role of the brand has been extended to create an emotional link between company and customers and "[t]he notion of an emotional relationship to a product has been extended to develop an emotional relationship between an organization and its customers" (Palmer 2000, 111).

3.3.3.2.3.2.4. Boone and Kurtz: Contemporary Marketing

According to the book, 'knowledge' of the brand implies that "customers feel an intimate relationship with a brand" (Boone and Kurtz 1999, 402). The Saturn carmaker is given as an example, where the car serves as an object, which enables relationships between the company and its customers:

> Saturn builds in the concepts of teams and relationships throughout the organization, including selling. The customer pays the listed sticker price—without the age-old haggling that set salesperson against customer. When you pick up your car, you are surrounded by a team of representatives from sales, service, parts, and reception, all trained in customer relations. They let out a cheer, snap your picture, and hand you the keys, in a ritual that indicates the Saturn's devotion to the idea of a long-term customer relationship.
>
> The Saturn team—from sales, customer service, and parts—join with the customer to make the auto purchase experience both memorable and rewarding, and to celebrate the beginning of a long-term relationship. (Boone and Kurtz 1999, 653)

The book emphasises that emotional links have to be developed in order to get loyal customers: “Clearly, making, enabling, and keeping promises are crucial parts of the relationship marketing process, but developing relationships requires more than promises. All relationships depend on the development of emotional links between the parties” (Boone and Kurtz 1999, 12).

3.3.3.2.3.2.5. Adcock: Marketing Strategies for Competitive Advantage

According to Adcock, branded commodities are not just plain items; they are charged with emotional and intangible elements which come into existence due to relations between buyer and producer: “A brand is not a product that just happens to have a high awareness, nor is it even a recognizable name or logo, although both of these are often present. A brand is so much more; it is a powerful stimulus that conjures up a complex image and level of expectation about itself, and what it can do for a consumer” (Adcock 2000, 202).

He goes on to compare branded products to mere commodities. He notes that a branded commodity is emotional, irrational, intangible, symbolic and concerned with values, attitudes, and beliefs. On the other hand, a commodity is phlegmatic, rational, tangible, functional, and concerned with features, benefits, and advantages (Adcock 2000, 202). Adcock says that the emotional distance between buyer and product is very important: “a major role of competitive marketing must be to help to develop acceptance and loyalty for a given brand, because if customers perceive that a brand offers greater benefits then it is more likely they will buy it and, perhaps, they may pay more for it. This depends upon the emotional distance between a consumer and an offering, and the intensity of feelings that determine the power of the brand as a valuable motivator in the purchase situation” (Adcock 2000, 205).

3.3.3.2.3.2.6. Baker: The Marketing Book

The book says that “[i]n consumer markets, emotional added values can be as important as economic, so that value-based pricing needs to estimate the worth of these emotional attributes” (Baker 2003, 304). “Brands are clusters of functional and emotional values which promise stakeholders unique experiences. The functional values are less sustainable than the emotional values. Product or service functionality is now a taken for granted expectation amongst stakeholders. Emotional values represent a source of sustainable competitive advantage” (Baker 2003, 372). Baker continues:

> The new branding model is therefore one, which emphasizes value through employees’ involvement in relationship building. Internally brand management is

> becoming culture management and externally it is customer interface management. In the new branding mode corporate branding internally signals messages about the desired culture and externally it reduces the information overload problems from line branding, decreasing customers' information processing costs. Corporate branding facilitates consumers' desires to look deeper into the brand and assess the nature of the corporation. A further reason for corporate branding is that, through building respect and trust with one of the corporation's offerings, consumers are more likely to accept the corporation's promises about other offerings. (Baker 2003, 374)

The book has a section about the 'brand as a relationship' (Baker 2003, 382–283), where it says: "The interpretation of a brand as a relationship is a logical extension of the idea of a brand's personality: if brands can be personified, then customers can have relationships with them. Research has shown (e.g. Fournier, 1998) that relationships are purposive and enable both parties to provide meanings" (Baker 2003, 382). Furthermore, "[w]ith advancing technology and sufficient investment, competitors can emulate and surpass the functional advantage of a leading brand. One way to sustain a brand's uniqueness is through enrobing it with emotional values, which users sometimes value beyond the brand's functional utility" (Baker 2003, 377). The book says that "[i]n line branding, consumers mainly assess the brand's values from advertising, packaging, distribution and the people using the brand. Yet, in corporate branding, while values are partly inferred from corporate communication campaigns, stakeholders' interactions with staff are also important" (Baker 2003, 374). Therefore,

> To decide upon the level of empowerment, consideration must be given to the brand's values, the organization's culture, the business strategy and the types of staff … An outcome from the mechanistic and humanistic components of the value delivery system is that it engenders a unique relationship between customers and the brand. As thinking becomes more refined in the flow model of Figure 15.8, so eventually a genuine relationship of trust and respect should emerge, bonding customers to the brand. (Baker 2003, 391)

3.3.3.2.3.2.7. Blythe: Principles and Practice of Marketing

Blythe says that "[c]onsumers frequently develop close relationships with brands, partly because the brand reflects their self-image. Cigarette smokers often become fiercely loyal to their brands, although research shows that most smokers are unable to distinguish their own brand of cigarette in a blind taste test. Car drivers develop close relationships with their cars, often talking to the car and even giving it a name" (Blythe 2006, 123). According to Blythe, ‘brand loyalists’ have “[s]trong affective links to a favourite brand. Usually they tend to link the product category to the provision of personally-relevant consequences. These are people who go for the ‘best brand’ for their needs, but also feel that the product category itself is an important part of their lives” (Blythe 2006, 124). Regarding the relationship, which is established between buyer and brand, Blythe writes: “The brand is the focus for all marketing activities, so it is only natural that marketers should have had the idea of trying to encourage consumers to establish relationships with their brands. Some recent research has shown that the results of this are patchy—and asked the question whether people actually do establish relationships with the products they buy. In other words, can people actually fall in love with a brand” (Blythe 2006, 380)? However, he notes, “people will admit to having relationships with favourite brands” (Blythe 2006, 380).

Blythe also discusses ‘emotional loyalty’ and writes: “Emotional loyalty is a function of involvement (see Chapter Four). Customers who are prepared to pay extra for the product, who are loyal to it whatever happens, and who recommend the product to their friends are emotionally loyal” (Blythe 2006, 382).

3.3.3.2.3.3. FINDINGS FOR CRITERION NO. 3

All the selected textbooks agree that a brand embodies the relationship between a loyal buyer and the company by building emotional bond between the two. Therefore, all the selected textbooks comply with the third criterion of inalienability.

3.3.3.2.4. THE ANALYSIS OF CRITERION NO. 4: GIFT IS IMPORTANT FOR ITS INTANGIBLE FEATURES

3.3.3.2.4.1. GENERAL ANALYSIS

People learn the characteristics of a brand through advertising activities and through their experiences with the product (Kotler and Keler 2006, 274).

If I shave with a no-name disposable razor blade, it will be an anonymous, alienable item. However, if I use Gillette, there will be a whole paraphernalia of ideas and symbols, which were gained through advertising: it is the best razor blade, manufactured by the best producer on the market, representing high quality and innovation. Every morning, when using Gillette razor blade I will be (in the back of my mind) aware of that. Yes, it shaves very well, it is high quality, it is smooth, and it is worth the money.

The evaluation of the product is influenced by how successfully it is branded (Kotler and Keler 2006, 274).

Even though competitors may sometimes copy the product designs and manufacturing processes of a successful product without difficulty, they can have an extremely hard time matching or duplicating the impressions in the minds of customers that are the result of many years of product experience and marketing activity (Kotler and Keller 2006, 275). Brand-aware buyers know what brand they are using. They know they are driving a BMW and not just any car. They know they have an Armani jacket and not just any jacket. They know they have bought Geox and not just any shoes. To companies, brands therefore represent an extremely important part of their legal property that can strongly influence consumer behaviour (Kotler and Keller 2006, 275). Therefore, a brand can often serve as legal protection for unique characteristics of the product.

A spectacular demonstration of the influence that a brand has on consumer's perception of the product is seen in the common outcome of 'blind' taste tests in product sampling tests. One group of subjects tests a product without having knowledge of its brand, while the other group of subjects tastes the product while having knowledge of its brand. Experience in those blind tests shows that the two groups evaluate the same product differently in spite of the fact that the product they tasted was exactly the same (Kotler and Keller 2006, 186). Consumers will often distort information to be consistent with prior brand and product beliefs (cf. de Chematony and Knox 1990; Russo et al. 1998; Janiszewski and Osselar 2000; Peck and Childers 2008). When a buyer knows that he is buying a product from their favourite company, he evaluates the product in a different light.

A good example is a blind test comparison of Pepsi and Coke. In the test, people were asked to compare the taste of Pepsi vs. Coke. When they were able to see the product, the majority opted for Coke (65%) while only 23% preferred Pepsi (the remaining 12% felt both tasted the same). However, when exposed to blind test (not knowing what they were drinking), 51% preferred Pepsi—an increase of 120%. This enormous difference in perception of the product demonstrates that buyers' experiences depend not only on the taste of their drink, but also on what they see and already know about the product (Payne 2006, 119).

Braun (1999) has found in her research that even in cases when people were exposed to positive advertising only after they had tasted an orange juice, they evaluated the product as better. This research shows that advertising has the power to modify or even distort consumer's memory and add completely new elements to his perceptions.

Here we can see that the fourth criterion is fulfilled, because an object, which is exchanged, is not important only for its use and exchange value, but also for intangible features relating to the brand.

3.3.3.2.4.2. TEXTBOOK ANALYIS

3.3.3.2.4.2.1. Kotler and Keller: Marketing Management

According to Kotler and Keller, "[f]or branding strategies to be successful and brand value to be created, consumers must be convinced that there are meaningful differences among brands in the product or service category. The key to branding is that consumers must not think that all brands in the category are the same" (Kotler and Keller 2006, 276). The book presents 'the associative network memory model', which says that

> consumer brand knowledge in memory can be conceptualized as consisting of a brand node in memory with a variety of linked associations. The strength and organization of these associations will be important determinants of the information that can be recalled about the brand. Brand associations consist of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand node.
>
> Marketing can be seen as making sure that consumers have the right types of product and service experiences such that the right brand knowledge structures are created and maintained in memory. (Kotler and Keller 2006, 188)

Kotler and Keller emphasise the difference between branded and non-branded products (commodities), which is based on consumer perception and response to the product:

> First, brand equity arises from differences in consumer response. If no differences occur, then the brand name product can essentially be classified as a commodity or generic version of the product. Competition would then probably be based on price.
>
> Second, these differences in response are a result of consumer's knowledge about the brand. Brand knowledge consists of all the thoughts, feelings, images, experiences, beliefs, and so on that become associated with the brand. In particular, brands must create strong, favorable, and unique brand associations with customers, as has been the case with Volvo (safety), Hallmark (caring), and Harley-Davidson (adventure).
>
> Third, the differential response by consumers that makes up the brand equity is reflected in perceptions, preferences, and behaviour related to all aspects of the marketing of a brand. (Kotler and Keller 2006, 277)

Consumers have different opinions about branded and unbranded products: "When consumers report different opinions between branded and unbranded versions of identical products, it must be the case that the brand and product beliefs, created by whatever means (e.g., past experiences, marketing activity for the brand, etc.), have somehow changed their product perceptions. Examples of branded differences can be found with virtually every type of product" (Kotler and Keller 2006, 186). Moreover, they even perceive branded and non-branded products differently: "Selective distortion can work to the advantage of marketers with strong brands when consumers distort neutral or ambiguous brand information to make it more positive. In other words, beer may seem to taste better, a car may seem to drive more smoothly, the wait in a bank line may seem shorter, and so on, depending on the particular brands involved" (Kotler and Keller 2006, 186). Or, put another way, "[c]onsumers may evaluate the identical product differently depending on how it is branded" (Kotler and Keller 2006, 274). Therefore, "[w]hen a person examines specific brands, he or she will react not only to their stated capabilities, but also to other, less conscious cues. Shape, size, weight, material, color, and brand name can all trigger certain associations and emotions" (Kotler and Keller 2006, 184).

Kotler and Keller assert that "brands create competitive advantages through non-product-related means. Coca-Cola, Calvin Klein, Gucci, Tommy Hilfiger, Marlboro, and others have become leaders in their product categories by understanding consumer motivations and desires and creating relevant and appealing images around their products" (Kotler and Keller 2006, 276).

3.3.3.2.4.2.2. Kotler et al.: Principles of Marketing

The book declares that "a product is more than a simple set of tangible features" (Kotler et al. 2005, 540). For example,

> the most meaningful benefit of owning a wristwatch is that it keeps accurate time, yet few watch ads feature this benefit. Instead, based on the distinctive benefits they offer, watch advertisers might select any of a number of advertising themes. For years, Timex has been the affordable watch that "Takes a lickin' and keeps on tickin'." In contrast, Swatch has featured style, fun and fashion, whereas Rolex stresses luxury and status. Advertisers should therefore pre-test each ad to determine that it has the maximum impact, believability and appeal. (Kotler et al. 2005, 769)

Or, to give another example, "Mercedes-Benz customers gain a number of benefits. The most obvious is a well-engineered and reliable car. However, customers may also receive some status and image values. Owning or driving a Mercedes-Benz may make them feel more important" (Kotler et al. 2005, 10). The book affirms that a branded product can be valued mainly due to its intangible elements: "Consumers view a brand as an important part of a product, and branding can add value to a product. For example, most consumers would perceive a bottle of Chanel perfume as a high-quality, expensive product. But the same perfume in an unmarked bottle would probably be viewed as lower in quality, even if the fragrance were identical" (Kotler et al. 2005, 549).

According to the book, "[c]ritics charge that much of the packaging and promotion adds only psychological value to the product rather than real functional value … Marketers respond by saying that consumers can usually buy functional versions of products at lower prices. However, they want and are willing to pay more for products that also provide psychological benefits—that make them feel wealthy, attractive or special" (Kotler et al. 2005, 171). Therefore,

> smart marketers look beyond the attributes of the products and services they sell. They create brand meaning and brand experiences for consumers. For example, Absolut Vodka means much more to consumers than just white alcoholic spirit—it has become an icon rich in style and meaning. A Fender is more than just a guitar, it is B.B. King, Jimi Hendrix, Eric Clapton, Keith Richards—it is Rock'n'Roll. By orchestrating several services and products, companies can create, stage and market brand experiences. DisneyWorld is an experience; so is a ride in a Porsche. You experience a visit to a West End show in London, browsing in Galleries Lafayette or surfing Sony's playstation.com website. As products and services increasingly become commodities, experiences have emerged for many firms as the next step in differentiating the company's offer (Kotler et al. 2005, 9).

Since the intangible elements of a branded product can be more important than its tangible features or benefits, "[m]any sellers make the mistake of paying more attention to the specific products they offer than to the benefits and experiences produced by these products" (Kotler et al. 2005, 9).

3.3.3.2.4.2.3. Palmer: Principles of Marketing

According to Palmer, one theory of brand dimensions functional versus representational dimension (Palmer 2000, 97). With society getting richer, "the non-functional expectations of brands have assumed increasing importance" (Palmer 2000, 97). Furthermore, "[t]o have value, a brand must… offer a range of functional and emotional attributes which are of value to buyers" (Palmer 2000, 94). Palmer offers an example, which can serve to illustrate this point:

> Buyers no longer select a car solely on the basis of a car's ability to satisfy a need to get them from A to B. Additionally, a buyer may seek to satisfy any of the following needs from a new car purchase:
>
> ■ to give them status in the eyes of their peer group;
>
> ■ to provide safety and security for themselves and their family;
>
> ■ to project a particular image of themselves;

■ to provide a cost-effective means of transport;

■ to be seen making a gesture towards the environment by buying a 'green' car. (Palmer 2000, 60)

3.3.3.2.4.2.4. Boone and Kurtz: Contemporary Marketing

Boone and Kurtz point out that besides tangible value, branded products are important for their intangible value as well: "Because of the value, both tangible and intangible, associated with the strong brand equity, marketing organizations invest considerable resources and effort to develop and maintain these dimensions of brand personality" (Boone and Kurtz 1999, 403). Further, it gives the example of the General Motors Corporation, which "acknowledged the importance of the whole marketing package, rather than the car maker's traditional focus on the product. 'The product is nothing more than the representation of the essence of the brand,' said GM marketing representative Dean Rotondo" (Boone and Kurtz 1999, 403).

Proper packaging also adds intangible value to the product: "Like the brand name, a package should evoke the product's image and communicate its value" (Boone and Kurtz 1999, 408).

3.3.3.2.4.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock says that the total product offering is "a complex mix of tangible and intangible attributes" (Adcock 2000, 74). Buyers receive "more than a simple commodity product when they enter into any transaction. The total offering is everything, both tangible and intangible (Adcock 2000, 337).

He says that, in many cases, exchange value is not the only factor, which determines the sale, because "as many marketers know, there are many situations where cost/price is not a major determinant in the buying process" (Adcock 2000, 95). Frequently it is "the intangible benefits, not the tangible product, which define the meeting of a need (Adcock 2000, 184). Especially luxury goods are important primarily for their intangible attributes: "Premium-priced luxury goods have always had the opportunity to be global brands because image and status are far more important as criteria in purchase decisions" (Adcock 2000, 95).

Additional and intangible attributes are often most important for the buyer:

> Benefits derive from attributes but they are experienced by customers, and so are a key element in a customer's perception of a position. Attributes can be tangible or intangible; they are the features that make up a total 'augmented' product or service. The actual product position, however, is more likely to reflect, to a greater extent, those particular attributes that augment a product, differentiating it from competitors, rather than those expected elements that many offerings contain. Customers obtain

products in order to experience the benefits offered, whether functional, physical, psychological or sociological. (Adcock 2000, 130)

3.3.3.2.4.2.6. Baker: The Marketing Book

The book describes the importance of intangible features:

> Building a successful brand starts with developing an effective product or service. Unfortunately, today, with the speed with which technology travels, it is increasingly difficult to build brands, and certainly to maintain them, on the basis of demonstrable, superior functional benefits. Comparably priced washing powders, cars, computers or auditing firms are usually much alike in the performance they deliver. Consequently, firms must find other ways to differentiate themselves, to create awareness and recall among customers. Hence they turn to design, colour, logos, packaging, advertising and additional services. (Baker 2003, 300)

Since "consumers are searching for more than a single element in any transaction. Instead, they seek to buy into the array of relevant experiences which surround the brand" (Baker 2003, 397), it is therefore necessary for a firm to add intangible features to the purely functional ones: "Earlier, it was clarified that a brand can be considered as being a cluster of functional and emotional values. With competitors being able to emulate functional values, a more sustainable route to brand building is through emotional values. In other words, it's not so much what the customer receives, but rather how they receive it" (Baker 2003, 386).

Marketing communications play a very important role in this process, because they "often present the only differentiating feature that can be offered to potential consumers. By recognizing the fact that everything a company does comprises, in some form, part of the communication which takes place between itself and its customers, it becomes aware of the increasingly important role of marketing communications as a strategic tool" (Baker 2003, 396). Altogether, "[i]n today's firm, it is intangible rather than tangible assets that create value. For many firms, brands are their most important assets, even though these brands rarely appear in published balance sheets" (Baker 2003, 300).

3.3.3.2.4.2.7. Blythe: Principles and Practice of Marketing

Blythe describes how intangible elements are a very important part of commodities:

> Adding value to the product by branding involves a great deal more than merely giving the product a catchy name. Branding is the culmination of a range of activities across the whole marketing mix, leading to a brand image which conveys a whole set of messages to the consumer (and, more importantly, to the consumer's friends and

> family) about quality, price, expected performance, and status. For example, the Porsche brand name conveys an image of engineering excellence, reliability, sporty styling, high speed and high prices, and of wealth and success on the part of the owner. People do not buy Porsches simply as a means of transport; for that purpose a basic Ford is perfectly adequate. (Blythe 2006, 89)

After all, intangible elements are not based on functional features, because "[f]rom a marketing viewpoint the fact that perception is so nebulous and individual a thing is probably helpful in the long run. Peoples' views of products and services rely heavily on perceived attributes, some of which have no objective reality" (Blythe 2006, 135).

3.3.3.2.4.3. FINDINGS FOR CRITERION NO. 4

All the selected textbooks agree that branded commodities are important mainly for their intangible, non-functional qualities. The brand is an important part of a product, and branding can add value to a product. Therefore, all the selected textbooks comply with the fourth criterion of inalienability.

3.3.3.3. DISCUSSION

We can see that branded commodities include elements that cannot be alienated from the producer: a product is inalienably stamped with the mark and identity of producer.

It is important to mention that the inalienability of commodities does not necessary entail inalienability from one single person, as is the case with gifts. In the case of artwork or craftwork, the object is tied to the person who produced it. In the case of a commodity it is tied to the company, and not to the founder or the owner of the company. Even though there are companies where the founder or the CEO actually symbolically embodies the company (Apple, Virgin, Microsoft, etc.), it is not Bill Gates who is the giver of MS Windows, but Microsoft. The product is inalienably tied to the company (Microsoft) and not to Bill Gates—both symbolically and legally. Bill Gates may retire or be replaced by another CEO, but the product will remain inalienably tied to Microsoft.

My analysis thus reveals that the quality of inalienability is present in branded products, because branded products always remain connected to their producer. Commodities can therefore manifest a form of inalienability when branded that is otherwise one of the characteristics of a gift.

3.3.4. THE FOURTH SUB-HYPOTHESIS: THE INALIENABILITY OF THE COMMODITY ENTAILS A QUALITY OF THE GIVER (PRODUCER / SELLER)

The fourth dimension that traditionally distinguishes gifts and commodities, concerns whether or not the item transacted contains an aspect of the giver.

As already described earlier, Mauss says that a gift is never an anonymous item, but always contains some quality of the giver (Mauss 1954, 10).

Even without resorting to Mauss' notion of the '*hau*', we can say that the gift is always connected to the giver. The gift is unique: it is not simply an object; rather, it is infused with emotional qualities that link the object to the giver. It always carries with it some qualities of the giver. A sweater that my grandmother made for me will always continue to bear her identity. Even the most ordinary item that is given as a gift will bear the mark of the giver. It will represent the relation between the giver and receiver, and remind the recipient of the situation and circumstances that surrounded the situation of giving. If I receive a tie from my beloved girlfriend on our very first date and then lose it somewhere, I can surely later buy exactly the same tie. However, that would not be really the same thing, even though it would look exactly the same.

Conversely, commodities are supposed to be devoid of the symbolic uniqueness that a gift possesses (Carrier 1995, 31). When purchasing a commodity, it does not matter from whom it was purchased; a bottle of beer is just one among several bottles of the same kind on the shelf of the supermarket. If I lose a bottle of bear that I have bought in a supermarket, I can replace it with another one of the same kind without noticing any difference.

My fourth research sub-question is: do commodities embody a quality of the giver (i.e. the producer or the seller) and, if so, under what conditions?

To test the validity of the conventional gift-commodity dichotomy, this research sub-question is extended into the following sub-hypothesis (see Chapter 3.1.5.3.): the inalienability of commodities specified in sub-hypothesis no. 3 entails that such commodities embody a quality of the giver (i.e. the producer or the seller).

3.3.4.1. OPERATIONALISING AND DEFINING THE IDENTITY OF THE GIVER CONTAINED IN THE GIFT

Contrary to gifts, which always retain association to the giver, a commodity is not supposed to tell us anything significant about its seller or producer. According to traditional social anthropological understanding, a commodity is considered to be an anonymous object, purchased primarily for its utilitarian value. A commodity is supposed to be a generic item that belongs to a general and abstract category, such as milk or beer, fruit or bricks. The general and abstract nature of consumer goods is strengthened by the process of commoditisation, which alienates them from their producers and sellers. This characteristic of commodities partly originates from their depersonalised production and sale, as described in Chapter 2.2.1.2. In capitalist societies, whatever a worker produces is alienated from him and the capitalist owns the product of a worker's labour. Commodities are therefore robbed of the identity of the very person who produced it. Moreover, most contemporary commodities are no longer even produced by a single person, nor at only one location. It is therefore impossible to pinpoint who actually produced it and then say the factory owner alienated the product from him. For example, a shirt starts its production somewhere in Turkey, where raw cotton is first produced. Then it is exported to Egypt, where cotton fabric is made. The shirt is then designed in Europe, sewn in China and finally sold somewhere in the US. There is a whole chain of producers involved in the production of even the simplest item, meaning that it is impossible to identify one single producer and then attribute the product to him alone. The consumer is thus faced with "a vast alienated world of products completely distanced from the world of production" (Miller 1987, 190). On the other hand, in gift exchange "the object transacted is not an entity independent from those who give it. Instead, it bears the identity of the giver" (Carrier 1995, 9).

3.3.4.1.1. CRITERION NO. 1: AN OBJECT RETAINS ITS ASSOCIATION WITH THE GIVER

Carrier writes about commodities: "In Western capitalist societies people generally understand the objects that surround them as commodities that bear no personal identity" (Carrier 1995, 12). On the other hand, a gift is never just an anonymous object, but always includes some identity of the giver. In his often quoted description, Mauss explains, "This bond created by things is in fact a bond between persons, since the thing itself is a person or pertains to a person. Hence it follows that to give something is to give a part of oneself … one gives away what is in reality a part of one's nature and substance, while to receive something is to receive a part of someone's spiritual essence" (Mauss 1954, 10).

According to Mauss, even if the giver would abandon the item, it would still contain a part of him, because persons and things cannot be separated. Therefore, according to such a view, a person is not an independent individual but a relational person, influenced by other people from whom he has received gifts. Relatedness underlines this worldview, where everything is connected in a network of mutual influence. The objects of gift exchange are not neutral and abstract things; they are not defined only by the proprietary power of the person who possesses them, but also by the person who originally owned them. According to Carrier, in gift exchange "the object continues to bear the identity of the giver and of the relationship between the giver and the recipient" (Carrier 1995, 24). Or in other words, the "gifts of affection bear the identity of the giver" (Carrier 1995, 147).

3.3.4.1.2. CRITERION NO. 2: A GIFT IS VALUED BECAUSE OF ITS SYMBOLIC ASSOCIATION WITH THE GIVER

A pure commodity is valued only for its use and exchange value (Gregory 1982, 10). If I want to get a new tie and do not care about the producer, all I will care about will be the design, quality and price. Conversely, a gift is valued because of its association with the giver. Carrier says: "In commodity relations objects are impersonal bundles of use value and exchange value that are bought and sold. In gift relations objects are personal possessions that are given and received" (Carrier 1995, 18). From a general perspective, a gift is important only for its capacity to symbolize social relations and not for its use value. Yet from a certain perspective we can say that a gift is comprised of two elements: tangible and intangible. Tangible element can be valued in terms of money: how much the giver paid for the purchased item or how much work he invested into producing it, or for how much money the receiver could sell it at a flea market. The intangible element is rather impossible to evaluate in monetary terms, yet it is very real and gives the gift that symbolic element for which it is important. Therefore, a gift has something attached to its use or exchange value. Carrier notes that "[o]bjects as commodities are neutral and impersonal tokens of abstract value, given or withheld by autonomous individuals as calculation and self-interest dictate. However, objects as gifts bear, together with their use and exchange value, the identity of the giver and the relationship between giver and recipient …" (Carrier 1995, 30).

This feature is particularly obvious when a gift is given in a form of money: at least in Western culture, people see money as anonymous and impersonal. Therefore people in

Western culture find it very difficult to attribute to money any of the social history or symbolic elements that a gift possesses (Parry and Bloch 1993).[62] Webley's research shows that if people are asked to give a gift in the form of money to a very good friend, they would give more money compared to the equivalent value of a given non-monetary gift (Webley et al. 1983). Since money lacks the personal touch, which is always added to a gift, people feel they should (in case they give money as a gift) give more of it to compensate for the deficiency of its symbolic, intangible element.

A gift is therefore important for its symbolic value, which originates from its association with a giver, instead of its use value, which gives us the second criterion for evaluating whether an object possesses a quality of the giver.

3.3.4.1.3. CRITERION NO. 3: GIFTS ARE PERSONIFIED OR ANTHROPOMORPHISED

Mauss has noted that gifts in a gift economy system are anthropomorphized, since in gift exchange persons and objects participate in each other's identity. A gift is thus not an inert object; it is alive and often personified, "things have personality" (Mauss 1954, 44), and "whatever one gives away are, moreover, personified beings" (Mauss 1954, 55).

According to Gregory, "things are anthropomorphised in gift economy" (Gregory 1982, 45) and "[i]t is clear from this brief summary of the literature, that the social organisation of the reproduction of thing-gifts is governed by the methods of reproduction of people. The latter is a personification process which gives thing-gifts a soul and a gender classification; thus the reproduction of thing-gifts must be organised as if they were people" (Gregory 1982, 93).

However, Gregory warns against equating the personification aspect of gifts with Marx's theory of the 'fetishism' of commodities, where the objectification or reification of commodities causes relations between persons to be replaced by relations between things (Gregory 1982, 20, 45). In many societies around the world, gifts are given human-like qualities (cf. Platenkamp 2008a). Moreover, the most important gifts are those that contain the most human attributes (McVeigh 2006, 247). From this we can infer the third criterion for evaluating whether an object possessed a quality of the giver: whether the object is personified and anthropomorphised.

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[62] However, there is truly ample ethnographic evidence that in other, non-Western societies, modern and non-modern alike, money can definitely function as a highly valued gift (cf. Gregory 1982, 47).

3.3.4.1.4. CRITERION NO. 4: THE IDENTITY OF THE GIVER EMBEDDED IN THE GIFT IS A PSYCHO-SOCIAL PHENOMENON

As discussed in Chapter 2.2.2.4.1., Mauss introduced the spiritual quality of the gift—the *hau*. Since his explanation was both admired and criticised in the following decades, I will take the safe road and not stick to any particular criticism or adherence. However, even without taking recourse to any mystical or spiritual power of *hau*, we can still agree that the gift always contains some quality of the giver. Being open to all kinds of explanations and not *a priori* neglecting any elucidation, it is still not necessary to assume that part of the giver somehow resides in the object given (as Mauss proposed). We can say that the presence of the giver in the gift can be sufficiently explained by psychological and social mechanisms alone (again, without denying the possibility of other explanations). The attachment of the initial giver to the gift exists in the mind of the receiver, or in the minds of people around the giver, who are aware of the transaction. If people were to see a particular gift without knowing its context, it is hard to imagine they would be able to recognize who the giver was. If the gift is supposed to inherently contain a part of the giver *per se*, people should be able to identify the original giver just by seeing the gift, without knowing in advance anything about it. Since this is not the case, I presume that the giver's identity does not reside in the object itself, but rather in the minds of the people who participate in the transaction. Infusing the self of the giver into the gift is therefore a social process. The relationship with the gift is not dyadic (person-object), but always involves other people as well. Therefore, in my opinion, a satisfactory explanation can be given adhering only to this socio-psychological mechanism. Carrier explains this point in the following way: "Where does this relationship between possessor and possession reside? At the very minimum, it can reside in the mind of only one person and be a matter of individual psychology. In practice, of course, it is likely to exist in the minds of several people and so be a social understanding of the object" (Carrier 1995, 24).

Here we get the fourth criterion for evaluating whether an object contains a quality of the giver: the identity of the giver embedded in the gift is a psycho-social phenomenon.

3.3.4.1.5. CRITERION NO. 5: ULTIMATELY, THE GIFT IS NOT CONNECTED TO AN INDIVIDUAL, BUT TO SOMETHING WHICH TRANSCENDS INDIVIDUALITY

Finally, I would like to discuss another interesting similarity that the Maussian understanding of the gift shares with contemporary marketing. According to Mauss' interpretation, the identity of the gift is ultimately not connected to the giver, but to the forest, to Nature, the cosmological origin, to something much bigger than any individual: "The *taonga* and all strictly personal possessions have a *Hau*, a spiritual power … *Taonga* is animated with the *Hau* of its forest, its soil, its homeland …" (Mauss 1954, 9).

Platenkamp (2006, 7) suggested that such relationships could be described using the logic of the part-whole relationships (p>>w) that recur in various cultures and contexts, and from there derived the logical description of inalienability. It is not the *Hau* of the individual, but the *Hau* of the forest, of Nature, that resides in the gift. What animates gifts is an abstract force of Nature that is inherent in the gift.

From this we can get the fifth criterion for evaluating whether an object contains some quality of the giver: the giver of the gift is not an individual, but something much bigger than any individual—an idea, or a religious concept.

3.3.4.2. THE ANALYSIS

In spite of anonymous status of commodities, we can find certain types of commodity exchange, where commodities actually quite prominently contain the identity of the original owner. For instance, Herrmann (1997) describes American garage sales, where households sell used items to the public. Commodities, which were at the time of their original purchase interchangeable and anonymous, become unique objects due to their life history. Some buyers actually strongly desire and look for such items, preferring them over ordinary second-hand goods that can be bought at flea markets or rummage sales, because in garage sale, they personally meet the owner. In this way, they have a feeling they have taken with them some part of the previous owner—that the second-hand object, which has signs of wear and tear (scratches, stains, etc.) has already served someone—and they know whom. Herrmann suggested that "something of the original owner, analogous to Mauss' 'spirit of the gift', is passed along and provides the potential to create a feeling-bond between shopper and seller" (Herrmann (1997, 85). For some people, this is the charm of commodities purchased at a garage sale. Even though such items do not bear the same intensity of relationship as in the case of the gift, they are still qualitatively different from ordinary purchased commodities, because they allow the buyer to build unique meanings attached to the purchased objects. As Hermann has observed in American garage sales, "the buyers act as though they take home some essence of the sellers" (Herrmann 1997, 85).

However, I suggest that the similarities between gift exchange and commodity exchange do not stop here; I would like to demonstrate that the identity of the giver is often strongly woven into ordinary consumer goods as well. Nowadays, most commodities are not just plain, anonymous items. Very seldom can we even find a generic product—a product with no brand name. Such situations arise only in special discount stores, where items are sold very cheaply. In such shops, items have just generic category names, like ‘salt’, ‘sugar’, ‘tuna fish’, ‘mineral water’ and ‘bread’.

In most cases companies endow their products with symbols, brand names and distinctive packaging (Boone and Kurtz 2005, 388). It is almost impossible to find an item that would not be distinctively marked: even fruit often bears little stickers to show who the producer is.

Commodities are usually no longer anonymous things, but constantly attempt to remind the buyer of the producer. Very often the company’s logo or trademark is much bigger and more prominent than the name of the product itself (e.g. milk, beer, etc.), so that the buyer knows he is buying Heinz, and not just a bottle of ketchup. Companies are, in most cases, very mindful about protecting the legal rights to their products. Copyrights, trademarks, and patents ensure that the creator legally preserves his identity in his product.

3.3.4.2.1. THE ANALYSIS OF CRITERION NO. 1: AN OBJECT RETAINS ASSOCIATION TO THE GIVER

3.3.4.2.1.1. GENERAL ANALYSIS

According to Kotler and Keller a company can pursue different approaches in building a brand. The two extremes of the brand relationship continuum are represented by two distinct strategies: individual names and umbrella (‘blanket’) family names. These two strategies are sometimes called a ‘house of brands‘ and a ‘branded house’, respectively (Boyett 2003, 80; Boone and Kurtz 2005, 386; Kotler and Keller 2006, 296).

By following the first strategy, a company does not attempt to connect its own reputation to the product’s reputation but rather establishes the product’s brand separately. A company markets its product individually, not connected to its main corporate brand or family brand. If the product turns out to be unsuccessful or fails to provide good quality, the company’s image or name is not damaged. For instance, Procter and Gamble has more then 80 sub-brands that are very loosely related to each other (Boyett 2003, 80). Even though different brands in the ‘house of brands‘ act very independently, they still inevitably have some faint connection to the producer. For instance, 3M has different sub-brands, yet puts its small 3M logo on every product.

For the purpose of my analysis, the second branding strategy, where companies pursue some variant of the ‘blanket family names’ branding strategy, is more interesting. In this case, a company ties its own reputation to its products and uses the company’s well-established brand as the basis for marketing its products. There are several advantages to such an approach; for example, it decreases marketing cost because there is no need for intense advertising to create brand-name recognition. With this strategy, customers can make conjectures about the product based on their knowledge of the parent brand (cf. Kim and Sullivan 1998).

A clear example of this strategy is Virgin, which attaches its corporate brand name to all its diverse products and services: Virgin Airlines, Virgin Cola, Virgin Music, Virgin Rail, Virgin Records, etc. Other very famous examples include Sony, Philips, General Electric, Nike, Levi's, and Disney.

The corporate brand is composed of a company's performance, financial assets, image, reputation and people. A corporate brand helps consumers to know what to expect from the firm. Even though a company may have several different sub-brands for its products, the product brands and the corporate brand are mutually interdependent (Fernandez 2004, 45–50). The reputation of the company influences the reputation of company's products (sub-brands), while the failure or success of the company's products (sub-brands) inevitably influences company's reputation. Here we can see that the identity of the producer is usually tied up with its products. Commodities are therefore usually not really anonymous items, but retain an association with their producer.

3.3.4.2.1.2. TEXTBOOK ANALYSIS

3.3.4.2.1.2.1. Kotler and Keller: Marketing Management

Kotler and Keller describe the two branding strategies: a 'house of brands' and a 'branded house' (also called 'blanket family names'), which "can be seen as representing two ends of a brand relationship continuum, with the latter two strategies as being in between and combinations of the two" (Kotler and Keller 2006, 297).

The book says that in the 'blanket family names' branding strategy the branded product retains its association with the producer, which can help market the product:

> This policy is followed by Heinz and General Electric. A blanket family name also has advantages. Development cost is less because there is no need for 'name' research or heavy advertising expenditures to create brand-name recognition. Furthermore, sales of the new product are likely to be strong if the manufacturer's name is good. Campbell's introduces new soups under its brand name with extreme simplicity and achieves instant recognition. (Kotler and Keller 2006, 297)

Kotler and Keller say that the situation when a newly developed product is presented as being part of the company's main brand, is called 'brand extension':

> When a firm uses an established brand to introduce a new product, it is called a brand extension. When a new brand is combined with an existing brand, the brand extension can also be called a sub-brand, as with Hershey Kisses candy, Adobe Acrobat software, Toyota Camry automobiles, and American Express Blue cards. An existing brand that gives birth to a brand extension is referred to as the parent brand. If the parent brand is already associated with multiple products through brand extensions, then it may also be called a family brand. (Kotler and Keller 2006, 296)

The company reputation, which is also embodied in its brand name, is in some cases more valuable than a company's tangibles: "Companies are recognizing that much of their market value comes from intangible assets, particularly their brands" (Kotler and Keller 2006, 28). Therefore:

> Recognizing that one of their most valuable assets is their brands, many firms have decided to leverage that asset by introducing a host of new products under some of their strongest brand names. Most new products are in fact line extensions—typically 80 to 90% in any one year. Moreover, many of the most successful new products, as rated by various sources, are extensions (e.g., Microsoft Xbox video game system, Apple iPod digital music player, and Nokia 6800 cell phone)" (Kotler and Keller 2006, 297)

In this manner, the producer easily adds credibility to its product through organisational association (Kotler and Keler 2006, 297). If the company is respected, it is worthwhile to add its reputation to its products by using the 'blanket family names' branding strategy.

Brand extensions enable consumers to make inferences about the quality and other intangible characteristics of the product by knowing the qualities of the company, which owns the brand:

> Brand extensions improve the odds of new-product success in a number of ways. With a brand extension, consumers can make inferences and form expectations as to the likely composition and performance of a new product based on what they already know about the parent brand itself and the extent to which they feel this information is relevant to the new product. For example, when Sony introduced a new personal computer tailored for multimedia applications, Vaio, consumers may have been more likely to feel comfortable with its anticipated performance because of their experience with and knowledge of other Sony products" (Kotler and Keller 2006, 298)

3.3.4.2.1.2.2. Kotler et al.: Principles of Marketing

The book has a section on 'brand development' where it says: "A company has four choices when it comes to developing brands (see Figure 13.5). It can introduce line extensions (existing brand names extended to new forms, sizes and flavours of an existing product category), brand extensions (existing brand names extended to new product categories), multibrands (new brand names introduced in the same product category) or new brands (new brand names in new product categories)" (Kotler et al. 2005, 564). A detailed description is provided on pages 565 to 567.

Line extension is defined as "[u]sing a successful brand name tointroduce additional items in a given product category under the same brand name" (Kotler et al. 2005, 565).

Brand extension is defined as "[u]sing a successful brand name to launch a new or modified product in a new category" (Kotler et al. 2005, 565). In both cases, products retain association to already established brand—which is ultimately connected to the company.

3.3.4.2.1.2.3. Palmer: Principles of Marketing

Palmer describes branding approaches where objects retain their association with the parent brand. One such situation is the "development of a single strong brand" (Palmer 2000, 105) which is explained as follows:

> One approach to branding is to apply the same brand name to everything that a company produces. The big advantage of this approach is the economies of scale in promotion, which this can bring about. Instead of promoting many minor brands through small campaigns, a company can concentrate all of its resources on one campaign for one brand. This approach has been used successfully by many large multinational companies, such as IBM, Kodak, and Cadbury's, who, with a few exceptions, put their single brand name on everything they sell. (Palmer 2000, 105)

The other approach is called 'brand extension', which is described as follows:

> Where a company has invested heavily in a brand so that it has many positive attributes in the minds of buyers, it may feel tempted to get as much as possible out of its valuable asset. Given the increasing costs of developing strong brands, many companies have attempted to extend their brand to new product ranges. The attraction is quite clear. Rather than having to start from scratch with a new product and a new name, the company can at least start with a name with whose values buyers are familiar. So if a manufacturer of chocolate has developed a brand, which stands for good taste and consistency, those values will be immediately transferred to a new range of ice-cream products that the company may consider adding to its range. (Palmer 2000, 108)

3.3.4.2.1.2.4. Boone and Kurtz: Contemporary Marketing

The book clearly says that in some cases products retain a clear association with the giver. In the case of a 'manufacturer's brand', it retains an association with the producer; in the case of a private brand, it retains an association with the seller:

> A manufacturer's brand refers to a brand name owned by a manufacturer or other producer. Well-known manufacturers' brands include Kodak, Fruit of the Loom, and Heinz.
>
> Many large wholesalers and retailers place their own brands on the products they market. The brands offered by wholesalers and retailers are usually called private brands. For example, Sears sells its own brands Kenmore, Craftsman, DieHard, and Harmony House. Sears also launched a private label line of jeans, Canyon River Blues. Safeway stocks its shelves with such private brands as Bel Air, Canterbury, Cragmont, Party Pride, Manor House, and Scotch Buy. (Boone and Kurtz 1999, 400)

The book also describes family and individual brands, where products also retain association to the company. A 'family brand' is "a single brand name that identifies several related products … On the other hand, a promotional outlay for a family brand benefits all products in the line. For example, a new addition to the Heinz line gains immediate recognition as part of the well-known family brand" (Boone and Kurtz 1999, 401).

Since brands can carry strong association with the company, they are sometimes used to expand influence into other product categories:

> Some brands achieve such strong popularity that companies carry them over to unrelated products in pursuit of marketing advantages. The strategy of attaching a popular brand name to a new product in an unrelated product category is known as brand extension. Marketers should not confuse this practice with line extension, which refers to new sizes, styles, or related products. Brand extension, in contrast, carries over nothing but the brand name. In establishing brand extensions, companies hope to gain access to new customers and markets by building on the equity already established in their brands. (Boone and Kurtz 1999, 409)

Brands thus enable consumers to identify products with the company: "Buyers respond to branding by making repeat purchases of the same product, since they identify the product with the name of its producer. The purchaser can thus associate the satisfaction derived from an ice cream bar, for example, with the brand name Haagen-Dazs" (Boone and Kurtz 1999, 399).

3.3.4.2.1.2.5. Adcock: Marketing Strategies for Competitive Advantage

According to Adcock, an individual brand name is often "linked with another name or symbol such as a company logo or range name. Linking two such identifiers together is effective if both enjoy similar images, and if the additional name does not bring any undesirable associations with it" (Adcock 2000, 209). He describes three levels of brand names:

> 1. Individual brand names, such as Ariel, Persil, Snickers or Flora.
> 2. Range branding, such as Weight Watchers or Panasonic
> 3. Company/corporate brands, such as Ford, Black & Decker or Tesco.
>
> The last two, range and company (or house brands) can be seen as interchangeable umbrellas for groups for groups of brands if there is only one company range, but they can be combined in considering, say, the range of Ford Fiestas. (Adcock 2000, 209–210)

He also describes the "extension of the brand name across other offerings, and including new products, thus using the positive attributes to extend into new product/market areas.
Brand extension is the use of a strong brand name for other product offerings. The major advantage is that it transfers the positive attributes to the new offering" (Adcock 2000, 207).

3.3.4.2.1.2.6. Baker: The Marketing Book

The book has a section about the 'brand as company' (Baker 2003, 374–375). It says: "For a variety of reasons there is a move towards corporate branding, for example the need to curtail the increasing costs of promoting individual line brands, or the prevalence of category management, where priority is given to promoting product sectors to retailers, rather than individual line brands" (Blythe 2006, 374). The association of the product with the company can be useful, "[p]articularly when the organization brands its offerings with its corporate name, or the brand is strongly endorsed by the corporation, this involves much internal 'soul searching' to understand what the firm stands for and how it can enact the corporate values across all its range. Communication is not directed just at consumers, but also at staff, so that they can appreciate how they must behave to be the embodiment of the brand" (Baker 2003, 380).

3.3.4.2.1.2.7. Blythe: Principles and Practice of Marketing

When describing the 'strategic functions of brands', Blythe says that a brand can serve as a shorthand device for connecting a commodity with the company:

> Brands are used as a way of 'tagging' information about a product in the consumers' memories. This is particularly relevant when the brand is extended to other product categories, since the consumer's view of the parent brand is transferred to the new brand; for example, Virgin have successfully extended the brand image from records to retailing to airlines to financial services, all offering the same innovative approach and serving similar market segments. (Blythe 2006, 91)

He emphasizes that a successful brand retains its association with the company:

> Developing the brand is a process of integrating a number of strands of business activity, so a clear idea of the brand image is essential, as is a long–term view. To see branding as merely being about design or advertising or naming is inadequate and short-sighted; successful brands are those which act as a lens through which the consumer sees the corporation and the product. Constant evaluation of the image seen through the lens is essential if the brand is to retain its status. (Blythe 2006, 92)

3.3.4.2.1.3. FINDINGS FOR CRITERION NO. 1

All the selected textbooks describe branding strategies, which clearly retain the association of a branded product with its producer, thus complying with the first criterion.

3.3.4.2.2. THE ANALYSIS OF CRITERION NO. 2: A GIFT IS VALUED BECAUSE OF ITS SYMBOLIC ASSOCIATION WITH THE GIVER

3.3.4.2.2.1. GENERAL ANALYSIS

Why are customers prepared to pay more for their favourite brand than for a competing brand? A branded commodity always has some value added compared to unbranded commodity. According to Twitchell, advertising infuses commodities with symbolic meaning, which often becomes even more important than the use value of the object:

> Once we are aware that the consumption of an object often has more to do with meaning than with use, we will appreciate the vast power of the amulets, icons, images, statues, relics, and all the assorted stuff of organized systems of transcendental barter. Advertising fetishizes objects in exactly the same manner that religion does: it 'charms' objects, giving them an aura of added value. (Twitchell 1996, 32)

This extra value can be financial, emotional, intellectual, psychological, or symbolic (Kotler and Keller 2006, 274). In marketing this is called ‘brand equity’—the value that the brand adds to the branded product (or service) compared to an equivalent unbranded product (Dowling 2004, 233; cf. Aaker 1991; Keller 1998). The terms ‘brand value’ (Britain) and ‘brand equity‘ (US) are often used interchangeably. Even though there are criticisms of the concept, it still has a nice intuitive appeal (Dowling 2004, 232). David Aaker, who invented the concept of brand equity, describes it as a compound of characteristics that are connected to the brand and add (in a positive or negative manner) value to the product or service (Aaker 1991, 15).

Dowling defines it as “the differential effect that knowledge of the brand has on consumers’ responses to the product and its marketing” (Dowling 2004, 236). Another definition says that brand equity is the “added value that a respected, well-known brand name gives to a product in the marketplace” (Boone and Kurtz 2005, 387).

A strong brand will influence how buyers perceive the quality of the product. It will help consumers to recognize company’s products among other competitive products and thus help buyers in making their purchase decisions. A strong brand will also positively influence customer loyalty and lead to repeat purchases. People are more likely to buy items that belong to a strong, well-known and respected brand (Boone and Kurtz 2005, 405). All these benefits of a strong brand lead to a competitive advantage for the company.

The value that a strong brand adds to a product will increase a company’s market share, allow higher prices, enlarge price margins, boost customer loyalty, help with the effectiveness of advertising, and make customers more resistant to competitive offers (Dowling 2004, 234). A commodity with high brand equity is worth more than similar generic products. Its additional value is not only emotional, symbolic or intellectual, but also financial. A branded commodity clearly displays that it does matters who the producer (or seller) is; it is not just another product: it is infused with the reputation and other characteristics of the producer, which adds symbolic and financial value to that product (this applies if the ‘blanket family names’ strategy was used in branding the product). In this case, the characteristics of the producer are transferred to a generic commodity, and infuse it with features of the producer.

Coca Cola is a good example of high brand equity. It is one of the most valuable and most respected brand names in the world (Kotler and Keller 2006, 31, 291). That is the reason customers are willing to pay a premium price for it, much more than for a generic cola drink, which essentially tastes just about the same. For most consumers, Coca-Cola is not just some cola drink: it is Coca-Cola with a correspondingly higher price than a generic cola drink. I have observed that at certain parties it is considered ‘cheap’ and almost insulting to the guests to serve an inexpensive, generic cola drink because Coca Cola is not merely about the taste, but about the image, prestige and what it represents in the minds of consumers.

3.3.4.2.2.2. TEXTBOOK ANALYSIS

3.3.4.2.2.2.1. Kotler and Keller: Marketing Management

Kotler and Keller define ‘brand equity’ as follows:

> Brand equity is the customer’s subjective and intangible assessment of the brand, above and beyond its objectively perceived value. The sub-drivers of brand equity are customer brand awareness, customer attitude toward the brand, and customer perception of brand ethics. Companies use advertising, public relations, and other communication tools to affect these sub-drivers. Brand equity is more important than the other drivers of customer equity where products are less differentiated and have more emotional impact. (Kotler and Keller 2006, 151)

Furthermore, “[b]rand equity is the added value endowed to products and services. This value may be reflected in how consumers think, feel, and act with respect to the brand, as well as the prices, market share, and profitability that the brand commands for the firm. Brand equity is an important intangible asset that has psychological and financial value to the firm” (Kotler and Keller 2006, 276). As explained earlier, high brand equity means that consumers perceive such commodities in a more favourable light: “A brand is said to have positive customer-based brand equity when consumers react more favorably to a product and the way it is marketed when the brand is identified as compared to when it is not” (Kotler and Keller 2006, 277).

According to Kotler and Keller, brand equity is established by valorisation of the differences in consumer response. That is to say, if no differences arise in consumer response, then the branded product can basically be categorized as a generic version of the product, which can thus be substituted with any other similar product. In that case, a company can compete with other similar products only by setting a lower price (Kotler and Keller 2006, 277). Differences in reaction are a result of customer perception of the brand and everything that has become associated with the brand: “Brand equity is the customer’s subjective and intangible assessment of the brand, above and beyond its objectively perceived value” (Kotler and Keller 2006, 151), which results from consumer knowledge about the brand: “Consumer knowledge is what drives the differences that manifest themselves in brand equity” (Kotler and Keller

2006, 277). Consumer knowledge, which drives brand equity, is created mainly by marketing actions:

> Brand equity is reinforced by marketing actions that consistently convey the meaning of the brand to consumers in terms of: (1) What products the brand represents; what core benefits it supplies; and what needs it satisfies; as well as (2) how the brand makes those products superior and which strong, favorable, and unique brand associations should exist in the minds of consumers. (Kotler and Keller 2006, 291)

Higher brand equity results in greater brand loyalty, which provides predictability and security of demand for the firm and creates barriers to entry that make it difficult for other firms to enter the market. Customers who are loyal to a certain brand are usually willing to pay a higher price, even 20 to 25 percent more (Kotler and Keller 2006, 275).

3.3.4.2.2.2.2. Kotler et al.: Principles of Marketing

The book says: "Consumers view a brand as an important part of a product, and branding can add value to a product. For example, most consumers would perceive a bottle of Chanel perfume as a high quality, expensive product. But the same perfume in an unmarked bottle would probably be viewed as lower in quality, even if the fragrance were identical" (Kotler et al. 2005, 549).

The book has a section on 'brand equity' (Kotler et al. 2005, 555–558). It says:

> A powerful brand has high brand equity. Brand equity is the positive differential effect that knowing the brand name has on customer response to the product or service. Brands have higher brand equity to the extent that they have higher brand loyalty, name awareness, perceived quality, strong brand associations and other assets such as patents, trademarks and channel relationships. A measure of the brand's equity is the extent to which customers are willing to pay more for the brand. One study found that 72 per cent of customers would pay a 20 per cent premium for their brand of choice relative to the closest competing brand; 40 per cent said they would pay a 50 per cent premium. (Kotler et al. 2005, 556)

In other words, "[b]rands are more than just names and symbols. Brands represent consumers' perceptions and feelings about products and its performance—everything that the product or service means to consumers" (Kotler et al. 2005, 555).

According to the book, "consumers can usually buy functional versions of products at lower prices. However, they want and are willing to pay more for products that also provide psychological benefits—that make them feel wealthy, attractive or special. Brand name products may cost more, but branding gives buyers assurances of consistent quality" (Kotler et al. 2005, 171).

3.3.4.2.2.2.3. Palmer: Principles of Marketing

Products, which are differentiated through branding, achieve a premium price: "To some people, the point of difference may be of great importance in influencing their purchase decision and they would be prepared to pay a price premium for the differentiated product" (Palmer 2000, 91). The book quotes the summary of research done by Doyle, who "described brand building as the only way to build a stable, long-term demand at profitable margins. Through adding values that will attract customers, firms are able to provide a firm base for expansion and product development and to protect themselves against the strength of intermediaries and competitors" (Palmer 2000, 91). To illustrate the fact that brands command higher prices, Palmer says that "[w]hen shown a white T-shirt, consumers said they would, on average, pay a premium of 33 per cent if it carried a designer label" (Palmer 2000, 108).

3.3.4.2.2.2.4. Boone and Kurtz: Contemporary Marketing

According to Boone and Kurtz,

> a strong brand identity can contribute to buyers' perceptions of product quality. Branding can also reinforce customer loyalty and repeat purchases. A consumer who tries a brand and likes it will likely look for that brand on a future store visit. All of these benefits contribute to a valuable form of competitive advantage called brand equity.
>
> Brand equity refers to the added value that a certain brand name gives to a product in the marketplace. Brands with high equity often confer financial advantages on a firm, because they often command comparatively large market shares, and because consumers may give little attention to differences in price. Studies have also linked brand equity to high profits and stock returns. (Boone and Kurtz 1999, 402)

3.3.4.2.2.2.5. Adcock: Marketing Strategies for Competitive Advantage

Adcock describes a very interesting example, which shows how two identical commodities are valued differently, depending on the name of the producer attached to it:

> If an offering is perceived as similar to competitive products then, logic suggests, people are likely to choose the cheapest. However, there are many examples of two apparently identical products where buyers are willing to pay considerably more for one offering. An example of this from the US … tells of the Mitsubishi Eclipse and the Plymouth Laser, made in the same factory and identical except for the badges. The

> Eclipse outsold the Laser fivefold and even when the Laser was reduced in price it still didn't sell well. In fact the UK market for 'people carriers' shows a similar phenomenon with the production similarities between the VW Sharan and the Ford Galaxy, and between the Peugeot 806 and Fiat's Ulysses, where similarity in product contrasts with differences in image. (Adcock 2000, 201)

Commodities given (produced) by respected company are valued more: "The benefits to a supplier derived from ownership of a strong brand are obvious; if it is valued by their customers then this is an asset that can be exploited. The exploitation could come from the ability to charge higher prices, or from one of two other ways of utilizing the leverage in the brand" (Adcock 2000, 207). Adcock says that "[b]rand equity builds up slowly over time and comes to fruition only when all conditions are complementary, and all components are perceived by a customer as mutually supportive within an overall entity" (Adcock 2000, 203). And finally, people derive some social benefit from owning a commodity with high brand equity: "For instance, most people know of the price charged for Nike running shoes and so when someone is seen with the famous 'swoosh' trade mark there is a social benefit received as the wearer is seen to be a person who can afford the price for that brand" (Adcock 2000, 134).

3.3.4.2.2.2.6. Baker: The Marketing Book

The book affirms that commodities are valued because of brand associations: "Today, marketing professionals prefer to talk about brands rather than products. This reflects the recognition that consumers do not buy just physical attributes, but also the psychological associations associated with a supplier's offers. The concept of the brand also emphasizes that the whole presentation of the offer—design, features, variety, packaging, service and support—have all to be integrated around a common identity" (Baker 2003, 298). Strong brands are priced higher: "The only sure way of achieving price premiums is developing products that offer customers superior value. This may be in terms of greater functional benefits (e.g. Intel, Microsoft) or through offering brands with added psychological values (e.g. Coca-Cola, Nike). If premium brands can be created, the value effects are very substantial" (Baker 2003, 296). Therefore, "[a] strong brand may enable the branded 'product' to be sold at a higher price than its unbranded equivalent. Alternatively, an equally strong brand could be sold at the same price as other products, but command a significantly greater share of the market on a consistent basis. A third branding positioning would be to combine a slightly higher price together with a higher market share" (Baker 2003, 520).

The book has a section about 'image and brand equity' (Baker 2003, 786–788), where it says:

> Having been convinced of the strong relationship between good image and good financial performance, retailers and researchers have invested extensively in the techniques to measure, compare and track images. The study of images has been given further impetus through the development of the concept of brand equity (Aaker, 1991). This forges a clear link between the psychological domain of perceptions and images, and the financial domain of assets and equity. Image is taken out of the nebulous role of 'soft data' and moved centre stage as a key measure of company performance, where it matters most, in the mind of the consumer. (Baker 2003, 786)

3.3.4.2.2.2.7. Blythe: Principles and Practice of Marketing

Blythe describes how the name of the producer affects consumer perceptions of a commodity:

> Every year, in towns and seaside resorts around G. Britain, Pepsi Cola sets up a roadshow. Passers-by are asked to try two different cola drinks and say which they prefer. One of the drinks is Pepsi, the other is (of course) arch-rival Coca-Cola. Often to people's surprise, the majority of people prefer the Pepsi.
>
> However, when the same experiment is conducted with the brand names clearly displayed, most people prefer the Coke. Coke outsells Pepsi in almost every market in the world—and the only explanation for this is the power of the brand! (Blythe 2006, 90)

Blythe says that people start to develop their respect towards brands already in childhood:

> Brands begin to exert influence early on in people's lives: an analysis of 422 letters to Santa Claus showed that most children are brand-orientated and are able to use sophisticated request strategies to get what they want … Also, children from poorer homes in the UK are acutely aware of the need to wear the right trainers, not only to appear 'cool' but also to avoid being bullied … This effect was so strong that children actually said they preferred to talk to someone wearing branded trainers. (Blythe 2006, 90)

Knowing the producer affects even the strength of pharmaceuticals:

> In many cases the core product has very little to differentiate it from other products, and the brand is really the only differentiating feature. Despite the apparently artificial nature of differentiation by branding, the benefits to the consumer are very real; experiments show that branded analgesics work better than generic analgesics at relieving pain, even though the chemical formula is identical. This is because of the psychosomatic power of the brand. Someone driving a prestige car gains very real

> benefits in terms of the respect and envy of others, even if the performance of the car is no better than that of its cheaper rival. (Blythe 2006, 89–90)

3.3.4.2.2.3. FINDINGS FOR CRITERION NO. 2

All the selected textbooks agree that successful branding adds value to a product, thus yielding a higher price. Since brands usually connect products with producers, it is the symbolic association with a producer, which adds value to branded commodities. All the selected textbooks thus comply with the second criterion.

3.3.4.2.3. THE ANALYSIS OF CRITERION NO. 3: GIFTS ARE PERSONIFIED OR ANTHROPOMORPSHISED

3.3.4.2.3.1. GENERAL ANALYSIS

Emotional loyalty to a brand is established when a consumer starts to project quasi-human characteristics onto the brand and relate to it in a similar manner to how he would otherwise relate to human beings: a consumer may seek specific characteristics like trust, accountability, dependability, and worthiness, which one would normally look for in a human being, in a brand.

For instance, at the peak of the VW Beetle craze, Life magazine called the legendary Volkswagen Beetle car "a member of the family that just happens to live in the garage" (quoted in LePla et al. 2003, 14). For many owners, the Beetle had become a sort of a relationship partner, rather than just a vehicle. Around that time, the well-known magazine Popular Mechanics published an interview with a businesswoman who called her VW Beetle "the first major love affair of my life" (Popular Mechanics 1956, 154). Such attitude were not only reflected, but also strengthened by advertisements. For instance, one 1964 advertisement[63] showed a towed Beetle, with the text: "A thing like this could happen, even to a Volkswagen. After all, it's only human" (WorthPoint 2009).

Such examples show, that commodities are not necessarily anonymous, lifeless objects, but can be charged with the emotional and personal qualities that normally belong to gifts. This is not so unusual, taking into account the human tendency toward anthropomorphism.[64] Anthropologists have repeatedly observed a human propensity to assign human attributes to

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[63] The photo and text of the advertisement are available online (Worthpoint 2009).

[64] The *Merriam-Webster Online Dictionary* (2009) defines 'anthropomorphism' as "an interpretation of what is not human or personal in terms of human or personal characteristics."

non-human objects. Therefore, people can, and actually often do infuse brands with personal qualities, even without any external help from marketers. Marketers utilise this particular human trait and frequently intentionally charge brands with human-like qualities to create a strong, emotional pseudo-relationship between consumer and brand (which is related to the company) or between consumer and company directly.[65]

Branding often infuses commodities with a kind of personal quality—almost a personality—that is usually closely linked to the general image of the producer (Palmer 2000, 100; Dowling 2004, 229). According to, Holt, "gurus of emotional branding encourage managers to give their brands a personality, to build emotional content into communications, and to emphasize emotional benefits" (Holt 2004, 28).

The term 'brand personality' is an anthropomorphic concept that denotes human-like traits associated with a particular brand (Dowling 2004, 236). Most often, the brand personality is constructed on the basis of the brand's core character, or on the basis of a transfer of user imagery. When asked about a particular brand, customers are able to describe brand's characteristics in terms of human characters (Van Gelder 2003, 41).

The personality of any particular brand will be determined by many factors. One important factor that influences the characteristics of a product's brand personality is the personality of the company that owns the brand (Van Gelder 2003, 42). A company that emphasizes its brand personality has to be careful to develop products and services, which will be in accordance with their corporate brand personality. Products that such a company develops should remain within the context of the company's personality (Van Gelder 2003, 46).

Brand personality is comprised of distinguishing features that resemble human characteristics. It is much like human personality, which can be conjectured form person's behaviour, socio-demographic characteristics and expressed attitudes, consumers can also infer characteristics of brand personality from the type of advertising that is used to promote the brand, the brand's features, price tag, where it is sold, the type of customer who uses it, etc. (Dowling 2004, 229). A sophisticated advertising campaign will include descriptions of the brand personality in terms of human attributes (de Mooij 2004, 97).

A brand personality develops over time and is always shaped by the culturally specific context of the market in which it functions. Research shows that brand personalities are not

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[65] The Apple Corporation is a good example: its customers are usually extremely devoted to the company, its leader Steve Jobs, and its products. Another example is Google, which recently even got *The Church of Google*, with about 3.000 members (as of March 2009). Its website is at http://www.thechurchofgoogle.org

unambiguously recognized in different cultures. According to de Mooij, the most distinct difference in reading brand personalities is found between individualistic and collectivistic cultures. Individualistic cultures demand that a brand should be unique and distinct, while collectivistic cultures expect that brand personality is a part of a larger whole: in Asian countries, brand personality is not seen as a unique personality, but rather as a part of the brand. It is interesting that the Japanese and Chinese languages, which represent an extremely large portion of the world population, are linguistically incapable of expressing the term 'personality' as something that is disconnected from society. In this light it is easier to understand why in Asia, brand personalities are very likely to be corporate personalities. Contrary to American companies, which often favour marketing individual product brands, Japanese corporations prefer to put emphasis on the corporate personality. Basically, such a strategy aims to create trust in the company and through corporate reputation inspire customers to buy its products (de Mooij 2004, 97).

Thus, while in Western markets it is very common to have products with a distinctive brand personality, similar to human beings in Eastern markets, characterized by collectivistic cultures, promotional activities attempt to present the product as a part of a trusted brand (de Mooij 2005, 224). Particularly this last strategy strongly resembles the situation with which we are familiar from gift exchange, where the personality of the gift is strongly tied to the original owner and its overall history.

Conversely, for some categories of products (for instance supermarket products, petrol, industrial supplies, etc.) buyers think that the functional features of the brand are more important than brand personality (Dowling 2004, 230). Since intangible, symbolic features are not so important for such products, they are clearly more on the pure commodity side of the gift-commodity continuum. They are important primarily for their use-value.

3.3.4.2.3.2. TEXTBOOK ANALYSIS

3.3.4.2.3.2.1. Kotler and Keller: Marketing Management

Kotler and Keller describe the concept of 'brand personality' as follows: "The idea is that brands also have personalities, and consumers are likely to choose brands whose personalities match their own. We define brand personality as the specific mix of human traits that may be attributed to a particular brand" (Kotler and Keller 2006, 182). According to Kotler and Keller, "TV advertising can be a compelling means for dramatically portraying user and usage imagery, brand personality, and other brand intangibles" (Kotler and Keller 2006, 571).

The book also describes Aaker's perspective, which says that "a particularly important concept for building brand equity is brand identity—the unique set of brand associations that represent what the brand stands for and promises to customers. Aaker sees brand identity as consisting of 12 dimensions organized around 4 perspectives" (Kotler and Keller 2006, 279), and one of them is the perspective of "brand-as-person (brand personality, brand-customer relationships)" (Kotler and Keller 2006, 279).

The book also says that:

> Stanford's Jennifer Aaker conducted research into brand personalities and identified the following five traits:
>
> 1. Sincerity (down-to-earth, honest, wholesome, and cheerful)
> 2. Excitement (daring, spirited, imaginative, and up-to-date)
> 3. Competence (reliable, intelligent, and successful)
> 4. Sophistication (upper-class and charming)
> 5. Ruggedness (outdoorsy and tough)
>
> She proceeded to analyze some well-known brands and found that a number of them tended to be strong on one particular trait: Levi's with 'ruggedness'; MTV with 'excitement'; CNN with 'competence'; and Campbell's with 'sincerity.' The implication is that these brands will attract persons who are high on the same personality traits. A brand personality may have several attributes: Levi's suggests a personality that is also youthful, rebellious, authentic, and American. The company utilizes product features, services, and image making to transmit the product's personality. (Kotler and Keller 2006, 182)

Kotler and Keller assert that the concept of brand personification can be useful in marketing research:

> People can be asked to describe what kind of person they think of when the brand is mentioned: "If the brand were to come alive as a person, what would it be like, what would it do, where would it live, what would it wear, who would it talk to if it went to a party (and what would it talk about)?" For example, they may say that the John Deere brand makes them think of a rugged Midwestern male who is hardworking and trustworthy. The brand personality delivers a picture of the more human qualities of the brand (Kotler and Keller 2006, 109)

3.3.4.2.3.2.2. Kotler et al.: Principles of Marketing

According to the book, a company can use symbols, people and characters to build brand personality:

> Symbols can provide strong company or brand recognition and image differentiation. Companies design signs and logos that provide instant recognition. They associate themselves with objects or characters that symbolise quality or other attributes, such as the Mercedes star, the Johnnie Walker character, the Michelin man or the Lacoste crocodile. The company might build a brand around some famous person. The perfume Passion is associated with Elizabeth Taylor and Longines watches with an image of Audrey Hepburn from Breakfast at Tiffany's. Some companies even become associated with colours, such as Kodak (yellow), Benson & Hedges (gold) or Ferrari (red). The chosen symbols must be communicated through advertising that conveys the company or brand's personality. (Kotler et al. 2005, 428)

The book gives additional examples of brand personification, for instance the 'personality symbol': "This style creates a character that represents the product. The character might be animated (e.g. Shreik for Hewlett-Packard office systems) or real (e.g. Gary Lineker for Walkers' Crisps; David Beckham for Marks & Spencer's DB07 boys' clothing range)" (Kotler et al. 2005, 769). It also lists other examples where organisations have differentiated their images through symbols: organisations such as Lloyds Bank (which adopted the black horse as its symbol of strength), McDonald's (personified by its Ronald McDonald clown) and the International Red Cross have all differentiated their images through symbols" (Kotler et al. 2005, 638).

Since a brand also projects a personality, "[m]otivation researchers sometimes ask 'If this brand were a person, what kind of person would it be?'. Consumers might visualise a Mercedes automobile as being a wealthy, middle-aged business executive. The brand will attract people whose actual or desired self-images match the brand's image" (Kotler et al. 2005, 559). Furthermore, the book claims that "[t]he most lasting and sustainable meanings of a brand are its core values and personality. They define the brand's essence" (Kotler et al. 2005, 559).

3.3.4.2.3.2.3. Palmer: Principles of Marketing

According to Palmer:

> There have been many conceptualizations of the unique positioning attributes of a brand. These usually distinguish between tangible dimensions, which can be objectively measured (such as taste, shape, reliability) and the subjective values that can only be defined in the minds of consumers (such as the perceived personality of a brand). In an early study, Gardner and Levy (1955) distinguished between the 'functional' dimensions of a brand and its 'personality'. (Palmer 2000, 97)

The book has a section about the 'creation of a distinctive brand personality', where notes that:

> It will be recalled that a brand possesses functional and emotional attributes. The emotional attributes are of particular importance in contributing to a brand's personality. This can best be described as the psychological disposition, which buyers have towards a particular brand. Brands have been variously described as having personalities, which are 'fun', 'reliable', 'traditional', and 'adventurous'. The Virgin group has evolved a personality for its brand, which can be described as reliable, slightly offbeat, and value for money. This personality has been developed consistently across the group's product ranges, from air travel to banking and investment services. (Palmer 2000, 102)

3.3.4.2.3.2.4. Boone and Kurtz: Contemporary Marketing

Boone and Kurtz mention that marketing treats brands as having a personality: "Because of the value, both tangible and intangible, associated with strong brand equity, marketing organizations invest considerable resources and effort to develop and maintain these dimensions of brand personality" (Boone and Kurtz 1999, 403). The book also says that with the integrated marketing communication strategy, "marketers can create a unified personality for the product or brand (Boone and Kurtz 1999, 563).

Boone and Kurtz describe the Young & Rubicam (Y&R) measurement system, which is called the 'Brand Asset Valuator': "According to Y&R, a firm builds brand equity sequentially on four dimensions of brand personality. … they are differentiation, relevance, esteem, and knowledge" (Boone and Kurtz 1999, 402).

The book also describes how the General Mills corporation extremely successfully anthropomorphised its foods offer under the iconic Betty Crocker image, who actually existed only in artists' drawings (Boone and Kurtz 1999, 272–273).

3.3.4.2.3.2.5. Adcock: Marketing Strategies for Competitive Advantage

According to Adcock, the "[b]rand image is a composite, made up of a number of elements. The most obvious are brand personality, usage occasion and user image … Both personality and usage occasion can be considered as a basis of brand image differentiation …" (Adcock 2000, 210). Therefore, "[i]t is crucial that a brand's personality should be fully understood so that careful additions of new offerings can be made to actually reinforce the meanings and associations that are at the heart of brand values" (Adcock 2000, 215). Since a brand is not something physical, a "brand may have a personality but it is not a person" (Adcock 2000, 203). Adcock also warns against owning brands which do not have brand personalities: "There are classic examples of brands that have become generic, synonymous with their product class, but there are even more where the brand seems to be hardly anything greater than a name without any accompanying personality" (Adcock 2000, 203–204).

3.3.4.2.3.2.6. Baker: The Marketing Book

The book has a section about 'brand as personality' (Baker 2003, 377–378), where it says: "Customers rarely undertake a thorough review of a brand to identify its emotional values, as can be appreciated from the early discussion about perceptual processes. By using the metaphor of the brand as a personality, manifest sometimes through a celebrity in brand advertisements, customers find it much easier to appreciate the emotional values of the brand" (Baker 2003, 377). According to the book, such interpretation of the brand "has given rise to a considerable amount of research into brands as symbolic devices with personalities that users welcome. When choosing between competing brands, customers assess the fit between the personalities of competing brands and the personality they wish to project" (Baker 2003, 378). The brand as personality helps buyers evaluate and differentiate commodities: "Consumers rarely spend long seeking and interpreting information about brands; therefore, at the top of the pyramid is a personality representing the personality traits associated with the values of the brand. By using a personality who exhibits the traits of the brand to promote the brand, consumers draw inferences that the brand has some of the values of the promoting personality" (Baker 2003, 390).

3.3.4.2.3.2.7. Blythe: Principles and Practice of Marketing

Blythe also says that commodities can be infused with personality:

> From a strategic viewpoint, the brand image provides a focus for the creative energies of the marketing team … The difficulty for marketers is that product and brand development is often a team process, and as such the team needs to keep a firm picture of what the product is intended to convey—the 'personality' of the product—if they are to maintain consistency in the creative activities. One way of doing this is to use a metaphor for the product. (Blythe 2006, 91)

3.3.4.2.3.3. FINDINGS FOR CRITERION NO. 3

All the selected textbooks discuss and describe the concept of a 'brand personality', which adds human attributes to commodities. Therefore, all the selected textbooks comply with the third criterion.

3.3.4.2.4. THE ANALYSIS OF CRITERION NO. 4: THE IDENTITY OF THE GIVER EMBEDDED IN THE GIFT IS A PSYCHO-SOCIAL PHENOMENON

3.3.4.2.4.1. GENERAL ANALYSIS

If the power of the gift is socio-psychological, the same is true for branded commodities. The power of the brand to influence people rests on representations and relationships. A representation means that the brand functions within an interconnected system of mental associations (also called a brand image). These associations function within a network, where they impact each other (Kapferer 2008, 11). Brand awareness is a collective phenomenon. When a brand is known, everyone knows it is known (Kapferer 2008, 21). Although a brand is created through marketing activities, it is something intangible that ultimately exists in the minds of consumers (cf. Aaker and Joachimsthaler 2000; see also Kotler and Keller 2006, 275). The company that owns the brand should make sure that its brand does not get diluted: it should occupy a distinct place in the consumer's awareness. If a company allows its distinctive brand to become a generic term, it can even lose its proprietary rights to the brand. This is called 'degenerescence' (Kapferer 2008, 11). Similarly to gifts, which retain their identity (derived from the original owner) only in the web of collective representations and interrelations, branded commodities also derive their power from socio-psychological elements.

People often like to say that intangible qualities like reputation, intellectual capabilities, etc. are their most important assets in life. We can say that the same also holds true for companies. According to Kapferer, the 1980s were a decisive time for the concept of brands. At that time the idea emerged that brands have a very strong financial value, which can actually represent the principal asset of a company. Before that recognition, the value of the firm was evaluated on the basis of its material possessions like land, buildings, equipment, inventory, and so forth. However, in the 1980s it was realised that the real value of a company lies outside its physical plant: the real value lies in the minds of consumers—how they perceive the company and its products. Before the 1980s, it was normal to pay 7–8 times company earnings for the acquisition of a company. After the mid 1980s companies that bought other firms started to pay much more than what was traditionally expected. The ratio of 20–25 times become something normal. For instance, Nestle paid almost three times above stock valuation for Rowntree and twenty-six times more than its earnings (Kapferer 2008, 3, 4, 18).

Even though brand values were not written down anywhere in companies' balance sheets, there was nothing particular mysterious about it. What really fuelled those prices was the intangible, invisible brand—or better to say, the brand's position in the minds of consumers. Before, the acquiring firm paid for production capacity. Now, they started to pay for places in the hearts and minds of consumers.

As discussed earlier, the identity of the giver embedded in the gift, resides in the minds of people. Similarly, the inalienable identity of a brand does not exist in the product itself; people are taught about its attributes and characteristics. The identity of the giver, which is embedded in the branded product, is a social construct: for example, the most well known Albanian yogurt is famous only in Albania, where it is advertised. In other societies, where it is not advertised, it does not evoke any recognition of the producer or any elevated emotion, which results from successful branding and high brand equity.

3.3.4.2.4.2. TEXTBOOK ANALYSIS

3.3.4.2.4.2.1. Kotler and Keller: Marketing Management

Kotler and Keller affirm that brand is actually a psychosocial phenomenon and that "the power of a brand resides in the minds of consumers" (Kotler and Keller 2006, 288). They also say: "Although firms provide the impetus to brand creation through marketing programs and other activities, ultimately a brand is something that resides in the minds of consumers. A brand is a perceptual entity that is rooted in reality but reflects the perceptions and perhaps even the idiosyncrasies of consumers" (Kotler and Keller 2006, 275). Therefore, "[u]nderstanding consumer brand knowledge—all the different things that become linked to the brand in the minds of consumers—is thus of paramount importance because it is the foundation of brand equity" (Kotler and Keller 2006, 278).

The book quotes Al Ries and Jack Trout, the popularisers of 'positioning', saying: "Positioning starts with a product. A piece of merchandise, a service, a company, an institution, or even a person … But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect" (Kotler and Keller 2006, 311). The definition of positioning again points to the psychosocial factors of the brand, because it is defined as the "act of designing the company's offering and image to occupy a distinctive place in the mind of the target market. The goal is to locate the brand in the minds of consumers to maximize the potential benefit to the firm" (Kotler and Keller 2006, 310). Therefore, "[t]he marketing activity associated with the program affects the customer 'mind-set' with respect to the brand" (Kotler and Keller 2006, 288). Brand associations and the intangible content of the brand reside in the minds of consumers, because "[b]rand equity is reinforced by marketing actions that consistently convey the meaning of the brand to consumers in terms of: (1) What products the brand represents; what core benefits it supplies; and what needs it satisfies; as well as (2) how the brand makes those products superior and which strong, favorable, and unique brand associations should exist in the minds of consumers" (Kotler and Keller 2006, 291).

3.3.4.2.4.2.2. Kotler et al.: Principles of Marketing

According to the book, "[u]ltimately, brands reside in the minds of consumers'" (Kotler et al. 2005, 555). Therefore, "[m]arketers need to position their brands clearly in target customers' minds" (Kotler et al. 2005, 559). It is important to know that "[b]rands are more than just names and symbols—they embody everything that the product or service means to consumers" (Kotler et al. 2005, 570).

Or, in other words, the "brand is a complex symbol. If a company treats a brand only as a name, it misses the point of branding. The challenge of branding is to develop a deep set of meanings or associations for the brand" (Kotler et al. 2005, 559). Therefore, since companies are "fighting for consumers' hearts and minds" (Kotler et al. 2005, 762), they "must inform consumers about product or service benefits and carefully position these in consumers' minds" (Kotler et al. 2005, 762).

3.3.4.2.4.2.3. Palmer: Principles of Marketing

Without explicitly mentioning the psychosocial nature of the brand, Palmer repeatedly points out to the fact that a brand gets its power and value through the marketing processes: "A brand is essentially a way of giving a product a unique identity which differentiates it from its near competitors.

The means by which this unique identity are created are discussed in more detail in this chapter" (Palmer 2000, 91). The means described include product differentiation (Palmer 2000, 91), target marketing, (Palmer 2000, 93), creating an emotional appeal, (Palmer 2000, 97) and an emotional relationship with the brand (Palmer 2000, 99), choosing the right name for the brand and promoting it (Palmer 2000, 100–101), creating and legally protecting the distinct features of products and services (Palmer 2000, 101), creating a distinctive brand personality (Palmer 2000, 102), creating a distinctive visual identity (Palmer 2000, 103), choosing the proper branding strategy (Palmer 2000, 105–108), and protecting a brand (Palmer 2000, 108–109). All these processes serve to create proper brand awareness and brand recognition in the minds of consumers.

3.3.4.2.4.2.4. Boone and Kurtz: Contemporary Marketing

Brand recognition has to be created by promotional activities, which imprint qualities of the brand into the minds of consumers: "Brand recognition is a company's first objective for newly introduced products. Marketers begin promoting new products by trying to make them familiar to the public. Advertising offers one way to increase consumer awareness of a brand. Manufacturers spent over $174 billion on advertising in 1996, the third year in a row that advertising expenditures increased" (Boone and Kurtz 1999, 400).

There are also other ways by which producers or sellers imprint qualities of the brand into the minds of consumers: "Other strategies for creating brand recognition include offering free samples or discount coupons for purchases … Once consumers have used a product, seen it advertised, or noticed it in stores, it moves from the unknown to the known category, which increases the probability that those consumers will purchase it" (Boone and Kurtz 1999, 400)

Branding enables companies to differentiate their products and thus gain a unique position in the minds of consumers: "Differentiation refers to a brand's ability to stand apart from competitors. Brands like Disney, Porsche, Rolls Royce, and Victoria's Secret stand out in consumers' minds as symbols of unique product characteristics. According to the Y&R model, marketers who want to develop a strong brand must start with a feature that no competitors match in consumers' minds" (Boone and Kurtz 1999, 400).

However, for a brand to be strong, a large number of consumers must perceive it as such: "The second dimension in the Y&R model, relevance, refers to the real and perceived importance of the brand to a large consumer segment. A large number of consumers must feel a need for the benefits offered by the brand. According to Y&R, brands with high relevance include AT&T, Hallmark, Kodak, and Campbell's" (Boone and Kurtz 1999, 402).

3.3.4.2.4.2.5. Adcock: Marketing Strategies for Competitive Advantage

According to Adcock, "the actual brand is shaped by the customer's mind, by the environment and perhaps by society In general, although no universally accepted definition has yet been agreed … A brand acts as a gestalt in that it is a concept which is more than the sum of its parts and which takes a long time to establish in the minds of consumers" (Adcock 2000, 203). Referring to Wendy Gordon, Adcock writes:

> It may seem strange to think of brands as existing only in consumers' heads … Although the manufacturer or service company is able to change the nature of the product itself, its distribution and presentation, the added value the brand has (functional and non-functional) are built in the minds of consumers. New entrants to

> established product categories require an enormous financial investment to build these values, which ensure that a target group of consumers are able to share a similar pattern of specific belief systems about a brand. (Adcock 2000, 207)

Strong brands have strong positions in the minds of consumers, thus assisting the decision to buy such products: "In practice, the existence of a strong position in the minds of the customer can be a major intangible success factor leading to a purchase decision" (Adcock 2000, 133). Therefore, "[t] he high perceived value features can be considered as customer-based assets (strengths existing in the minds of customers)" (Adcock 2000, 157). For that reason, Adcock suggests that one of the major marketing tasks should be "striving for a position in the minds of customers" (Adcock 2000, 151).

3.3.4.2.4.2.6. Baker: The Marketing Book

The book has a section about 'positioning' (Baker 2003, 278–280). It says: "Positioning is … the process of designing an image and value so that consumers within the target segment understand what the company or brand stands for in relation to its competitors. In doing this, the organization is sending a message to consumers and trying to establish a competitive advantage that it hopes will appeal to customers in the target segment" (Baker 2003, 279). An image of the brand resides in the minds of consumers and"[p]ositioning is therefore a multidimensional exploration of mindspace, to identify gaps in consumer preference maps" (Baker 2003, 788).

Positioning starts already at a very early age: "Any viewing of TV at 'children's' viewing times will confirm saturation by commercials aimed at children. Younger children may merely watch these as entertainment but, as they grow, the brand and image become important and salient in children's minds as a result of associative learning processes and vicarious learning (seeing others using the product)" (Baker 2003, 253). Even though "[c]hildren have not fully matured, by definition, yet they are being heavily targeted, sometimes in subtle ways by marketers who want them to develop brand preferences" (Baker 2003, 254).

The book stresses that "positioning is not what is done to a brand, but rather what results in the customer's mind. In other words, it is myopic to just focus on brand development. Rather, there should be a balanced perspective, evaluating what the customer registers about the brand, then fine-tuning the brand until there is better alignment between the intended positioning and the resultant positioning" (Baker 2003, 377). Or, in other words, "positioning is not actually something that is done to the product, rather it is something that marketers do to the minds of consumers. It relates to how consumers perceive the product in terms of image relative to competing offerings" (Baker 2003, 279–280).

Ultimately, brands exist in the minds of consumers:

> If all other things are equal—or at least more or less so—then it is what people think, feel and believe about a product and its competitors, which will be important. Since products in many areas will achieve parity or comparability in purely functional terms, it will be the perceptual differences, which consumers will use to discriminate between rival brands. Only through the use of sustained and integrated marketing communications campaigns will manufacturers be able to achieve the differentiation they require. To appreciate the impact of this statement, it is worth looking at a market, which replicates many of the features described above. In the bottled water market, several brands coexist, each with unique positionings in the minds of the consumer. Yet, in repeated blind tastings, few consumers can identify any functional characteristics, which could be used as the basis for brand discrimination. (Baker 2003, 407)

Since brands help people to simplify enormous quantities of data, "some managers interpret a brand as a device that enables them to establish a key functional association in the customer's mind" (Baker 2003, 377).

3.3.4.2.4.2.7. Blythe: Principles and Practice of Marketing

Blythe says that "[s]uccessful brands are those which act as a lens through which the consumer sees the corporation and the product" (Blythe 2006, 92). Chapter 6 covers 'positioning', "which is about putting the brand into the correct place in the consumer's mind, relative to competing brands" (Blythe 2006, 101). The book says that "[p]ositioning essentially means developing a theme which will provide a 'meaningful distinction for customers' " (Blythe 2006, 202). Blythe mentions that positioning was strongly advanced by Ries and Trout, who stated that many products already occupy a unique position in the mind of the consumer (Blythe 2006, 202). Blythe says that "there are eight generic factors which are used in positioning products" (Blythe 2006, 202). For our discussion, the most important is when a 'brand name' is used as the basis for positioning products (Blythe 2006, 203), because in this case the identity of the company is embedded in the product.

Referring to Ries and Trout, Blythe says that "competitors have three possible strategies they may follow. First, the firm may choose to strengthen its current leadership position by reinforcing the original concepts that lead to the first position in the mind of the customer …

Ries and Trout claim that customers establish a ladder for each product category in their minds" (Blythe 2006, 203).

3.3.4.2.4.3. FINDINGS FOR CRITERION NO. 4

All the selected textbooks (except Palmer, who deals with the issue only implicitly) agree that a brand is something that resides in the minds of consumers. Therefore, all the selected textbooks comply with the fourth criterion.

3.3.4.2.5. THE ANALYSIS OF CRITERION NO. 5: ULTIMATELY, THE GIFT IS NOT CONNECTED TO AN INDIVIDUAL, BUT TO SOMETHING WHICH TRANSCENDS INDIVIDUALITY

3.3.4.2.5.1. GENERAL ANALYSIS

Very often, advertising does not just describe the product in plain terms, but rather presents it in conjunction with a more general idea (strength, success, wealth, prestige, health, nature, etc.). The consumer then superimposes this idea on the product, which starts to serve as a metaphor for something else than what it originally represented. In some cases, advertising no longer highlights features or benefits of the product, but rather presents the product in the context of a very general idea, or sometimes even as an ideal. The idea behind the advertised product is usually completely unrelated to the core utilitarian value of the advertised product. A typical example is the famous 'Malboro man' for Malboro cigarettes: a cowboy representing freedom and masculinity (see photo in Kotler and Keller 2006, 321). Such advertising tries to create a feeling, an atmosphere, or an emotion, and then hopes that people will mentally and emotionally link the product with the idea, atmosphere, or feeling portrayed in the advertisement. In such advertising the product derives its identity, reputation and credibility from its association with an abstract and noble idea, while the producer is mentioned only as a secondary reference.

For example, a conventional advertisement for a washing detergent will usually emphasize its features and benefits. It will tell us that this particular washing detergent is more effective, adds a nice smell, uses less water, removes hard stains, etc. However, some advertisements for washing detergents completely skip features and benefits, and instead simply try to create a feeling of purity and freshness. It is assumed that the buyer will then infer everything else. Such advertising will typically connect the product to the vastness of the ocean—to its purity and its freshness (sometimes snowy mountains are used). It presents the product as connected to something much greater than the washing detergent itself. The product becomes not only a representative, but also an ambassador of a higher plane, which is above and beyond the sheer material value of the product. The product and the producer start to be just a carrier, which mediates a gift that is ultimately connected to something other than the company. Platenkamp has pointed out that

> this entails the construction of a part-whole relationship that connects my product as a part to a particular representation as a whole … Such wholes, that are said to be represented in the product as part, are by definition highly abstract and … highly valued. Thus the designers of the cosmetics publicity campaign will try to convince you that by buying my shampoo and applying that to your body, you become part of nature, of the freshness of the oceans, of a never ageing state of being, of a superior stratum of society, etc. (Platenkamp 2006, 24–25)

Companies may also use this strategy for slogans, logos etc. For instance, the major Slovenian mobile phone service provider (Mobitel) used to have the following slogan: "With birds we share the sky."

The advertising textbook *Advertising and promotion: an integrated marketing communications perspective* describes this type of advertising:

> Buyers can be conditioned to form favorable impressions and images of various brands through the associative process. Advertisers strive to associate their products and services with perceptions, images, and emotions known to evoke positive reactions from consumers. Many products are promoted through image advertising, in which the brand is shown with an unconditioned stimulus that elicits pleasant feelings. When the brand is presented simultaneously with this unconditioned stimulus, the brand itself becomes a conditioned stimulus that elicits the same favorable response. (Belch and Belch 2003, 124)

On the same page, this textbook even gives an example: on the photo, Lancôme cosmetics is associated with "the freshness and moisture of grapes" (Belch and Belch 2003, 124). Elsewhere it states that "[c]osmetics ads often use fantasy appeals to create images and symbols that become associated with the brand" (Belch and Belch 2003, 281). The book also says that "[m]arketers use emotional appeals in hopes that the positive feeling they evoke will transfer to the brand and/or company" (Belch and Belch 2003, 270).

3.3.4.2.5.2. TEXTBOOK ANALYSIS

3.3.4.2.5.2.1. Kotler and Keller: Marketing Management

In the chapter dealing with 'building strong brands', the the authors have written a sub-chapter about 'leveraging secondary associations' (Kotler and Keller 2006, 287–288), where they note that a brand can obtain its power from 'secondary associations'—i.e. from entities not directly connected with the product itself: "The third and final way to build brand equity is, in effect, to 'borrow' it. That is, brand associations may themselves be linked to other entities that have their own associations, creating 'secondary' brand associations. In other words, brand equity may be created by linking the brand to other information in memory that conveys meaning to consumers" (Kotler and Keller 2006, 287–288). Elsewhere, the book also states that associations indirectly transferred to the brand are one of the three main sets of brand equity drivers (Kotler and Keller 2006, 281). Brand equity can be crated by "[o]ther associations indirectly transferred to the brand by linking it to some other entity (e.g., a person, place, or thing). Subaru used the rugged Australian Outback and actor Paul Hogan of Crocodile Dundee movie fame in ads to help craft the brand image of the Subaru Outback line of sports utility wagons" (Kotler and Keller 2006, 281).

In chapter 17, which deals with designing marketing communications, the authors present a sub-chapter about 'creative strategy', where they write:

> Communications effectiveness depends on how a message is being expressed as well as the content of the message itself … Creative strategies are how marketers translate their messages into a specific communication. Creative strategies can be broadly classified as involving either 'informational' or 'transformational' appeals. These two general categories each encompass several different specific creative approaches" (Kotler and Keller 2006, 544)

If "[a]n informational appeal elaborates on product or service attributes or benefits" (Kotler and Keller 2006, 544), "[a] transformational appeal elaborates on a non-product-related benefit or image. It might depict what kind of person uses a brand (VW advertises to active, youthful people with their 'Drivers Wanted' campaign) or what kind of experience results from using the brand (Coast soap has been advertised as 'The Eye Opener!'). Transformational appeals often attempt to stir up emotions that will motivate purchase" (Kotler and Keller 2006, 544–545).

Here we can see how advertising can use non-product-related images or ideas to create secondary associations for the product. Kotler and Keller say that:

> Brand names are not the only important brand element. Often, the less concrete brand benefits are, the more important it is that brand elements capture the brand's intangible characteristics. Many insurance firms use symbols of strength (the Rock of Gibraltar for Prudential and the stag for Hartford), security (the 'good hands' of Allstate, Traveller's umbrella, and the hard hat of Fireman's Fund), or some combination of the two (the castle for Fortis). (Kotler and Keller 2006, 282–283)

3.3.4.2.5.2.2. Kotler et al.: Principles of Marketing

The authors note that "[e]motional appeals attempt to stir up either positive or negative emotions that can motivate purchase. Communicators may use positive emotional appeals such as love, humour, pride, promise of success and joy …" (Kotler et al. 2005, 732).

When describing different ways of message execution, the book says that any advertising message can be presented in different execution styles. Two of them are relevant for our discussion: the 'fantasy' style, which "creates a fantasy around the product or its use. For instance, many ads are built around dream themes. Gap introduced a perfume named Dream. Ads show a woman sleeping blissfully and suggest that the scent is 'the stuff that clouds are made of ' " (Kotler et al. 2005, 769). The second style creates a 'mood or image': "This style builds a mood or image around the product, such as beauty, love or serenity. No claim is made about the product except through suggestion. Timotei shampoo employs the mood for nature and simplicity—a strategy that has worked successfully in many countries across the globe" (Kotler et al. 2005, 769).

The 'Absolut Vodka' ad which shown in the book, is a good example (Kotler et al. 2005, 754): it shows a bottle of Absolut Vodka in a transparent magic hat, with a large text 'ABSOLUT MAGIC'. According to the book, "[t]his ad reinforces the vodka's aura of exclusiveness, timelessness and sheer magic" (Kotler et al. 2005, 754).

3.3.4.2.5.2.3. Palmer: Principles of Marketing

Palmer very vaguely gives some reference to this particular feature. When talking about advertising, Palmer says that "[a]ppeals can be rational, emotional, or moral" (Palmer 2000, 442). In advertising, "[t]he affective element refers to the emotional content of an attitude and is usually expressed in terms of either positive or negative feelings" (Palmer 2000, 446).

3.3.4.2.5.2.4. Boone and Kurtz: Contemporary Marketing

According to Boone and Kurtz, the "[b]rand mark is a symbol or pictorial design that identifies a product" (Boone and Kurtz 1999, 400). A company can thus choose all kind of symbols to represent the product or the company. Some symbols connect brand mark to ideas or ideals. For instance, "[f]or nearly 100 years, Prudential Insurance Company has used the Rock of Gibraltar as its organisationwide symbol" (Boone and Kurtz 1999, 401–403).

3.3.4.2.5.2.5. Adcock: Marketing Strategies for Competitive Advantage

Compared to other textbooks, Adcock does not devote much space to advertising techniques. For this criterion, Adcock only mentions implicitly that a company can present itself in terms of something, which goes beyond pure utilitarian benefits:

> The idea of stressing intangible benefits should be extended into composite offerings, where there are both obvious tangible and intangible elements. Fast food in McDonald's or Burger King might be perceived and promoted as an enjoyable experience alongside the nutritional benefits; maybe a supermarket group would develop its image rather than the fact that it stocks several thousand actual products. Another example is the way Cadbury's associates chocolate with love, romance and caring. (Adcock 2000, 184)

3.3.4.2.5.2.6. Baker: The Marketing Book

The author clearly states that the age of advertising, which aimed to present functional product benefits, is over. Instead,

> the straightforward marketing pitch of tradition—'this product is good, buy it'—is almost unheard of these days (except when it's used ironically). Contemporary commercials are invariably sly, subtle, allusive, indirect, clever, parodic, insouciant, self-referential (ads about ads), cross-referential (ads that cite other cultural forms—soap operas, movies etc.) and made with staggeringly expensive, semi-cinematic production values. They not only presuppose a highly sophisticated, advertising- and marketing-literate audience, but work on the basic premise that advertising inculcated images (cool, sexy, smart and the like) are the essence of the product offer. Products, in fact, are little more than the campaign's tie-in merchandise, along with the videos, CDs, PR hoop-la and media coverage of the agency's self aggrandizing endeavours (Baker 2003, 19).

The author also notes that factual information has started to be of a secondary importance to consumers:

> The inability to store and process new information, coupled with the demand for a greater focus in marketing communications messages, has resulted in the consumer relying more on perceptual values than on factual information. All consumers build up a set of 'values', which they associate with a company or a brand. Some of these values will be based on personal experience, or the experience of others. Much of it will be based, however, on a set of 'short handed conclusions' based on overheard opinions, the evaluation of third party organizations, even the misinterpretation of

information. These two factors combine to create a new dynamic for marketing communications. (Baker 2003, 401)

Therefore, some commercials rely entirely on the visual form, which conveys mood and ideas instead of factual information: “The verbal component of the proposition has been minimized, with the storyline being developed entirely, or almost so, in visual form. Television commercials for Dunlop, Levi’s and Perrier are examples of this approach” (Baker 2003, 403).

3.3.4.2.5.2.7. Blythe: Principles and Practice of Marketing

The book has a section about ‘brands and semiotics’ (Blythe 2006, 92–93). It says:

> Semiotics is the study of meaning, and is concerned with the symbolism conveyed by objects and words. Semiotics refers to systems of signs; the most obvious system is words, but other systems exist … The overall meaning is generated as a result of an interaction between the sign system and the observer or reader: the viewer interprets the information in the light of existing knowledge and attitudes, later including it in an overall perceptual map of reality … Brands are important symbols, often using more than one sign system to create meaning; the brand name, the logo, the colour, and the design of the packaging all contribute. (Blythe 2006, 92)

Blythe says that “[i]n terms of semiotics brands have four levels (Blythe 2006, 93). For our discussion the most important is the fourth level, where the brand represents “[a] sign about the mythical values of the product. Myths are heroic stories about the product, many of which have little basis in fact; for example the Harley Davidson motorcycle brand has a strong mythical value due (in part) to its starring role in the film Easy Rider. The same is true of James Bond’s Aston Martin, and several brands of beer” (Blythe 2006, 93). Blythe further explains this particular point:

> Myths provide a conceptual framework through which the contradictions of life can be resolved, and brands can build on this. For example, modern industrial life is, presumably, the antithesis of frontier adventure. Yet the Harley Davidson, a product of twentieth-century industry, was used to represent the (probably mythical) freedom and adventure of the American West. Most powerful brands have at least some mythical connotations—in the UK, the Hovis bread brand has mythical connotations centred around corner bakery shops at the end of the nineteenth century; in Malaysia and Singapore Tiger Balm carries mythical connotations about ancient Chinese apothecaries; in Australia Vegemite carries mythical connotations about Australian family life which its main competitor, Promite, has never tapped into. (Blythe 2006, 93)

3.3.4.2.5.3. FINDINGS FOR CRITERION NO. 5

Not all the selected textbooks explicitly describe the relevant style of advertising. Even though all the selected textbooks have chapters on advertising, some of them spend great majority of attention on very practical aspects: for instance, how to choose the proper advertising agency, how to allocate the budget, how to measure the effects of an advertising campaign, the comparison of different media (TV, radio, newspaper, etc.), and similar tangible issues regarding advertising. In most textbooks, not much attention was allocated to the actual message execution. The most explicit are Kotler and Keller, who clearly describe the type of advertising relevant for our discussion. Kotler et al. also clearly describe this type of advertising, but less abundantly. Palmer hardly touches upon this kind of advertising, saying only that advertising can have rational, emotional, or moral appeal. Boone and Kurtz only implicitly describe this particular type of advertising, and the same implicit meaning can be found in Adcock. However, Both Baker and Blythe again more explicitly describe such advertising. All told, all the selected textbooks nevertheless comply with the fifth criterion.

3.3.4.3. DISCUSSION

Nowadays, commodities very often tend to bear traits of the giver (the producer or the seller), and therefore exhibit the feature that was traditionally considered to be in the domain of gifts. Branded commodities, thus, obviously blur the sharp distinction between the traditionally defined concepts of 'anonymous commodities' and 'personal gifts'.

Again we can see that, contrary to the traditional anthropological understanding, contemporary commodities are often infused with the identity of the giver (producer or seller). Along this dimension of analysis, the distinction between what we traditionally consider to be a personal gift or an anonymous commodity is very often blurred. Branded commodities also contain some quality of the producer: his reputation, public image, quality, and have additional value added to them. Moreover, sometimes commodities are also connected to a higher sphere, an ideal or idea, thus deriving their power from something similar to what Mauss has called the '*Hau* of the forest'. It is actually quite rare nowadays for commodities to be just plain utilities without bearing an identity of the producer. Instead, they are mostly connected to the producer, thus supporting my fourth sub-hypothesis.

3.3.5. THE FIFTH SUB-HYPOTHESIS: COMMODITIES NOT ONLY CONTINUE TO EMBODY THE IDENTITY OF THE GIVER BUT ALSO IMPOSE THIS IDENTITY UPON THE RECEIVER

The fifth dimension, along which gifts and commodities are distinguished in the Maussian model, concerns whether or not the item transacted also transfers the identity of the giver to the receiver.

Gifts not only continue to embody the identity of the giver but also impose this identity upon the receiver. According to Mauss, in gift exchange the giver gives to the recipient a part of the giver's own substance, and therefore the gift not only carries a part of the giver's identity, but also transfers this identity to the receiver (Mauss 1954, 10). Since the gift is marked with the identity of the previous owner, by receiving the gift, we do get not only the material object, but also the object's history, which then becomes part of our self. The gift is charged with all kinds of emotional values and meanings that get transferred to the receiver.

Mauss traced the power of the gift to its indestructible link to the giver. According to Mauss, the giver not only gives a gift, but also a part of himself (Mauss 1954, 10). Therefore, the gift is permanently tied to the giver: "The objects are never completely separated from the men who exchange them" (Mauss 1954, 31). Weiner also says that '*taonga*' (a valuable heirloom in Maori custom) contain the power and identity of previous owners and thus transfer their identity and power to the receivers. To obtain the '*taonga*' of another person "is to acquire another's rank, name, and history" (Weiner 1992, 64).

Schwartz has pointed out that a gift always expresses how the giver perceives the recipient. Gift giving thus not only imposes the identity of the giver upon the receiver; accepting a gift also allows the donor to impose his perception of the receiver upon the actual receiver (Schwartz 1996, 70). If I receive a sweater from my mother, the colour, style, size, etc. of the sweater reflects how my mother would like to see me dressed (or behaved), and not how I would like to look. If she knows my likes and dislikes well enough, the sweater will be a perfect match; otherwise it will be a burden to wear. It will be an intrusive gift that will forcefully change my outlook and influence me in a way I do not like. However, it is a gift I cannot refuse, and I will have to wear it at least for certain occasions, regardless of how uncomfortable I might feel in it.

Since the gift is marked with the characteristics of the previous owner, by receiving the gift, we get not only the material object, but also the donor's identity, which then becomes part of our self. If I receive a gift (for example a painting) from the president of Slovenia, some little portion of his status, fame and glory will be transferred to me through his gift. Most probably I will proudly display the painting in the most prominent place in my house, so that everyone can see I have such a precious gift. The fact that this painting was given to me by the president of Slovenia will slightly change my identity in a very particular way, which will be different from the effect on my identity if I had received the very same gift from, let's say, the most popular Slovenian pop star.

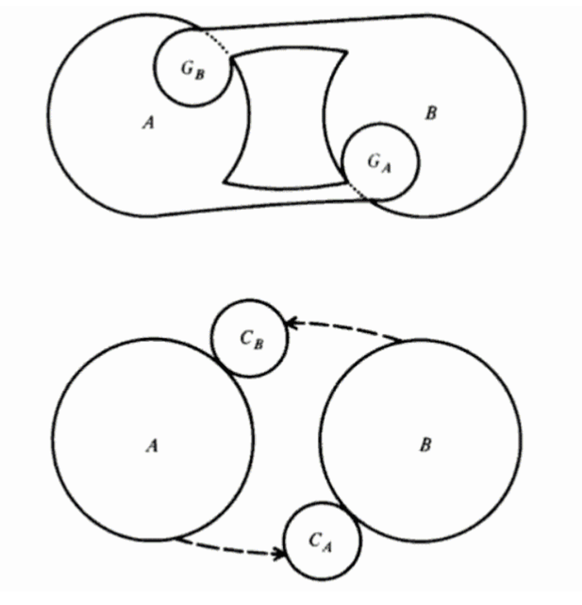
To give away a possession is therefore seen as giving away a part of one's self. A table that someone has in his home is in a way a part of him, of his personal life, of his extended self; it is soaked with the memories, emotions and attributes. Buying such second-hand table, most people believe, would mean acquiring an item that is not anonymous, but rather contain some quality of the previous owner. That is the reason why some people like to buy items that previously belonged to famous and successful people, and are even prepared to pay excessive prices on auctions to acquire such items. A guitar that belonged to Jimmy Hendrix is not a mere guitar, and a hat that Elvis Presley wore is not just a hat. People believe that by owning such item, they somehow partake in the fortune and success of the previous successful owner.

People believe that objects, which were previously owned by another person, not only contain the identity of the original owner, but also somehow magically transmit the characteristics of the previous owner to the new owner. Research has revealed that such a 'sympathetic magical law of contagion' does not operate only in pre-industrial societies, but also among modern Americans (Rozin et al. 1989). For instance, Rozin's experiment has shown that people do not like to wear a sweater that has been previously used by another, unknown person—even if the sweater was thoughtfully washed. Their reluctance was amplified even further if the sweater was believed to have previously been owned by a murderer, a sick person or a person with an amputated leg (Rozin et al. 1994). People thus believe that negative characteristics of the previous owner would be transmitted to the new owner. Herrmann also describes how shoppers in American garage sales prefer to buy items in "affluent neighbourhoods, not only because they believe the goods will be better, but also because they believe they will receive a better kind of contagion" (Herrmann 1997, 85). We can therefore see that not only do people consider personal belongings an integral part of their extended self (as discussed in the previous chapter), but also feel that personal possessions transfer the identity of the previous owner to the new owner.

Since a giver's identity is always extended to the recipient, Mauss maintains that a gift economy ensures not only the exchange of material objects, but also the exchange of the participants' 'selves'. Such an economy is contrasted with a market economy, which is concerned only with the exchange of material goods. According to Mauss, a gift economy produces intangible or even spiritual connections between people and objects. An exchange participant in a gift economy is therefore not only a self-interested *Homo oeconomicus* (as postulated by neoclassical economics), but also a nexus of social relations. A gift always contains something of the giver's identity, and this identity is believed to affect and become a part of the recipient's identity. Gift exchange is thus contrasted to commodity exchange, where such a transfer of identities does not occur. Commodities are supposed to be detached and alienated from either producer or seller. They are supposed to be exchanged in an impersonal way, where both exchange parties maintain their autonomy after the transaction is over.

Ingold offers the following illustration to visualize the difference between gift exchange and commodity exchange (see Figure 3.2.):

Figure 3. 2. Exchange of identities in gift exchange and commodity exchange.



Source: Ingold 1987, 267. By permission of Stanford University Press.

In gift exchange, person A gives a gift G_A to person B, and through the gift, becomes a part of B. Subsequently, B becomes a part of A through his counter-gift G_B.

In commodity exchange, the commodities C_A and C_B that are exchanged, are completely disconnected from their original owners A and B, and only superficially attached to the recipient.

This illustrates that gift exchange imposes the giver's identity upon the receiver, while commodity exchange leaves the exchange participants independent of each other and the objects transacted.

According to Mauss, even traditional folk habits show that commodity exchange should be freed from personal attachment to the object that is transacted: "Numerous other French customs show how it is necessary to detach the thing sold from the man who sells it: a thing may be slapped; a sheep may be whipped when sold, and so on" (Mauss 1954, 64). A commodity is, therefore, supposed to be the opposite of a gift, because it does not contain anything of the giver (the producer or the seller); hence, it cannot transfer the giver's identity to the buyer. Two of them are—at least ideally speaking—completely separated. If a consumer buys a kilogram of sugar or salt, this particular new object in his possession does not affect his identity. A commodity is supposed to be an inert, lifeless object, unlike a gift, which is infused with qualities of the giver and often even has human-like characteristics. I buy a commodity because I want to acquire the utility that commodity can provide. Conversely, I exchange gifts because I want to establish a relationship with someone and to symbolically have a part of that person. If I accept a sweater from my mother, I do not take it just to keep warm (as would be the case if I were to buy it in a shop), but also to symbolically have a part of my mother with me.

How commodities influence the formation of a personal identity of the buyer has already been analysed quite extensively by anthropology, sociology and psychology. Since it is already a well established fact that goods and services, which are purchased, affect a buyer's identity, I will have only one criterion for evaluating whether market exchange imposes identity upon the receiver: whether exchange transmits the characteristics of the previous owner to the new owner in some way.

3.3.5.2. THE ANALYSIS

3.3.5.2.1. THE ANALYSIS OF THE MAIN CRITERION

3.3.5.2.1.1. GENERAL ANALYSIS

Commodity exchange serves a much broader purpose than just providing someone with subsistence items. Anthropological study of consumption is a relatively new phenomenon. For many years, social anthropology did not deal with people's relations with objects (Carrier 1990, 579). Miller (1995, 142) offers a stunning fact, that in the period from 1950s to the

1970s, the social sciences and humanities produced no studies about contemporary consumption at all.

In the 1970s Bourdieu and Douglas put forward very influential treatises on consumption, which inspired other scholars to contribute to this field of research as well. Miller writes: "'Shopping' is a term we use to denote a network of activity, of which the actual point of purchase of a commodity is but a small part" (Miller 1998, 14). Carrier emphasised that "[c]learly there is much more in our relationship to objects than sheer utility" (Carrier 1995, 1). McCracken has acknowledged that "[c]onsumer goods have a significance that goes beyond their utilitarian character and commercial value. This significance rests largely in their ability to carry and communicate cultural meaning" (McCracken 1988, 71). And Kapferer has pointed out that "one does not make money by selling products, but brands: that is to say a unique set of values, both tangible and intangible" (Kapferer 2008, 3).

The actual commodity exchange is therefore just a small part of a much bigger process that has not been properly incorporated into the anthropological conceptualisation of gift-commodity dichotomy thus far. To upgrade our understanding of gift-commodity exchange, we should consider these additional symbolic elements of commodity exchange. Is it possible then, that a commodity can also transfer the identity of the producer to the buyer? Can—contrary to the dichotomous model of exchange—commodity exchange also affect the identity of the buyer (and the seller)?

Since objects obtain their identity from the relationships involved in the exchange, it is not possible to detach objects from transactors and their relationships. Carrier emphasises that this is applicable for both gift exchange and commodity exchange. Objects are in essence not separated from transactors. If we consider commodity exchange as "essentially dyadic transactions between self-interested individuals … premised on some kind of balance" (Parry, 1986, 454), it is, according to Carrier, so "not because it reflects some universal essence of exchange or fundamental feature of human nature, but because it is made that way by the people, objects, and transactions that constitute it" (Carrier 1991, 133).

Instead of treating subjects and objects as two separated realities in a Cartesian sense, contemporary understanding treats them as dynamically interconnected. Objects are not always separated from subjects, because branded commodities embody the quality of the producer, while customers also actively or passively use the intangible values of commodities to construct their personal identities. This interplay between them is founded on what Bourdieu (in a different context) calls the "dialectic of the internalisation of externality and the externalisation of internality" (Bourdieu and Nice 1977, 72).

There are several reasons why we buy. The fast development and eclecticism of the modern study of consumer goals has led to important but very fragmented insights, because various researchers have highlighted different issues (Huffman et al. 2003, 9). Different researchers have utilised different theoretical frameworks, ranging from psychoanalysis to social constructionism.

There are four different main theories of consumer behaviour: means-end chains theory, social identity theory, behavioural decision theory and attitude theory (Huffman et al. 2003, 10). Commodities were found to play a paramount role in the construction of selves and identities (cf. Willis 1991; Nava 1992; Wilson 1992; Jackson 1994; Swanson 1995). Campbell, who reviewed the sociological literature on consumption concluded: "Generally, we may say that a special emphasis tends to be placed on those theories that relate consumption to issues of identity and, within this, to those that represent consumption as an activity, which conveys information about the consumer's identity to those who witness it" (Campbell 1995, 111). We use various objects for defining our identity, for defining "who we are, who we are not, who we are becoming: also who we are connected with and who we are as unique individuals" (Earl and Kemp 2002, 456).

Bhattacharya and Sen have found that strong consumer-company relationships can result in consumer-company identification (Bhattacharya and Sen 2003). The strong attachment of buyers to a company or certain brands can even take on some features of the 'sacred' (Belk et al. 1989). Such phenomena in contemporary societies have been characterized by the secularisation of domains, which were previously controlled by religion, and, conversely, also by the sacralisation of the secular (Belk et al. 1989, 1), where consumers may substitute religious devotion with evangelistic zeal for brands and products. Such devoted customers will so strongly favour certain brands, that they will publicly wear the logo of Apple or BMW on a T-Shirt, cap, or other personal belongings that have absolutely no connection with the core products of the company of the respective logo (Pimentel and Reynolds 2004, 1). Instead of wearing a cross around the neck, people display their membership in brands, which have acquired a cult like status among devoted customers. Carr has compared such strong commitment of devoted customers to a cult following (Carr 1996).

The social psychology dealing with identity formation describes two main forces responsible for generating attachment to possessions (cf. Kleine et al. 1995). The first force in identity formation is 'affiliation'. This force is responsible for creating relationships and associations with other people. The second, opposing force is 'autonomy', responsible for shaping a unique individual, independent from others. People become especially attached to those things that contribute to their sense of either affiliation or autonomy. For example, a T-shirt with the logo of a sports club will contribute to their feeling of affiliation. On the other hand, a costly shirt bought in a prestigious store will contribute to their sense of uniqueness.

Marketers use these forces to endow products with qualities, which help people build their identities. Some strategies use the force of affiliation, while others use the force of autonomy. In both cases, commodities are no longer lifeless, anonymous objects, but actually take a very active part in buyer identity formation. Therefore, people can buy some things in order to express unique elements of their self-concept. A Reebok enthusiast said, "Everybody seems to be wearing Nike. I like Reebok better—it's more unique" (in Pimentel and Reynolds 2004, 20).

People also buy things in order to express membership in a social group. For instance, an informant said: , "I can tell you that owning a Harley is like being in a brotherhood. Everyone that has one feels a sense of kinship with other Harley owners" (in Pimentel and Reynolds 2004, 21). Another informant said: , "You feel more with the crowd because everyone wears Nike" (in Pimentel and Reynolds 2004, 20).

Escalas and Bettman (Escalas and Bettman 2003) have demonstrated how consumers utilise brands for building their self-concepts, especially if the brand is used by reference groups, such as member groups or by groups to which consumer aspires to become a member. Since people seem to have a basic need to be affiliated or belong some social group (McClelland 1987, 346–347), brands offer a good opportunity to provide consumers with the means for such social identification. Membership in a certain group can be expressed through the consumption of symbols shared by a certain group; these symbols offer identification from group members and differentiate them from other groups (Allen et al. 2008, 800).

A buyer will frequently select and use brands that have a brand personality consistent with how one views oneself, how one would like to view oneself or how one thinks others see him (Sirgy 1982). A person can use any consumer goods for that, for instance clothes: "Levi's identifies me as a casual and unique person that loves comfort. Wearing Levi's makes me feel secure about myself and categorizes me in a select group of people that like to dress simple, yet sophisticated" (Pimentel and Reynolds 2004, 20).

Research show that people tend to buy objects and services that are in accord with their self-image, or objects and services that will improve it (cf. Onkvisit and Shaw 1987). If we take the example of clothes, self-image improvement results not only from one getting a pretty dress. No, it should also be the right brand: "When I wear Victoria's Secret, I do feel better. It has a way of making you feel sexier and more confident" (Pimentel and Reynolds 2004, 21).

For consumers, brands become not only a means for creative self-expression, but actually an integral part of their identity. For example, a Polo user said: “I am emotionally connected to Polo mainly because I feel that it has become a part of my life and my self-image” (Pimentel and Reynolds 2004, 23). A Mercedes owner said, “When I drive my Mercedes, I feel that it is an extension of myself—a true part of me” (Pimentel and Reynolds 2004, 23).

The idea that buyers can internalize purchased items and incorporate them into their extended self can clearly be seen in their extensive care for that object. For instance, people who experience their car as a part of themselves often customize the car and take care of it as if it were a living being. Furthermore—any damage to the car is often perceived almost as a personal injury. The same type of behaviour and treatment can be observed with other possessions such as musical instruments, houses, expensive stereo equipment, etc.

Along with sociological studies, cultural studies and various consumption studies, anthropology also developed an interest in the symbolic dimensions of contemporary consumption. The origin of this approach can be located in the ideas of Barthes (Barthes 1972) and Baudrillard (Baudrillard 1981; 1983; 1998) who emphasized the role commodities play as signs that encode the mythology of consumer ideologies. According to Saussure (Saussure 1986, 188), things do not posses inherent meaning. As Baudrillard has pointed out, although consumer goods can be to some extent objective, they still possess other intangible features that are entirely subjective such as a status symbol or identity emblem (Baudrillard 1981, 66). Since the advertising of consumer goods has a mass influence, the meanings that are put onto the object through promotion are shared by many people (Belk 1988b, 152). Semiological studies of consumption and advertising revealed how advertising links consumer goods to more general symbols and ideas (Leiss et al. 2005). The semiological approach considers consumer goods as the signifier, to which some symbolic value (the signified) is juxtaposed through advertising. In such a manner the object becomes a sign and represents something more than its sheer utility.

Several scholars, including Thorstein Veblen, Jean Baudrillard, Pierre Bourdieu, and others have stated that commodities are not mere anonymous items. They are, instead, carriers of meaning. Commodities possess symbolic values, which we use in constructing personal and social identities. Therefore, by obtaining particular commodities, people display membership in a certain group and establish distinctions between themselves and others who possess other objects. The philosopher Jean Baudrillard was especially interested in the meaning that advertising adds to objects. He argued that this added meaning then stimulates consumers to purchase commodities as a means of constructing their personal identity. In his book, *The*

Consumer Society (Baudrillard 1998, 15, 79), he proposed that by purchasing and consuming commodities, a consumer situates himself or herself within a system of signs.

The anthropologist Mary Douglas also advocated the symbolic approach. With her publication *The World of Goods* (Douglas and Isherwood 1979), Douglas in collaboration with Isherwood expanded the analysis of consumption in contemporary consumer society to the full range of commodities: "Instead of supposing that goods are primarily needed for subsistence plus competitive display, let us assume that they are needed for making visible and stable the categories of culture" (Douglas and Isherwood 1979, 59). According to Douglas, the utilitarian function of commodities distracts from their essential function, which is to help people find their place in the world: "Forget that commodities are good for eating, clothing and shelter; forget their usefulness and try instead the idea that commodities are good for thinking; treat them as a nonverbal medium for the human creative faculty" (Douglas and Isherwood 1979, 62).

By buying or owning proper consumer goods one derives a social identity and a sense of proper placement in socio-cultural order. Buying certain consumer goods constantly re-creates and re-affirms a person's membership in a particular cultural or social group. For constructing personal and social identity it is not important only what someone buys but also what someone doesn't buy.

The most well known idea of considering objects as indicators of status comes from Veblen (Veblen 2004). He claims that the idea of using objects as status markers is at the very basis of ownership. He asserts that this is far more important in large societies where people do not know each other: "The means of communication and the mobility of the population now expose the individual to the observation of many persons who have no other means of judging of his reputability than the display of goods" (Veblen 2004, 53). By owning different objects, people actually proclaim their social position. When people do not know each other, they simply judge others by their appearance: how they are dressed, what they have, etc. Veblen's observation has an important consequence for our discussion. As discussed in Chapter 2.2.1.2., the commodisation that began with the rise of industrialism was partially produced by rising population in urban areas. Building on Veblen's idea, we can see that paradoxically the same mechanism, which helped to produce anonymous commodities, also gave rise to the need to express one's individuality through possessing specific commodities (Carrier 1995, 3).

As discussed earlier, commodities are in most cases not just some plain, anonymous objects. Producers (or sellers) usually make a great deal of effort to differentiate their products by the means of branding. Especially when the ‘branded house’ strategy is used, branding infuses the commodity with characteristics of the producer and gives it a distinct flavour that not only distinguishes the commodity from other similar items produced by other manufacturers, but also connects the product to the producer’s identity. Consumers use the extra symbolic value added to a commodity for building their social, cultural and personal identities. As demonstrated in Chapters 3.3.3. and 3.3.4., the corporate image of the producer (and/or the seller) is superimposed on the commodity. Such a non-anonymous commodity is then used by consumers to build their personal and social identities. For instance, one consumer said: “I think a drinker of Coca-Cola is a ‘good taste’ person who loves ‘good brand’ products” (Pimentel and Reynolds 2004, 20).

Twitchell suggests that advertising uses the belief that things can transfer their identity to the receiver:

> The contagious is the basis of all testimonial advertising—the explanation of the importance of celebrity endorsement—and has its religious counterparts in such matters as the relics of Christ. If you use this product, if you touch this stone, if you go to this holy place, if you repeat this word, you will be empowered because the product, stone, place, word … has been used by one more powerful than you. Imitative magic, on the other hand, is a variation of circular thinking. Because the product is made of something, you will be likewise, if you consume it. (Twitchell 1996, 31)

If one buys a Mercedes car, the prestige that Mercedes represents is transferred to the owner whose prestige automatically rises with the mere fact that he now owns a Mercedes car, which embodies the prestige, tradition, quality, etc. of the producer. I you see an unshaven, casually dressed man, whom you would by his mere appearance classify as a member of the lower class, driving an expensive Mercedes car, you evaluate him differently than without seeing him in a Mercedes. The identity of the producer (Daimler-Benz) is embodied in the product (a Mercedes car), which in turn affects one’s identity when one buys and owns this particular car. The symbolic value of a commodity is derived from the producer or the seller in a similar manner as the symbolic value of the gift is derived from the giver.

As discussed in the previous chapter, the consumer is usually aware of who is the producer of a particular commodity, even though the ‘branded house‘ strategy is not used. In the back of his mind a buyer knows that an item was produced by the highly respected 3M, and not by some anonymous Chinese producer.[66]

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[66] The awareness of the producer can be present even in the case of some very minute and disposable items such as batteries. For example, Duracell batteries are heavily advertised as reliable and durable. If a consumer decides

It is important to note that customers also affect a producer's corporate identity to some extent. The exchange of identities in gift exchange is bi-directional, because the exchange of gifts "imposes an identity upon the giver as well as the receiver" (Schwartz 1996, 70). We can find a similar situation in contemporary commodity exchange. We have seen that identity of the company is transferred to the buyer. However, the identity of customers also affects the identity of the producer or seller, because most often companies do not try to sell to all consumers, but carefully determine the main market segments. Their next step is to evaluate each segment and target only those market segments that are relevant to the company (Kotler and Keler 2006, 30). A company's brand identity is connected to how customers should see the company, while a company's image is the way people see the company or its products (Kotler and Keler 2006, 41). Companies put great effort into building a distinctive image in the minds of their target consumer group (Kotler and Keler 2006, 9). For instance, Jennifer Aaker's analysis of major brands indicates that the main image of CNN is competence; MTV is characterized by excitement; Levi's main theme is ruggedness and Campbell's sincerity (Aaker 1997).

Marketing is usually tailored specifically to the relevant target consumer group. If a company is producing children's toys, it is very likely that its corporate brand will be designed to fit the target group: the company's image, its logo, promotional materials and public relations will most likely clearly show that the company is producing children's toys and not, for example, hi-tech military equipment. The symbolic exchange between a producer and its target consumer group is therefore bi-directional. If a company is pursuing market segmentation, the characteristics of its target consumer group will affect the way the company will be presenting itself and its products. And conversely, as discussed earlier in this chapter, the characteristics of the producer will contribute to the identity of the consumers.

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to buy Duracell batteries instead of cheap, anonymous Chinese batteries (which fit neatly into the anthropological category of impersonal, anonymous commodities), by doing so he proclaims (at least) to himself (if not to the world) that he the values the quality that Duracell represents. Certainly, there might be several reasons and motivations for buying expensive Duracell instead of cheap batteries, but even if one buys Duracell batteries for purely utilitarian reasons (durability), by doing so the consumer re-affirms his position of a person, who values the quality, durability and reliability that Duracell batteries represent. The brand identity of the Duracell company, embodied in Duracell batteries, is utilized in re-affirming a person's core values and identity. The identity of the product is transferred to the identity of the buyer.

3.3.5.2.1.2. TEXTBOOK ANALYSIS

3.3.5.2.1.2.1. Kotler and Keller: Marketing Management

Kotler and Keller say that “[m]arketers must be aware of the status symbol potential of products and brands” (Kotler and Keller 2006, 180). Furthermore, “[p]ersonality can be a useful variable in analyzing consumer brand choices. The idea is that brands also have personalities, and consumers are likely to choose brands whose personalities match their own” (Kotler and Keller 2006, 182). In other words, “[t]he implication is that these brands will attract persons who are high on the same personality traits” (Kotler and Keller 2006, 182).

According to Kotler and Keller:

> Consumers often choose and use brands that have a brand personality consistent with their own actual self-concept (how one views oneself), although in some cases the match may be based on the consumer’s ideal self-concept (how one would like to view oneself) or even others’ self-concept (how one thinks others see one) rather than actual self-image. These effects may also be more pronounced for publicly consumed products as compared to privately consumed goods. On the other hand, consumers who are high ‘self-monitors’—that is, sensitive to how others see them—are more likely to choose brands whose personalities fit the consumption situation. (Kotler and Keller 2006, 183)

Kotler and Keller say that not only a company’s offering but also its image is influenced by the target segment group: “A company discovers different needs and groups in the marketplace, targets those needs and groups that it can satisfy in a superior way, and then positions its offering so that the target market recognizes the company’s distinctive offering and image” (Kotler and Keller 2006, 310). Namely, a company is concerned with its brand identity, which means “how customers should see the company” (Kotler and Keller 2006, 41). Furthermore, a company is also concerned with how consumers actually see it, and then uses various communication channels for spreading the image it wants to convey to the public: “Image is the way the public perceives the company or its products … For the identity to work, it must be conveyed through every available communication vehicle and brand contact. It should be diffused in ads, annual reports, brochures, catalogs, packaging, company stationery, and business cards” (Kotler and Keller 2006, 322).

3.3.5.2.1.2.2. Kotler et al.: Principles of Marketing

The book presents the following quote: “When we purchase an object, what we really buy is meaning” (Kotler et al. 2005, 178). Therefore:

> Many marketers use a concept related to personality—a person’s self-concept (also called self-image). The basic self-concept premise is that people’s possessions contribute to and reflect their identities: that is, ‘we are what we have’. Thus, in order to understand consumer behaviour, the marketer must first understand the relationship between consumer self-concept and possessions. For example, people buy books to support their self-image. (Kotler et al. 2005, 268)

The authors also describe how companies create corporate identity: “Corporate-identity materials also help create a corporate identity that the public immediately recognises. Logos, stationery, brochures, signs, business forms, business cards, buildings, uniforms and even company cars and trucks make effective marketing tools when they are attractive, distinctive and memorable” (Kotler et al. 2005, 795).

3.3.5.2.1.2.3. Palmer: Principles of Marketing

Palmer says that “[t]here has been debate about whether the emotional aspects of a brand are becoming more or less important in consumers’ overall evaluation of a product. One argument is that consumers are becoming more ‘marketing literate’ and increasingly sceptical of firms’ attempts to create abstract images which are not underpinned by reality” (Palmer 2000, 102).

However, consumers also utilise brands for building their personal identity:

> On the other hand, there is no doubt that as consumers become more affluent they buy products to satisfy a much wider and more complex range of needs, which they seek to satisfy with distinctive brands (Maslow 1943; see Chapter 7). A brand personality can help an individual to reinforce their own self-identity, for example in the way that clothes are worn bearing brand names that have a personality of their own. An individual who wears a Benetton sweatshirt is probably identifying themselves with the personality that Benetton has created for its brand. (Palmer 2000, 102)

Commodities do not serve utilitarian purposes alone, but are used for building and projecting a buyer’s personal identity, as illustrated by Palmer with the example of buying a car: “Buyers no longer select a car solely on the basis of a car’s ability to satisfy a need to get them from A to B. Additionally, a buyer may seek to satisfy any of the following needs from a new car purchase: to give them status in the eyes of their peer group; … to project a particular image of themselves” (Palmer 2000, 60).

The book has a chapter on 'Segmentation and Targeting' (chapter 3), where it describes how a company should design the proper marketing strategy for its chosen market segment. Its description revolves mainly around how to create effective segmentation in order to produce the right products, and not so much about gearing marketing programs around the characteristics of the chosen segment.

3.3.5.2.1.2.4. Boone and Kurtz: Contemporary Marketing

Boone and Kurtz affirm that the target segment affects the marketing program of the company: "The expanded concept of marketing activities … assumes that the organisation begins by identifying and analyzing the consumer segments that it will later satisfy through its production and marketing activities. In other words, the customer, client, or public determines the marketing program" (Boone and Kurtz 1999, 9).

Boone and Kurtz also describe how commodities affect a buyer's self-concept:

> The consumer's self-concept—a person's multifaceted picture of himself or herself—plays an important role in consumer behavior. One young man, for example, may view himself as an intellectual, self-assured, talented, rising young business executive. He will be disposed to buy products that agree with this conception of himself, such as Tommy Hilfiger's dresswear shown in Figure 8.8. A woman who views herself as a fashionable and upwardly mobile leader may purchase designer clothes to reinforce her perceptions. (Boone and Kurtz 1999, 284)

Purchased goods and services bring buyers closer to their ideal self-image: "The *Ideal self* serves as a personal set of objectives since it is the image to which the individual aspires. In purchasing goods and services, people are likely to choose products that move them closer to their ideal self-images" (Boone and Kurtz 1999, 285).

3.3.5.2.1.2.5. Adcock: Marketing Strategies for Competitive Advantage

According to Adcock, "[c]ustomers obtain products in order to experience the benefits offered, whether functional, physical, psychological or sociological" (Adcock 2000, 130). It also gives an example saying that "most people know of the price charged for Nike running shoes and so when someone is seen with the famous 'swoosh' trade mark there is a social benefit received as the wearer is seen to be a person who can afford the price for that brand" (Adcock 2000, 134). When discussing 'referent power', Adcock says that in some cases "customers admire the supplier, or perhaps identify with a brand" (Adcock 2000, 156).

Adcock describes the segmentation process and says that segmentation can be done from two complementary directions. For my criterion, the most relevant is the segmentation process when existing groupings are used to affect the marketing activities of the firm. Adcock says that,

> it is sometimes easier to compile the map in reverse order, starting with the customers and their needs then backtracking to the various suppliers. This technique produces a more complete picture of competitive offerings than the alternative method. The risk of this reverse technique is that it reinforces any established groupings as segments instead of developing new, more relevant, groupings for the future (Adcock 2000, 109).

3.3.5.2.1.2.6. Baker: The Marketing Book

When discussing how successful brands add value, the book says that one way is by satisfying consumers' aspirations: "Some brands focus on associations with the rich and famous. They offer customers perceptions of status, recognition and esteem. BMW offers 'the ultimate driving experience'; Rolex is 'the watch the professionals wear'" (Baker 2003, 301).

The book states that branded commodities affect how society sees the buyer and how the buyer feels about himself:

"Customers perceive risk along several dimensions such as: … social risk (what associations will the customer's peer group link with them as a result of their brand choice and will this enhance or weaken their views about the customer?); psychological risk (does the customer feel right with the brand in so far as it matches their self-image?)" (Baker 2003, 376). In other words, brands influence the identity and self-image of buyers: "Customers choose brands in part because they seek to understand their self and to communicate aspects of their self to others. Through engaging in a relationship, albeit briefly, customers are able to resolve ideas about their self and, with the brand metaphorically akin to an active member of a dyad, it helps legitimize the customer's thoughts about themselves" (Baker 2003, 382).

Furthermore, "[e]valuating a brand's image needs to take into consideration customers' levels of involvement with the category … For those categories where customers are actively involved in spending time and effort seeking out and processing brand information, it has been argued … that brand image relates to a network of information stored in memory that helps the customer define his or her self' (Baker 2003, 381).

On the other hand, the target segment of consumers also affects the identity of the company:

> In essence, therefore, the marketing mix can be seen as the tactical details of the organization's positioning strategy. Where, for example, the organization is pursuing a high-quality position, this needs to be reflected not just in the quality of the product or service, but in every element of the mix, including price, the pattern of distribution,

> the style of advertising and the after-sales service. Without this consistency, the believability of the positioning strategy reduces dramatically. (Baker 2003, 279)

For example, “the Apple computer company believes in increasing people’s productivity through challenging inborn resistance to change. Its corporate identity of the bitten apple epitomizes this—the forbidden fruit with the colours of the rainbow in the wrong order” (Baker 2003, 380).

3.3.5.2.1.2.7. Blythe: Principles and Practice of Marketing

According to Blythe, “the consumer benefits from the brand in terms of … gaining some self-image values (for example, a prestigious product conveys prestige to the consumer by association –conversely, a low-price product might enhance a consumer’s sense of frugality and ability to find good value for money)” (Blythe 2006, 89). Brands contribute to buyer identity formation: “Branding has advantages for the consumer; it is easy to recognise the product, and easy to identify with it… and in most cases the use of a particular brand says something about the consumer (for example, wearing designer clothes)” (Blythe 2006, 90). According to Blythe, the ‘brand as a symbolic device’ is one of the ‘strategic functions of brands’: “The symbolism of some brands enables the consumer to say something about themselves. This is particularly apparent in the ‘designer’ clothes industry—a very ordinary T-shirt acquires added value because the name of the designer is printed on the front. If the consumers believe that the brand’s value lies in its communication ability they will spend considerable time and effort in choosing the brand that conveys the appropriate image” (Blythe 2006, 91).

Consumers also affect corporate identity and its image. When discussing strategic considerations for brand naming, Blythe says that “[t]he brand name should fit the overall marketing objectives of the firm; for example, a firm intending to enter the youth market will need to develop brand names which appeal to a young audience” (Blythe 2006, 92). Blythe also says that in terms of semiotics brands have four levels. One of them is the brand as “[a] socio-cultural sign. This is about the social effects of buying (or not buying) the product, with meanings about membership of aspirational groups or about the fitness of the product for filling social roles” (Blythe 2006, 93).

3.3.5.2.1.3. FINDINGS FOR CRITERION NO. 1

All the selected textbooks describe how branded commodities influence the identities of the buyers. All the selected textbooks also describe how companies segment the market and on that basis adjust their products and marketing efforts. Except Palmer, who is only implicit on this point, all the selected textbooks describe how a company's image is influenced by the target segment group. My conclusion is that all the selected textbooks comply with the criterion.

3.3.5.3. DISCUSSION

We can see that the traditional anthropological model, graphically depicted in Ingold's diagram, which was presented in Chapter 3.3.5., where commodity exchange does not include and transfer identities between buyer and seller is not an accurate representation of contemporary commodity exchange. It is true that the gift (or personal possession) continues to bear the identity of the giver, and that this identity is transferred to the new owner. However, my analysis reveals that branded commodities often do the same.

When branding was introduced on a large scale several decades ago, it did not have just a commercial effect on selling commodities more effectively. Branding also changed social meaning of branded items and brands have become "badges of identity" (Carrier 1995, 102). This happened because human needs are satisfied not only by the practical applicability of consumer goods, but also by the symbolic function they possess, the identities they construct, the social relations they build and the gratification they provide. In contemporary industrial societies, which are heavily characterized by materialism, people no longer buy things for their utilitarian values, but also want to ascribe higher meaning to their buying. Brands that are able to provide immaterial value and raise a buyer's consumption to a more abstract level, can provide such meaning (Kapferer 2008, 1).

Contemporary commodity exchange is therefore, under certain conditions, different from what a strictly dichotomous model of gifts and commodities might lead us to expect. Contemporary marketing endows commodities with intangible qualities, which are—to more or less obvious extent—connected to the identity of the producer or seller. We can therefore see that, like gifts, commodities under certain conditions not only continue to embody the identity of the giver, but also impose this identity upon the receiver (a buyer) and vice versa, thus supporting my fifth sub-hypothesis.

3.4. FEATURES OF GIFT EXCHANGE IN THE *MERCATOR* SUPERMARKET CHAIN—A CASE STUDY

3.4.1. INTRODUCTION

Supermarkets epitomise impersonal market exchange. According to Carrier, "supermarkets are probably the most anonymous form of retail selling" (Carrier 1995, 129). For that reason I have decided to analyse a major Slovenian supermarket chain, where elements of gift exchange are expected to be expressed the least. Compared to a traditional village market, where personal relationships are still of paramount importance, or compared to a small grocery store, where a shopkeeper still maintains relationships with his customers, the supermarket represents a completely anonymised shopping experience, devoid of all personal considerations. The buyer enters the supermarket and, without even the slightest social interaction, he is able to purchase the desired item: he locates it on a shelf, puts it into a shopping cart, and proceeds to the cashier, where the total price is calculated and displayed. The buyer can pay with his credit card and leave the shop without saying a word or engaging in even the slightest interaction with the personnel.

Items that are sold in such impersonal shops also assume that mark of impersonality. They are just one of the anonymous items on the shelves, just a can of tomato sauce among other similar cans—plain commodities without any particular charm or individuality.

3.4.2. THE METHODOLOGY

In Slovenia there are several supermarket chains. I have decided to examine the largest supermarket chain (*Mercator*), and analyse its marketing activities in view of the focal questions of this thesis, i.e. to what degree commodity exchange practices of *Mercator* utilise features of gift exchange relations.

Yin (1994, 20) suggested that the research design of a case study should include five components:

- A definition of the study's questions, for example, 'how' or 'why' questions.
- The study's propositions. However, propositions are not necessary for all case studies. If a case study were exploratory, the aim of the exploration would define the criteria for evaluating the results of the study.

- The primary unit(s) of analysis defines what the case is: a group, a program, a country, an entity, a person, etc.
- Description of the logic that connects the data to the propositions.
- The criteria for interpreting the findings.

Following these criteria, I define the case study's components as follows:

- The research question is: are there any features of gift exchange in commodity exchange practices pertaining to the examined supermarket chain? My case study will selectively examine only those practises where features of gift exchange are used in *Mercator*'s activities.
- Since my case study will be of an exploratory nature, the criteria for evaluating the results of the study will be whether occurrences of gift exchange features (as defined in Chapter 3.1. and elaborated in Chapters 3.3.1 to 3.3.5.) will be found in 'real-life' market exchange practices pertaining to the examined supermarket chain.
- The primary unit of analysis will be the *Mercator* supermarket chain.
- The logic for linking the data to my theoretical propositions will be based on how much the examined supermarket's marketing practices comply with indicators of gift exchange, delineated in Chapters 3.1. and 3.3.1. to 3.3.5.
- The criteria for interpreting the findings will be the extent to which the marketing practices of the examined supermarket chain conform to the indices of gift exchange, delineated in Chapters 3.1. and 3.3.1. to 3.3.5.

Yin (1994) also proposed that case study should observe the following protocol:

> - Overview of the project (project objectives and case study issues).
> - Field procedures (sources of information, credentials and access to sites).
> - Questions (specific questions that the investigator must keep in mind during data collection).
> - Guide for the report (outline, format for the narrative). (Yin 1994, 64)

Following the above mentioned suggestions about designing case studies, the protocol of my case study is described as follows:

- The objectives and main issues of my case study will be to locate features of gift exchange (as defined in Chapter 3.1. and elaborated in Chapters 3.3.1 to 3.3.5.) in commodity exchange practices pertaining to the chosen supermarket chain. The focus of my research was on the marketing practices of *Mercator*, or in other words, the research subject was the pole of the seller, not the pole of the buyer.

- Field procedures: I have used multiple sources of evidence pertaining to the case. Instead of random sampling I have used information-oriented sampling, thus strategically and selectively choosing only the evidence that was richest in information. The methods used were:
    - Participant observation and direct observation on sites (Bernard 1995). I tried to locate possible elements that did not fit into the traditional model of commodity exchange, observed the settings, activities of the personnel and customers (on average 3 times per week for approximately 1 hour per day).
        - Dates of research: 8.9.2008—6.1.2009. In December 2009 I returned to the case site for the sake of acquiring pictorial material.
        - Location of research: even though *Mercator* has many stores all over Slovenia, I decided to mainly focus on the large super-stores and omit smaller *Mercator* stores where relationships between selling personnel and local buyers are more likely to occur. The superstores used for my research were: two *Mercator* hypermarkets in Ljubljana (*Mercator* hypermarket Ljubljana-Šiška, ulica Ljubljanske brigade 33, Ljubljana and *Mercator* hypermarket Ljubljana-Rudnik, Jurčkova cesta 223, Ljubljana) and one *Mercator* shopping centre Ivančna gorica, Vodotučine 18, Ivančna gorica). I also did minor participant observation in stores belonging to other supermarket chains, just to get an idea of their marketing and selling practices.
    - I analysed *Mercator*'s promotional practices and materials: *Mercator*'s free magazines, leaflets, TV ads, newspaper ads, and *Mercator*'s web site www.*mercator*.si.
    - To get a better insight into marketing practices of *Mercator* I had semi-structured interviews with key informants:
        - An informant from the *Mercator* marketing department (see Appendix A for details).
        - The former CEO of *Mercator*, Mr. Zoran Janković (see Appendix B for details).
        - An informant from the marketing department of the E. Leclerc supermarket chain in Slovenia (see Appendix C for details).

- Questions that were important during data collection were whether or not certain practices conform to one of the five research questions pertaining to features of gift exchange (as described in Chapter 3.1.).
- The report was done in a listing and descriptive fashion, enumerating various instances of practices that conformed to the above defined research question.

The purpose of my case study is not to draw generalizing conclusions or to verify the validity of my research hypothesis. The case study will serve only to illustrate how my theoretical findings can be found embodied in the marketing practices of one particular company. I acknowledge that different case studies would give different results, because different companies employ different strategies of gift exchange practices, and in various degrees. My choice to examine *Mercator* was completely arbitrary; I could have researched any other Slovenian or international company. As already mentioned in Chapter 3.2.2.2., I sometimes compare *Mercator*'s practices to practices of other supermarket chains (*Lidl*, *Hofer*, etc.). Yet, my case study is not of a comparative nature. Comparisons are mentioned only to illustrate how, in some instances, *Mercator* deviates from the principles of impersonal market exchange, while other supermarkets might in this specific area of interest still practice what is normally expected according to the conventional model of market exchange. In my research, there are certainly no 'right' or 'wrong' marketing practices; there are only market exchange practices which (to greater or lesser degree) utilise features of gift exchange, and practices, which do not utilise elements of gift exchange.

3.4.3. THE RESEARCH FINDINGS

According to the *Company profile of the Mercator Group*[67] (*Mercator* 2009a), *Mercator* has the largest (36%) market share of all the supermarkets in Slovenia (*Mercator* 2009a, 5). It is also the most widespread, having a store in almost every small Slovenian town, and employing over 13.000 people in Slovenia alone. *Mercator* has successful expanded to Croatia, Serbia, Bosnia-Herzegovina and Montenegro (*Mercator* 2009a, 5). In the near future, it plans to enter Macedonia, Kosovo, Bulgaria and Albania as well (*Mercator* 2009, 5). Altogether the *Mercator* group employs over 21.000 people (*Mercator* 2009a, 9). At the end of March 2009 *Mercator* had 1.429 retail units in all markets (*Mercator* 2009a, 11). In the

[67] A full report is attached in Appendix D.

first quarter of 2009 one-third of revenues were created in foreign markets (*Mercator* 2009a, 17). Projected revenues for 2009 are 2,799 billion EUR.

There are certainly many reasons for *Mercator*'s success story—some of them are probably also political. However, I would like to point to those elements of *Mercator*'s activities, which represent a deviation from what would be expected according to a conventional commodity exchange model. It is also important to mention that several of the below described activities differ from the activities of other supermarket chains in Slovenia.

In spite of new players entering the supermarket business every few years in Slovenia, *Mercator* maintains is dominant role, showing that it has a good marketing strategy. This is very remarkable, especially because *Mercator* has the reputation of being the most expensive among all the supermarkets in Slovenia. Contrary to other supermarkets in Slovenia, which usually 'offer the best prices', *Mercator* does not primarily promote itself as offering bargain prices,[68] and yet continues to have by far the largest market share in Slovenia. Moreover, it is very successfully expanding its business to the other republics of former Yugoslavia, where the traditional values of gift exchange are still very important.

One of the reasons for *Mercator*'s success story may be its marketing strategy, which in many elements differs considerably from the strategies of its competitors and often contains features which resemble the sphere of friends and relatives, where the principles of gift exchange prevail.

As discussed in Chapter 3.3.3.2.2., much like gifts, where it is important who gave the gift and in what context, commodities also derive their symbolic meaning from knowing the producer and the shopping context.

It is very important to emphasize again that *Mercator* does not try to create the impression of a bargain store,[69] like other supermarkets in Slovenia do (see Figure 3.3.). Even though *Mercator* regularly advertises its best deals, the general consensus among the population is that *Mercator* is the most expensive among all the supermarket chains in Slovenia.[70]

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[68] With the onset of the recession (end of 2008 and beginning of 2009) *Mercator* also started to focus more on low prices and advertise 'the best deals.'

[69] To cover the segment of cheap items and bargain prices, *Mercator* opened separate shopping centres called '*Hura*' ('Hoorah').

[70] Consumer research shows that this perception is not always grounded in facts, because sometimes *Mercator* does have the lowest prices. *Mercator*'s comparison of prices was available on the Internet (*Mercator* 2009b). However, at the end of 2009, the comparison was not longer available.

Figure 3. 3. *Mercator* is not a bargain store.

This ad is playing with words. The question in the top right corner reads, "Are you buying cheaply (*poceni*)?" but can also be interpreted as: "Are you paying the right price (*po ceni*)?"
The lady answers: "Yes, but not by sacrificing quality. *Mercator* ensures that I get the best possible quality even at low prices."
Source: *Mercator* 2009c.

Other supermarkets are well aware of this public perception and sometimes use it in their advertising. For instance, in 2008 *Mercator* opened a new supermarket in Ljubljana, next to the already existing supermarket belonging to the French supermarket chain E. Leclerc, which had already been at that location for the last eight years. E. Leclerc immediately installed big posters on its parking lot, persuading visitors to make the effort of a few additional steps to the E. Leclerc store and find better prices there. Here are few examples: "E. Leclerc, your cheapest neighbour" (alluding to *Mercator*'s slogan "*Mercator*, [the] best neighbour"); "It is your right to find the best deal, and it is our duty to offer the best prices," or "Visit E.Leclerc—your wallet will be grateful," or "We beat the prices," etc.[71]

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[71] According to the E. Leclerc marketing informant, the marketing strategy of E. Leclerc is conceived at the headquarters of E. Leclerc in France and then simply implemented in Slovenia. The marketing department in Slovenia does not come up with the ideas and does not conceive the marketing strategy.

Figure 3. 4. Posters persuading buyers to visit E. Leclerc.

Translation: "E.Leclerc, bigger and so much cheaper," and "E. Leclerc, your cheapest neighbour."

Since *Mercator* is considered by consumers to be the most expensive of all supermarkets in Slovenia, it obviously has to somehow compensate for its pricing policy. According to my observation, the overall promotional strategy of *Mercator* is to create an image of friendliness and attempt to build a relationship with its customers. Compared to other supermarket chains, which are present in Slovenia, *Mercator* definitely excels in the attempt to create an impression of friendliness, presenting their stores as homely in an effort to make customers part of the '*Mercator* family'. Compared to *Mercator*, other supermarket chains in Slovenia still to a large extent maintain the image of an impersonal store, which otherwise epitomizes supermarkets in general.[72]

[72] I have observed that in the spring 2009, when the recession heavily curtailed consumption, other supermarkets also started to fight for customers by introducing some of the elements, which only *Mercator* has used so far. On the other hand, *Mercator* also started to experiment with new strategies, which were—in my opinion—more 'commodity exchange' oriented.

3.4.3.1. BUILDING RELATIONSHIPS WITH CUSTOMERS

The first element showing that *Mercator* does not present itself as an impersonal corporation but rather tries to emulate the domain of gift exchange is evident from its slogan. The slogan of *Mercator* is "*Mercator*, the best neighbour," imitating the sphere of friends and relatives, where relationships and gift exchange dominate (see Figure 3.5.).

Figure 3. 5. *Mercator* logo and slogan.

Mercator
najboljši sosed 60 let

Translation: "*Mercator*, the best neighbour, 60 years"

Source: *Mercator*, 2009d.

The slogan anthropomorphises and personifies *Mercator* and presents it as someone who helps people whenever they need something. Through advertising *Mercator* is consistently, over and over again, presented as 'the best neighbour,' which is actually a '*personne morale*' representing the *Mercator* group. *Mercator* is thus, on a symbolic level, presented not as an impersonal corporation engaged in cold-blooded commodity exchange, but as a person and a helpful neighbour. The slogan is cemented in the minds of people by putting it everywhere, including as lyrics for the jingle in *Mercator* shopping centres. In the past, TV advertising for *Mercator* even had a cartoon character that symbolized the helpful neighbour.

Mercator uses its slogan in various conjunctions. Here we can see a variation of this slogan, referring to *Mercator*'s environmentally friendly policy (see Figure 3.6.):

Figure 3. 6. Variation of *Mercator*'s slogan.

Mercator
Okolju prijazen sosed

Translation: "*Mercator*, the environmentally friendly neighbour"

Source: *Mercator*, 2009e.

In October 2008 *Mercator* had a promotion campaign where two or three people were shown saying: “Hello, neighbour!” “How are you, neighbour?” etc. thus again cementing in the minds of consumers the idea that *Mercator* has the friendly qualities otherwise found only among neighbours, friends or relatives (see Figure 3.7.).

Figure 3. 7. “Hello, neighbour” *Mercator* promotional campaign.

Source: *Mercator* 2009c

Mercator’s slogan helps to build the brand personality of *Mercator* and projects quasi-human characteristics onto the brand. It also helps to establish an emotional connection between the company and its customers. It tries to convince people to relate to *Mercator* as if it were a human being.

On the basis of this slogan, people sometimes jokingly and ironically twist *Mercator*’s name into ‘*Mečkator’* which denotes a skilful lover. According to official slogan, *Mercator* is the best neighbour, who helps customers. In the twisted version, *Mercator* is someone, who helps women that are in need of making love (Mečkator). As of 17.12.2009, there were over 5,200 hits for ‘*Mečkator’* on Google.

This demonstrates that the ‘*personne morale*’ of *Mercator*—‘the best neighbour’ can be ridiculed by people, who can see through the advertising and recognize it is all just a marketing campaign. However friendly *Mercator* wants to present itself, people seem to understand that *Mercator* is still just a profit-hunting corporation.

These examples show that a supermarket chain is not necessarily a cold, anonymous, lifeless store or company, but can be charged with emotional and personal qualities that normally belong to spheres where gift exchange dominates. *Mercator*'s slogan aims to present *Mercator* as a person and not a lifeless, anonymous corporation and thus to facilitate the relationship element of gift exchange between *Mercator* and its customers.

Another element reminiscent of the sphere where gift exchange prevails is connected with the former CEO of *Mercator*, Mr. Zoran Janković. For many years he was a highly exposed public figure who literally embodied *Mercator* and its success story. CEOs of other supermarket chains in Slovenia were not publicly exposed, known and recognized; they were just anonymous managers, unknown to the general public. Conversely, Mr. Janković (*Mercator*) is well known for transforming *Mercator* from an almost bankrupt company to one of the most successful Slovenian corporations.[73] The responsibility for *Mercator*'s success and activities was therefore in the past symbolically assigned to one single person (Mr. Janković[74]), who (when he was CEO) personified *Mercator*.

He is also famous for his enormous sociability, constantly mingling with ordinary people, customers and employees. *Mercator* was in the past presented not as an impersonal corporation, but rather as an organisation with almost family-like relationships or almost like a clan, with Mr. Janković as the chief of the clan at the top. In interviews, *Mercator*'s employees often expressed their admiration for Mr. Janković. A former *Mercator* employee wrote on an internet forum: "Janković had a strength, understanding, common sense, and positive energy, which his successors lack. I am proud he is now our mayor[75]" (Studiofaca 2008).

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[73] According to Pirc, when in the summer of 1997 *Mercator* had a 2.5 billion SIT (Slovenian Tolar) financial loss (approx. 10,5 million EUR, without correcting for inflation) and only a 15.4% market share, Mr. Janković become CEO of *Mercator*. Under his leadership the *Mercator* stock price increased almost 10-fold in about 7 years (Pirc 2005, 42). Ten years later *Mercator*'s market share had more than doubled: in 2008 it was 36% (*Mercator* 2009, 5)

[74] His position is similar to Bill Gates (Microsoft), Steve Jobs (Apple), Richard Branson (Virgin), etc. They also inseparably personify the success of the company.

[75] Until fairly recently the state had a significant share in *Mercator* and therefore also noteworthy means of influencing *Mercator*. In 2005 the newly elected ruling political party dismissed Mr. Janković for political reasons. However, shortly after his dismissal he went into politics, and was elected mayor of Ljubljana (the capital of Slovenia) with a huge majority. Mr. Janković was publicly known to be a very close friend of Mr. Milan Kučan, the former president of the General Committee of the Communist Party at the end of the 1980s, and first president of the newly formed state of Slovenia (he was president for 8 years). In 2004, the prime minister became Mr. Janez Janša, who had been the leader of the opposition and a public opponent of Mr. Kučan for many years. Since Mr. Janković had a strong and public friendship with Mr. Kučan, he quickly fell out of

Mr. Janković told me in the interview that his managerial principle is that a company should be organized on the basis of family-like relations. Moreover, even relations with customers should aspire towards this model. He said that a company should take care of people in good times and bad. He illustrated this principle with the case of his secretary, who has been with him for the last 15 years, regardless of what position Mr. Janković holds and for whatever company or institution he works.[76] Such a managerial and marketing model represents a strong deviation from the purely impersonal principles of commodity exchange and shows an intention to emulate the kinship sphere. Such a strategy—both internally and externally—builds up elements of relationships and moral obligations, which are two indicators of the sphere of gift exchange.

According to the informant from the *Mercator* marketing department, even after the departure of Mr. Janković, *Mercator* still makes a lot of effort to make their employees feel at home. For instance, they regularly receive presents on certain occasions. In the past, they had a yearly event called *Mercator*iada—a day of concerts, fun and socializing for all the employees of *Mercator*, where they felt like one big family gathering once a year. *Mercator* is therefore pursuing both internal and external marketing with the aim of making people feel that *Mercator* is not something alienated from people, but actually something that belongs to the people.

This particular strategy utilises two features of gift exchange (by giving gifts, attention, etc. to employees and customers): firstly, it builds relationships internally, within the company, and externally, with the customers and the public in general. Secondly, it creates an obligation to buy in *Mercator* and not in other supermarkets. This obligation can be explicit for employees of *Mercator*, or implicit for their relatives, who are indirectly (through a relative who works in *Mercator* and has a very strong sense of belonging to it) connected to the '*Mercator* family'.

Mercator also regularly organizes various events in its supermarkets. Until September 2009 it published and freely distributed a free, full-colour, 32 page newspaper called *Vrtiljak*

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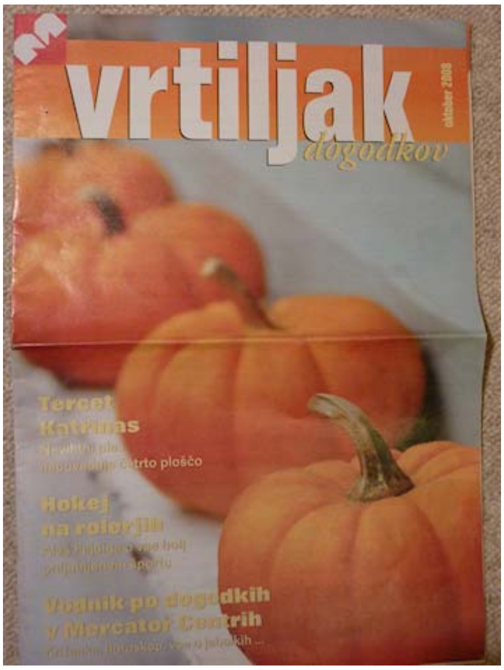
favour with Mr. Janša. After Mr. Janša become prime minister, he fairly quickly started to replace key people in government organisations, institutions and corporations (this is otherwise typical for all governments in Slovenia). Since Mr. Janković belonged to the opposite political option, he was removed by Mr. Janša from the position of *Mercator* CEO.

[76] One would expect such care for employees in a family-operated business, not in an impersonal corporation.

dogodkov ('Events Merry-go-round') to 250.000 addresses, informing households about events being organized in *Mercator* centres all over Slovenia (see Figure 3.8. and 3.9.).

Figure 3. 8. Cover page of *Vrtiljak dogodkov* newspaper, October 2008.



Source: *Vrtiljak dogodkov* newspaper 2008, 1.

Figure 3. 9. Example of events announced in *Vrtiljak dogodkov* newspaper.

Center Ljubljana

Petek, 3. oktober, od 17. do 19. ure

Kraljestvo živali, avantura se nadaljuje!

Otroci, obiskali vas bodo junaki novega Kraljestva živali: Kroko, Gracia, Leopold in drugi, s katerimi se boste lahko slikali in posladkali s slastnimi čokoladicami in bonbončki Kraš. Vabljeni tudi starši!

Sobota, 4. oktober, od 10. do 13.30 ure

Pampers

Pampers in Mercator vas vabita na razigran dogodek, ki bo potekal v sklopu aktivnosti Pampers v Mercatorju. Tema dogodka so otroški zobki in njihov razvoj. Z vsemi vašimi vprašanji se v času dogodka lahko obrnete na prisotno strokovnjakinjo. Otroci bodo lahko peli in plesali z Damjano Golavšek, se udeležili risarske delavnice in se zabavali skupaj z Muckom - maskoto Pampers.

Nedelja, 5. oktober, od 9. do 13. ure

Čiščenje zob s Colgate zajčkom

Otroci in starši! Vabimo vas, da se skupaj z našim Colgate zajčkom poveselite ter si ogledate tudi zabavno risanko o pravilni ustni higieni. Najbolj pridnim bomo podarili tudi praktično darilce. Staršem pa bo na razpolago strokovnjak za ustno higieno, ki bo povedal, kako se pravilno čisti zobe in ustno votlino.

Torek, 7. oktober, od 9. do 19. ure

Terme Maribor — Hotel Bellevue

Pohorsko
wellness in kulinarično razvajanje

Spoznajte bogato wellness in kulinarično ponudbo hotela Bellevue, kjer vas vabimo na degustacijo pristne pohorske kulinarike. Sodelujte v nagradni igri in si z malo sreče prislužite privlačno nagrado - počitnice na Mariborskem Pohorju! Vabljeni!

Petek, 10. oktober in petek, 17. oktober, cel dan

Sladko Šumi razvajanje

Vabimo vas, da nas obiščete na degustacijah Šumijevih izdelkov v Hipermarketu in po nakupu zavrtite še kolo sreče v avli Centra. Otroci pa lahko z nami narišejo kakšno risbico, pobarvajo maskoto Šumi in se sladkajo z novimi Šumijevimi bonbončki.

Sobota, 11. oktober, ob 11. uri

Vsako sredo, od 17. do 20. ure

Delavnica z glasom

V Mercatorjevem umetniškem kotičku potekajo delavnice solopetja, jazza, popa in musicala pod strokovnim vodstvom Nike Vipotnik in gostov. Presenečeni boste, kaj vse zmoremo narediti z glasom. Postojte, prisluhnite in uživajte!

Lumpijeva igralnica, 1. nadstropje

Lumpi

- vsak torek, od 16. do 20. ure
  Lumpijeva kuharska delavnica
- vsak petek, od 16. do 20. ure
  Delavnica kreativnega branja in pisanja
- vsako soboto, od 10. do 16. ure
  Plesno glasbeno igrišče

Četrtek, 16. oktober, ob 10. uri

Pek Matevž

Otroci, vabimo vas, da se nam pridružite na prireditvi Peka Matevža. Zabavali vas bodo animator Sten Vilar, pevka in igralka Damjana Golavšek in čarodej Roman Frelih. Čaka vas dinamičen in duhovit program, naučili pa se boste tudi marsikatere spretnosti.

Sobota, 18. oktober, od 10. do 13. ure

Strastno, slastno! / *Podravka zaključno žrebanje*

Vsem, ki boste na dogodku z nami, vam bo dan s svojo glasbo in pozitivno energijo popestrila navihana Tanja Žagar. Podravka vas bo presenetila tudi s pokušino dobrot ter vas nagradila s praktičnimi nagradami.

Nedelja, 19. oktober, ob 10. uri

Kostanjev piknik in mlado vino / *zabavna prireditev*

Zabavajte se z nami ob nastopu glasbenih gostov Mestni postopači. Pripravili bomo tudi bogata nagradna žrebanja. Vabljeni!

Ponedeljek, 20. oktober in petek, 24. oktober, cel dan

Pot Radgonske penine skozi zgodovino

Sobota, 25. oktober, ob 11. uri

Chio / *zaključno žrebanje*

Pridružite se nam na zaključnem žrebanju, kjer vas čakajo zabavne nagradne igre.

Source: *Vrtiljak dogodkov* newspaper 2008, 4.

Mercator is not just a supermarket—it is turning into a place where people and families come together to spend their free time. *Mercator* is aiming at becoming a centre of social life, similar to the role, which the central square in a village traditionally occupied (see Figure 3.10).

Figure 3. 10. Event in *Mercator* shopping centre.

Source: Birt 2009. Published by permission of Birt d.o.o.

Here we can see again an attempt to involve customers in post-sale activities and build relationships between *Mercator* and its customers.

All larger *Mercator* stores also have playing areas for children (see Figure 3.11.).

Figure 3. 11. Children's playground in the building of a *Mercator* hypermarket.

Photo taken in *Mercator* Hypermarket Ljubljana-Šiška 23.9.2009.

It is a place where kids and parents can stop and spend some time for playing and socializing. The playing area not only serves as a place where parents can leave their kids while they do their shopping, but also creates a feeling of homeliness in the store. Since real estate is very costly, a normally expected behaviour would be that *Mercator* would economise and maximise its commercial area, instead of generously allocating some precious space to non-commercial activities. Yet, in spite of high costs, *Mercator* does allocate considerable amounts of space in its supermarkets to playing areas for children. According to the informant from *Mercator*'s marketing department, families with young children are an extremely important segment for *Mercator*. *Mercator* thus also created its anthropomorphised sub-brand called '*Lumpi*', dedicated to young children (see Figure 3.12.).

Figure 3. 12. *Lumpi* brand

Source: *Mercator* 2009c.

Mercator regularly organizes various events for kids, for instance an annual, 200 metre recreational run (*Lumpijev tek—Lumpi* run) for children in the centre of Ljubljana, opened by—no surprise—Mr. Janković, who is now the mayor of Ljubljana (see Figure 3.1.3).

Figure 3. 13. *Lumpijev tek—Lumpi* run

Photo taken on 25.10.2008, Ljubljana.

This strategy not only encourages customers to spend more time in the store, but also creates the feeling of a neighbourhood instead of a cold, impersonal supermarket. In this manner it helps to establish a relationship between *Mercator* ('The best neighbour') and its customers.

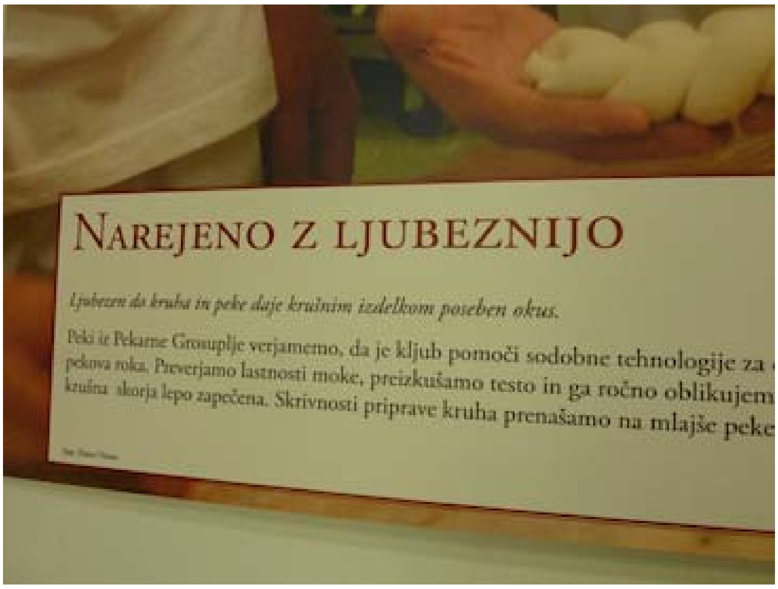
Mercator also utilises other approaches to reduce impersonality, which is otherwise a prominent characteristic of supermarkets and commodity exchange in general. The interior design of the main *Mercator* supermarkets tries to create a warm, friendly atmosphere. According to the informant from the *Mercator* marketing department, a special team of experts carefully and purposefully plans all the details (colours, fonts, distribution of items, etc.) with the aim of creating a warm and friendly shopping environment. Instead of promoting cold, minimalist design, which would suit the impersonal type of trade that supermarket represents, *Mercator* prefers to create a warm and pleasant environment. This is especially pronounced in certain sections, which are particularly friendly and have a nice atmosphere. The look and feel of these areas is not one of an impersonal supermarket but rather emulates the warmth of a home. Instead of metal, shelves are mostly wooden, which add a nice, warm feeling compared to metal shelves in other supermarkets (see Figure 3.14.).

Figure 3. 14. Interior of *Mercator* store

Photo taken on 21.12.2009, *Mercator* hypermarket, Ljubljana-Šiška.

An imitation of the warmth we normally associate with the home is also apparent from how bread is marketed.[77] The main theme in bread ads is, “Made with love” (see figure 3.15.).

Figure 3. 15. Bread—“Made with love.”



Source: Photo taken from a promotional poster in the *Mercator* hypermarket, Ljubljana-Šiška, 21.12.2009.

The bread section in *Mercator* shopping centre Ivančna gorica even has beautiful wooden decoration with text carved in a stylish, old fashioned font: “Made with love.” Well, it is really hard to imagine that the bakery (*Pekarna Grosuplje*), which provides bread for all of *Mercator*’s many stores could really make bread ‘with love’, like one’s mother can, yet *Mercator* simulates the feeling one expects to get at home, where the principles of gift exchange are active.

Moreover, types of bread in *Mercator* even have personal names: *Krjavelj, Dolenc, Malnar, Zlati, Kranjski, Sosedov*, etc., again demonstrating the anthropomorphisation of commodities (see Figure 3.16.).

Mercator’s featured bread *Krajcar* is even wrapped in a nice white bag with ornaments and transparent area, and actually looks like a gift-wrapped item (see Figure 3.17.).

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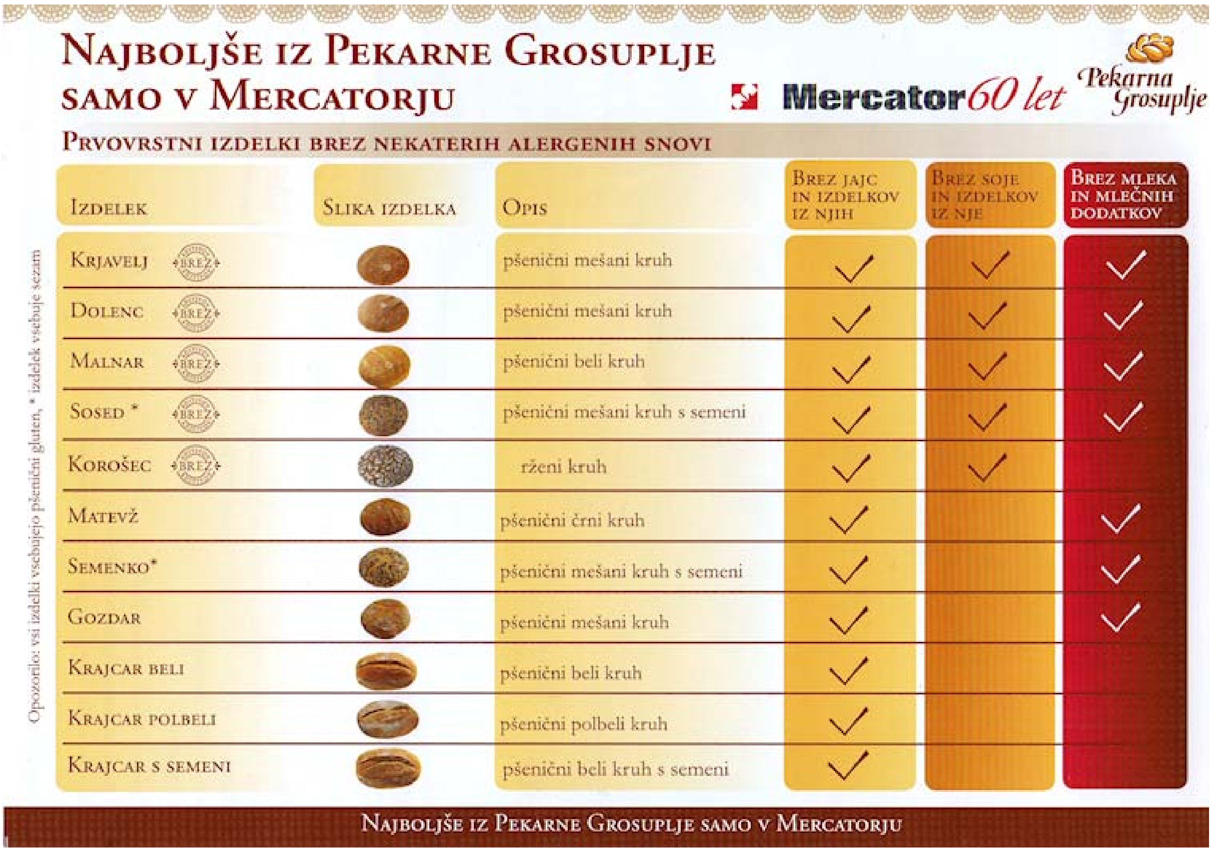
[77] *Mercator* does not have its own bakery; bread for *Mercator* is produced by *Grosupeljske pekarne* (Grosuplje Bakeries, Grosuplje is a town east of Ljubljana).

Figure 3. 16. Bread with personal names.



NAJBOLJŠE IZ PEKARNE GROSUPLJE SAMO V MERCATORJU

Mercator 60 let · Pekarna Grosuplje

PRVOVRSTNI IZDELKI BREZ NEKATERIH ALERGENIH SNOVI

Izdelek	Slika izdelka	Opis	Brez jajc in izdelkov iz njih	Brez soje in izdelkov iz nje	Brez mleka in mlečnih dodatkov
Krjavelj		pšenični mešani kruh	✓	✓	✓
Dolenc		pšenični mešani kruh	✓	✓	✓
Malnar		pšenični beli kruh	✓	✓	✓
Sosed *		pšenični mešani kruh s semeni	✓	✓	✓
Korošec		rženi kruh	✓	✓	
Matevž		pšenični črni kruh	✓		✓
Semenko*		pšenični mešani kruh s semeni	✓		✓
Gozdar		pšenični mešani kruh	✓		✓
Krajcar beli		pšenični beli kruh	✓		
Krajcar polbeli		pšenični polbeli kruh	✓		
Krajcar s semeni		pšenični beli kruh s semeni	✓		

Opozorilo: vsi izdelki vsebujejo pšenični gluten, * izdelek vsebuje sezam

NAJBOLJŠE IZ PEKARNE GROSUPLJE SAMO V MERCATORJU

Source: promotional material freely distributed in the bread section, *Mercator* hypermarket Ljubljana-Šiška, 21.12.2009.

Figure 3. 17. Nicely wrapped bread *Krajcar*.

Source: photo taken on 22.8.2009.

In 2008, the principal *Mercator* supermarket in Ljubljana-Šiška was redesigned in accordance with the principle, which requires warm, friendly interiors.

I have noticed that *Mercator* in 2008 changed the outlook of its sales personnel in some shops. Instead of wearing boring uniforms or simple smocks, they are now dressed in playful T-shirts with horizontal red and white stripes (red and white are otherwise the colours of the *Mercator* logo). Even though it might look like something of minor importance, this new outlook actually introduces a completely new element to the atmosphere of some *Mercator* superstores: sales personnel no longer look like an anonymous working force dressed in smocks, which is a sort of a uniform representing the anonymity of the seller. Dressed in colourful T-shirts, sales personnel actually look very informal—more like a friend, instead of an impersonal sales person in a uniform. They look more like a neighbour living next door, who is there to help and assist you. And to reduce the anonymity even further, they have only their first name written on the badge, which is rather unusual: in official communication the full name is used; in personal communication only the first name is used, while the surname is omitted. By writing only the first name on the badge, we can see again a tendency to emulate the relationships, which exist among friends (see Figure 3.18.).

Figure 3. 18. *Mercator* sales personnel in T-shirts.

Source: photo taken on 21.12.2009, *Mercator* hypermarket Ljubljana-Šiška.

There is also another element that is actually taken from the sphere of friends and relatives. This particular strategy is definitely not limited to *Mercator* alone; yet, since this is a common strategy used by all advertisements alike, we have become so accustomed to it that nobody actually thinks about it as being somewhat unusual for the sphere of commodity exchange. Audio advertisements (on radio stations or in *Mercator* stores) are recorded with a friendly and excited voice, which imitates a friend who is enthusiastically telling us something exceptional or important he would like to share with us. Since commodity exchange is supposed to be completely impersonal, advertising should also be impersonal and indifferent, not directed to any specific person—just informing customers about items and offers.

Conversely, communication between friends always exhibits uniqueness, which can also be seen in the non-verbal aspect of communication, for instance in the emotional quality attached to the verbal component. If other supermarkets have either silence in their stores (Hofer) or music (Spar), *Mercator* regularly interrupts music with enthusiastic, friendly advertisements: "We would like to tell you …" or "You are invited to …" etc. The tone of the advertisements tries to create an impression that what we hear is not advertising (announcement delivered to everyone), but rather valuable and exceptional information entrusted to you by a friend. This strategy imitates and builds the relationship quality which otherwise exists among friends and relatives.

According to the informant from the *Mercator* marketing department, in spring 2008 *Mercator* upgraded its marketing strategy in the direction of an even more personal approach. Before, they would use photos of products for illustrating the catalogues—something that other supermarket chains do as well. Since the spring of 2008 they instead use photos of people in all their promotional materials, including TV commercials: instead of just presenting products and their price (this type of promotion is generally used by other supermarkets), *Mercator* started to present products in the context of a personal story that involves people (see Figure 3.19. and 3.20).

Figure 3. 19. *Mercator* ad featuring a personal story.

Source: *Mercator* promotional leaflet, October 2008. Food products are combined with the personal story of Mr. Božo on top of the page.

Figure 3. 20. *Mercator* ad featuring a personal story—a detailed look.

Source: *Mercator* promotional leaflet, October 2008. Translation: "I can hardly wait for a snack… Usually I eat yogurt for breakfast and dinner, but now I will have one for a snack. You know, since they happen to be on sale, I am going to get one from the fridge right now. See you."

According to the informant from the *Mercator* marketing department, they have consciously decided to pursue this strategy with the aim of presenting *Mercator* as a company, which is close to people, and not just an impersonal store that simply sells products.

This approach aims at creating an image of *Mercator* as a store to which buyers can personally relate—a company that is a collection of real people, and not just impersonal store. *Mercator* is consciously departing from the impersonal and anonymous type of trade that characterises other supermarkets in Slovenia, and is employing this unique strategy to build relationships. *Mercator* is trying hard to create an image of a store where you do not just come, buy something and leave, but rather offers you something much more: personal contact, friendliness and building a relationship with its personnel, and, on a more symbolic level, with the corporation itself.

For the same purpose *Mercator* used to publish the magazine '*Mesec*', a quarterly add-on to third-party commercial newspapers and magazines, until April 2009 (see Figure 3. 21.).

Figure 3. 21. Mesec magazine.

Source: cover page of *Mesec* magazine, September 2008 issue.

The magazine would bring stories, news, advice, etc. According to the informant from the *Mercator* marketing department, in Spring 2008 *Mercator* decided to significantly change the style of this magazine. The magazine started to include the stories of sales personnel, etc., thus trying to make the promotion much more personal and showing that *Mercator* is not an impersonal corporation, but rather a collection of real people, with real, everyday stories (see Figure 3. 22.).

Figure 3. 22. Personal story from *Mesec* magazine.

Source: Mesec magazine, October issue. 2008, 26–27.

This strategy aimed to establishing a relationship with the customers, presenting *Mercator* with a personal touch and informing customers about various aspects of *Mercator*. When we want to establish a relationship with someone, we do exactly the same: tell our (prospective) friend about ourselves, events we have had, share information, ideas etc. Since *Mercator* also wants to establish a relationship with its customers, it used this particular strategy in the hope that customers would respond and build a relationship with *Mercator*.

Mercator also offers various loyalty programs for rewarding their loyal and returning customers. One strategy is a 'membership card' called '*Pika*' ('spot'). The card offers to the holder cumulative rewards according to the total amount of money spent on purchases within the previous six months. Cardholders also receive a gift in the form of a coupon for another purchase at the end of the year. In March 2009, there were already over 1,313.000 *Pika* cardholders (*Mercator* 2009, 13).

There are four types of *Pika* card: Blue, Green, Gold and a Business *Pika* card. The blue *Pika* card is used for those, who like to pay in cash. After the purchase, the card just records the total amount spent. The other three Pika cards are credit cards, where the holder manually or automatically pays for all monthly purchases at the end of the month (see Figure 2. 23.).

Figure 3. 23. *Pika* cards.

Source: *Mercator*, 2009f.

According to Mr. Janković, there is a phenomenally low rate of unpaid monthly bills: less than 0.1%. He also very proudly told me that *Mercator* was the second supermarket chain in Europe to have such loyalty card (Tesco was the first) and in general, he vas very proud of this loyalty program, which was launched when he was the *Mercator* CEO. He also said that when foreigners evaluated the value of the *Mercator* Corporation, the *Pika* card was one of the main things, which impressed them, consequently increasing their valuation of *Mercator*.

The *Pika* card indicates a post-sales relationship between *Mercator* and its customers, a long-term relationship which is not supposed to exist in a pure type of commodity exchange. This loyalty program tries to tie customers into a profitable relationship with the company, a relationship, which lasts longer then the actual transaction itself.

For promoting loyalty, *Mercator* offers several clubs to its customers, in addition to the *Pika* card. Such clubs bind *Mercator* and its customers into long-term relationships. Members of *Mercator* clubs have various benefits and discounts. This strategy is aimed not only at getting more money from customers, but also at offering buyers post-sale activities that attach them to *Mercator* and help build a relationship between *Mercator* and its customers.

One club is dedicated to people who prefer a healthy life style. *Mercator* created the brand '*Uživajmo zdravo'* ('Healthy Living'), which encompasses various healthy products.

It offers special discounts, events, seminars, competitions, etc. to its members. Another *Mercator* club is called '*Mmobil*', which is dedicated to users of a mobile phone service created by *Mercator*.

Membership in the '*Mmobil club*' is free. The only prerequisite is that one uses the *Mercator* mobile phone service. However, '*Mmobil club*' benefits can be combined with '*Pika*' card benefits, giving rise to even more benefits to a buyer who is both using the *Mercator* mobile phone service and shopping in *Mercator* stores.

Mercator also has tourist travel club called '*M holidays*' (see Figure 3. 24.).

Figure 3. 24. *M holidays* catalogue for winter 2009.

Source: cover page of *M holidays* catalogue, autumn 2008.

Again, regular customers are rewarded with special offers and better prices. '*M holidays*' engages customers in post-sale activities, builds loyalty and enables customers to meet other customers, thus also creating a sort of club, where people are connected through something they have in common—shopping in *Mercator*.

Mercator can even gradually learn about the preferences of such customers. According to the informant from the *Mercator* marketing department, *Mercator* is step by step introducing CRM for collecting information about the members of *Mercator* clubs, enabling *Mercator* to provide more personalised services and offers to its customers, and thus facilitate relationship building.

Here we can see how *Mercator* wants to engage its customers into a web of ongoing interactions, by offering them services that give cumulative and inter-related benefits. A dedicated *Mercator* customer not only buys food in *Mercator* stores, but also travels or has vacations organised by *Mercator*, uses mobile phone services provided by *Mercator*, participates in events organized by *Mercator*, etc. Such a customer is engaged in a subtle, yet all-encompassing web of interactions with *Mercator*. A dedicated customer's relationship with the store does not last merely for the short time of transaction when buying food at the store, but, instead, lasts for months or even years and engages the customer in a variety of activities and interactions. Clubs serve to build loyalty and form strong bonds with customers (Kotler and Keller 2006, 159–161). For attracting and keeping its customers *Mercator* relies on personal bonding with its customers. The goal is to have repetitive transactions along continuing relations; therefore *Mercator* endeavours to establish strong and permanent relationships between the company and the buyers.

It is important to point out that through all these strategies the relationship between buyer and seller lasts much longer than the actual transaction. As discussed earlier, a typical commodity transaction is supposed to leave both exchange parties free as soon as the transaction is over. Yet here we see that commodity exchange transactions can, in some cases, produce long lasting relations between exchange participants, which persist even after the transaction is over.

3.4.3.2. OBLIGATIONS

As described in Chapter 3.3.2.2.1., skilful sales people employ various techniques to invoke a sense of obligation in their customers. According to my observations, *Mercator* makes abundant use of such techniques. My observations are corroborated by statements by the informant from *Mercator*'s marketing department, who told me that *Mercator* sales personnel have official guidelines to be very friendly and helpful to the buyers.

At the cash register every single customer is greeted in a very friendly manner. Greeting a customer is definitely not something that only *Mercator* personnel would do; it is customary in every shop. However, in Hofer supermarkets, for instance, the greeting is very formal and quick.[78] Conversely, in a *Mercator* supermarket one is greeted in a very friendly manner, with the kind of warmth one expects from friends or relatives, not complete strangers. Here we can see an element, which is not supposed to take place in a purely impersonal and anonymous commodity exchange setting like a supermarket.

Furthermore, I have regularly observed how *Mercator* cashiers also often start a short, friendly, casual conversation, or just throw in some friendly remarks while scanning items or while the buyer is paying. I have also observed many times how the cashier has stepped from behind the cash register and helped elderly people or mothers with children to put purchased items into shopping bags. This is not just an automated, cold, impersonal selling process, which is still very typical for some other supermarkets, but a selling process that really aims at imitating the help one gets from friends (or his 'best neighbour', as *Mercator*'s slogan says). In Hofer supermarkets, one gets a completely different experience: After my sarcastic remark, which came out of my frustration of not being able to follow a very speedy cashier at the Hofer store, she replied that they are instructed to work very fast. A buyer in Hofer has to very quickly throw scanned items back into his shopping cart, especially because Hofer purposefully created a very small desk (measuring less than half a metre) for scanned goods to speed up the sales process at the cash register. There is no conversation with the Hofer cashier, just pure impersonality and efficiency, which is typical for commodity exchange.

The experience at *Mercator* cash registers is just the opposite: sometimes the relaxed attitude (and low speed) of the sales personnel and lengthy conversations between cashier and customer remarkably curtails the speed of the checkout process. Ultimately, such a strategy not only creates a feeling of obligation, but also aims to replicate the experience that a buyer would have in a small, local grocery shop, where shopkeeper and customer are engaged in a relationship.

Another strategy to create a feeling of obligation exploits people's natural tendency to accept gifts. Once accepted, a gift creates an obligation for a counter gift. Therefore, *Mercator* gives customers all sorts of small gifts. Such gifts can be given either to regular customers or to prospective customers. In any case, the gift creates a sense of obligation, which is then used not only to produce a sale, but also to engage potential buyers in an enduring relationship.

According to the informant from the *Mercator* marketing department, whenever *Mercator* opens a new supermarket, visitors receive small gifts. The informant said that *Mercator* also

[78] Again, my observation is that Hofer personnel have become very friendly since approximately the late summer of 2009, which is in stark contrast to the great impersonality they exhibited in 2008.

gives gifts at special occasions: for instance, for Christmas, buyers who made a purchase over 50 EUR received a gift in the form of a bag of tangerines.

Sample tasting represents another way of gifting customers and creating obligations. Even though (according to the informant from the *Mercator* marketing department) most sample tasting is organised directly by producers or general importers, they take place in the context of a supermarket and therefore seem to be organised by *Mercator*. A pretty young woman usually greets the buyer wherever the sampling is organised and she offers a free sample to taste. My observations show that a considerable amount of tasters actually put the tasted item into their shopping cart. Once I participated in sample testing with another anonymous male buyer, who was in his sixties. Both of us then put the tasted item in our shopping cart; when leaving, the gentleman jokingly turned to me and said, with a smile on his face, “After the girl has treated me so kindly and given me a free sample, what could I do? Just say ‘thank you’ and walk away? I simply felt obliged to buy the item.” It was obviously unbearable for him to just walk away without taking the item.

Another form of gifting that *Mercator* introduced is a 10% discount on every Tuesday purchase exceeding 50 EUR, in case the buyer made a purchase over 50 EUR on the previous Tuesday (see Figure 3. 25.).

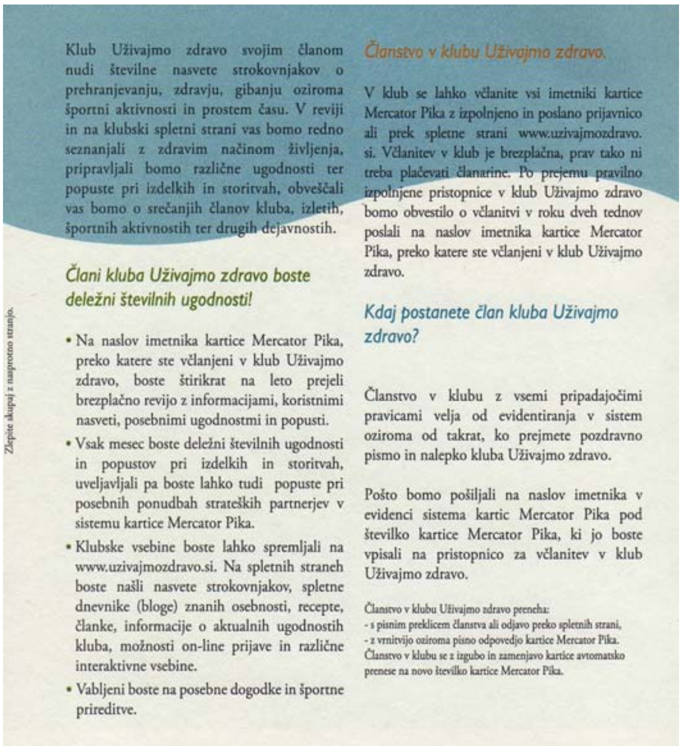
Figure 3. 25. Leaflet describing 10% discount on Tuesdays.

Source: *Mercator* 2009g. Translation: “Shopping on Tuesdays really pays! -10%, that’s it!”

Here we can see how the perpetual cycle of exchange between store and customer can be created: a customer makes a purchase over 50 EUR, and receives a gift (10% discount on his next Tuesday purchase). Next Tuesday he comes back to claim the counter-gift (the 10% discount), and gets another gift (10% discount) for his next Tuesday purchase. This is, in a way, similar to gift exchange, which produces a series of exchanges that continue as long as the relationship continues.

Offering a discount on certain products is another strategy that actually imitates transactions between friends. If a store offers a discount on certain items it is actually saying, 'Look, even though this item normally costs 100 EUR, we will sell it to you for half the price.' This kind of sale normally takes place between friends and relatives, where items are not sold at the full price, but usually at a substantial discount. *Mercator* offers various special discounts to its customers. For instance, members of *Mercator*'s club '*Uživajmo zdravo*' (Healthy living) have substantial discount for selected products (see figure 3.26.).

Figure 3. 26. Benefits for the members of the *'Uživajmo zdravo'* club.



Klub Uživajmo zdravo svojim članom nudi številne nasvete strokovnjakov o prehranjevanju, zdravju, gibanju oziroma športni aktivnosti in prostem času. V reviji in na klubski spletni strani vas bomo redno seznanjali z zdravim načinom življenja, pripravljali bomo različne ugodnosti ter popuste pri izdelkih in storitvah, obveščali vas bomo o srečanjih članov kluba, izletih, športnih aktivnostih ter drugih dejavnostih.

Člani kluba Uživajmo zdravo boste deležni številnih ugodnosti!

- Na naslov imetnika kartice Mercator Pika, preko katere ste včlanjeni v klub Uživajmo zdravo, boste štirikrat na leto prejeli brezplačno revijo z informacijami, koristnimi nasveti, posebnimi ugodnostmi in popusti.
- Vsak mesec boste deležni številnih ugodnosti in popustov pri izdelkih in storitvah, uveljavljali pa boste lahko tudi popuste pri posebnih ponudbah strateških partnerjev v sistemu kartice Mercator Pika.
- Klubske vsebine boste lahko spremljali na www.uzivajmozdravo.si. Na spletnih straneh boste našli nasvete strokovnjakov, spletne dnevnike (bloge) znanih osebnosti, recepte, članke, informacije o aktualnih ugodnostih kluba, možnosti on-line prijave in različne interaktivne vsebine.
- Vabljeni boste na posebne dogodke in športne prireditve.

Zlepite skupaj z nasprotno stranjo.

Članstvo v klubu Uživajmo zdravo.

V klub se lahko včlanite vsi imetniki kartice Mercator Pika z izpolnjeno in poslano prijavnico ali prek spletne strani www.uzivajmozdravo.si. Včlanitev v klub je brezplačna, prav tako ni treba plačevati članarine. Po prejemu pravilno izpolnjene pristopnice v klub Uživajmo zdravo bomo obvestilo o včlanitvi v roku dveh tednov poslali na naslov imetnika kartice Mercator Pika, preko katere ste včlanjeni v klub Uživajmo zdravo.

Kdaj postanete član kluba Uživajmo zdravo?

Članstvo v klubu z vsemi pripadajočimi pravicami velja od evidentiranja v sistem oziroma od takrat, ko prejmete pozdravno pismo in nalepko kluba Uživajmo zdravo.

Pošto bomo pošiljali na naslov imetnika v evidenci sistema kartic Mercator Pika pod številko kartice Mercator Pika, ki jo boste vpisali na pristopnico za včlanitev v klub Uživajmo zdravo.

Članstvo v klubu Uživajmo zdravo preneha:
- s pisnim preklicem članstva ali odjavo preko spletnih strani,
- z vrnitvijo oziroma pisno odpovedjo kartice Mercator Pika.
Članstvo v klubu se z izgubo in zamenjavo kartice avtomatsko prenese na novo številko kartice Mercator Pika.

Source: Application form for *'Uživajmo zdravo'* club, autumn 2008.

A subtle message is implied in such an offer: 'We give this special discount to you, and only to you, not to everyone. You are special, you are not just everyone; you are our valuable customer (a friend); therefore we will enable you to obtain this item at a lover price'.

The element of trust and moral obligation, which is essential in a friendly relationship, can also be seen in the fruits and vegetables section. Buyers select vegetables or fruits and then weigh them themselves. There is no sales person around who would control whether the buyer weighed the purchased fruits or vegetables correctly. Since I did not notice any control at any stage of the purchase (not even at the cash register), it seems extremely easy to cheat this system. Anyone could for instance put ten oranges in the plastic bag, weigh it, and afterwards simply add two or three oranges in the bag, thus declaring less weight and paying less. However, since this system has persisted over the years in *Mercator* supermarkets, it seems that customers do not cheat—which is rather remarkable, considering how easy is to take advantage of such a system. If people are so inherently honest, then why do other supermarkets not have this system, but instead have sales personnel who weigh selected fruits or vegetables, put a price sticker on the bag and seal it, so that no more pieces could be added to the bag?

In any case, *Mercator*'s gesture is a very nice one, implying great faith in the trustworthiness of *Mercator*'s customers. One does not steal in a friend's house; do customers feel that the *Mercator* store is not something alienated from them, but, rather, 'their best neighbour,' as *Mercator*'s slogan says? Here we might again be seeing the element of moral obligation at work.

Pointing in the same direction, we find another unique feature in *Mercator* supermarkets: shopping carts. All other supermarkets in Slovenia require a 1 EUR deposit for a shopping cart, thus forcing the customers to bring the shopping cart back to the allocated place in the store, rather than just leaving them scattered in the parking lot. *Mercator* is the only supermarket chain where no deposit is required. Customers are expected to bring the shopping cart back on the basis of moral obligation, instead of financial enforcement like in other supermarkets. One keeps things tidy in his own or in his friend's house; and if *Mercator* is 'the best neighbour', customers keep it tidy on the basis of a moral obligation towards *Mercator*. According to my observation, the majority of *Mercator* shoppers do bring the shopping cart back, which is quite remarkable (see figure 3. 27.).

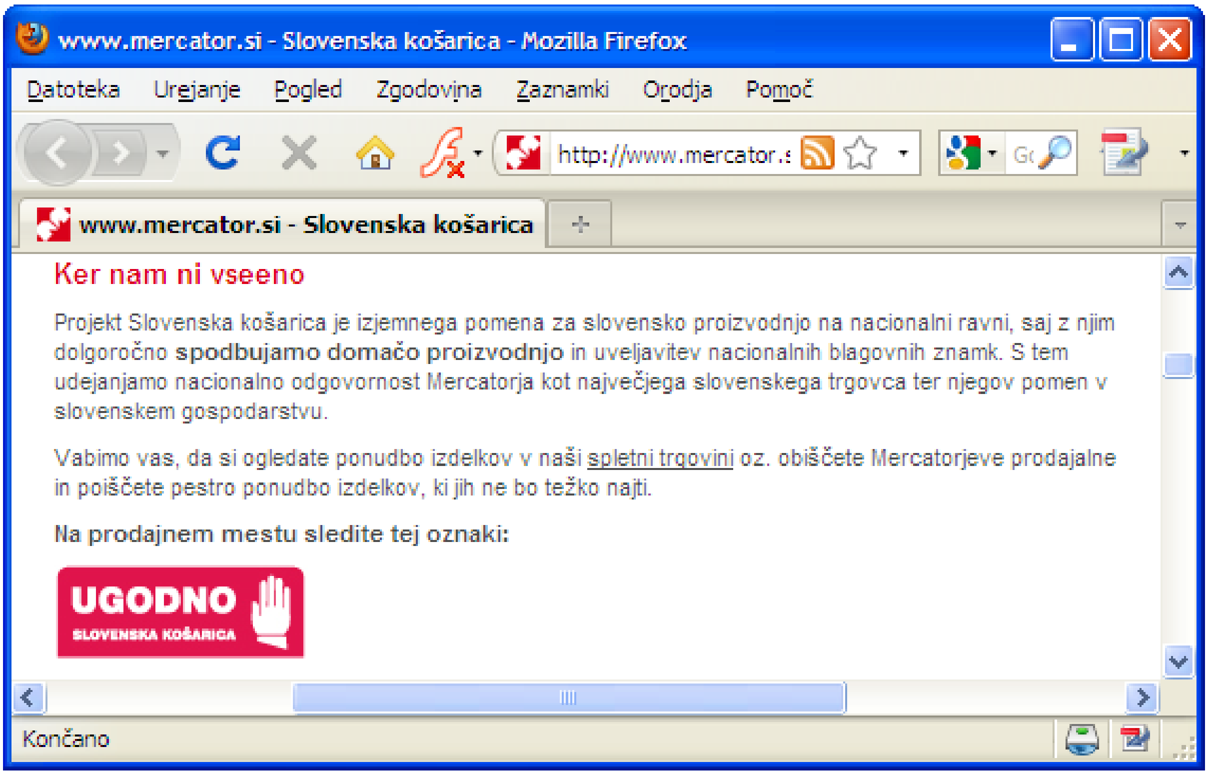
Figure 3. 27. Shopping carts.

Photo taken on 21.12.2009, *Mercator* hypermarket Ljubljana–Šiška. Customers bring shopping carts back to the front entrance of the main building.

Here a question arises: do customers bring shopping carts back simply because they are trained to do so in other supermarkets, or maybe even due to an inner sense of orderliness? To this question I would respond with another question: if people are trained, or inherently orderly, then why do other supermarkets not have free-of-charge shopping carts?

Another strategy, which creates obligations is that *Mercator* mostly sells Slovenian products. This is actually a very significant part of *Mercator*'s image and quite prominently advertised. *Mercator* promotes what it calls the '*Slovenska košarica*' ('Slovenian basket')—an assortment of Slovenian products. According to *Mercator*'s web page, the purpose of '*Slovenian basket*' is to help Slovenian producers, and to promote social solidarity and responsibility (see Figure 3. 28).

Figure 3. 28. ‘*Slovenska košarica*’—‘Slovenian basket’.



Source: *Mercator* 2009h. Translation: “Because we do care. The Slovenian Basket project is extremely important for Slovenian producers at the national level, because in the long term it stimulates domestic production and establishes national brands”.

From a purely utilitarian standpoint of commodity exchange, such altruistic behaviour is not justified. In commodity exchange both exchange participants are not interested in the welfare of others, but simply want to maximize their own gains. However, *Mercator* decided to help Slovenian producers (workers), even though the prices of their products might be higher than the prices of producers from other countries. This benevolent gesture elevated *Mercator*’s image, and established the concept that by buying in *Mercator*, one actually supports the national interest. Or in other words, one helps his neighbours, relatives, and acquaintances who might work in the industries producing the items sold in *Mercator*. If we consider the nation to be a kind of extended family, *Mercator* obviously very skilfully uses nationalistic sentiment and a sense of moral obligation to support national producers. Shopping in *Mercator* is not just a question of getting cheaper or better products (as other supermarkets claim for themselves), but rather becomes an obligation to help ‘our’ domestic producers belonging to our ‘extended’ family—the nation. Here we can again see the element of gift exchange creeping into commodity exchange: obligation based on social and moral responsibility.

Although *Mercator* was until fairly recently mostly state-owned, it is hard to say that its strategy of promoting Slovenian products was inspired by politics. There are many other state-owned companies in Slovenia, yet they do not display such social concern for Slovenian producers. Therefore it is reasonable to assume that the basis for this particular behaviour of *Mercator* was not governmental inspiration based on philanthropic reasons of helping Slovenian economy, but was created by *Mercator*. When I asked Mr. Janković to what degree the Slovenian politics was involved in creating *Mercator*'s social responsibility strategy he said, "Not even a bit." He said that as a CEO of *Mercator*, he was completely independent from political influence in his decision-making. When I asked him to what degree he was involved in creating *Mercator*'s marketing strategy, he smiled and replied, "Entirely."

He then explained to me that a good company has to help local companies and build social solidarity. He said that such social concern is not only the basis of a long-term success, but also the basis of a good reputation. In this regard he very proudly pointed out that in 2002 he received the prestigious title 'Slovenian Manager of the Year' given by Slovenian Association of Managers.[79]

Moreover, Mr. Janković was very proud that *Mercator* was also declared 'The Most Respectable Slovenian Company of the Year'.[80] In his opinion, this was a truly remarkable achievement, because across the world, supermarket chains are not considered to be the top companies in the country.

Altogether, I would say that Mr. Janković actually personally creates a family-like atmosphere and managerial structure in every company or institution he manages. It seems that his sociable personality naturally creates both a managerial structure and marketing

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[79] It has about 1.000 members, and every year they vote which Slovenian manager should receive the award. http://www.zdruzenje-manager.si/

It is also noteworthy to mention that the Slovenian business magazine *Kapital* awarded Mr. Janković the title of "Slovenian CEO of the Year" several years in a row (2003, 2004, 2005, 2006).

[80] The award was assigned on the basis of votes cast by Slovenian businessmen and business journalists in 2005. Besides that award, *Mercator* also came out as the winner in reputation among all Slovenian companies in the research made in 2000 by the 'Reputation Institute' from New York (http://www.finance.si/4611).

strategy, which include elements otherwise familiar from the sphere where gift exchange prevails.[81]

Another strategy for building and rewarding loyalty uses little stickers with the *Mercator* logo on it. For each 4 EUR spent on a purchase, the buyer gets a sticker, which he then collects on a special form. When the required number of stickers is collected, the buyer gets a reward in the form of a gift, for instance a set of quality porcelain plates or porcelain cups (see Figure 3. 29.).

Figure 3. 29. A reward for loyal buyers—a gift porcelain set.

Source: *Mercator* promotional leaflet, November 2008.

It is important to note that *Mercator* usually offered in the past a free gift instead of giving just a discount for selected item (as other supermarkets, which also use the sticker strategy, do). Many people actually ignore stickers collected at other supermarkets simply because they do not want to spend another 50 EUR for an item which is offered at a very large discount as a reward for collected stickers. It is much friendlier to offer a gift to a loyal customer (like *Mercator* usually does), than just a discount for an extra item (like some other supermarkets

[81] Since his personality seems so have great impact on whatever he does, I asked him at the end of the interview whether this particular personality trait might originate from his Serbian heritage, where the principles of the gift economy are still more prominently expressed in society. However, he (at least partially) refuted my speculation.

do). In the later case, customers might not perceive the discounted item as a gift, but rather as 'they want to sell me something again'. This might explain why in the Spar supermarkets I have always seen plenty of abandoned Spar stickers, while in *Mercator* I have never seen even a single one.[82] This particular strategy shows that *Mercator* decided to pursue an obligation to counter-gift its loyal customers.

Another post-sale activity that binds *Mercator* and its customers is customer service. Since supermarkets sell mostly items, which are of a short duration (food, beverages, sanitary items, etc.), such items do not apparently require any post-selling customer care. However, customer service has already become a standard in almost every business. In March 2008, *Mercator* was the first supermarket chain in Slovenia to introduce a toll-free telephone number for its customers. In autumn 2008 the '*Mercator* contact centre' already served over 600 customer inquiries per day (*Mercator* 2009i).

Larger *Mercator* superstores also have an information desk, while smaller stores offer customer service on the spot—either by sales personnel or by the operating manager of the store. The information desk also accepts complaints and reclamations. All this shows the obligation of *Mercator* towards its customers continues even after the act of purchase is over.

3.4.3.3. INALIENABILITY, IDENTITY

Another important feature of items exchanged in a gift economy is their non-alienation from the giver (Chapter 3.3.3.). Corollary to that feature, commodities can contain the identity of the giver (Chapter 3.3.4.) and at the same time transfer that identity (Chapter 3.3.5.).

Since *Mercator* is not a producer but only a seller, it is not really in a position to brand the products it sells. However, even the feature of inalienability can be found in *Mercator* supermarkets. At the cash register plastic grocery bags are offered (or sold), all bearing a prominent *Mercator* logo (see Figure 3. 30.).

[82] In 2009 *Mercator* started to offer heavily discounted items instead of a free gift. Since then I have started to notice leftover stickers at the cash registers. Before, I would always take a sticker (even though I never collected them or claimed the gift). With the new policy, I hardly ever took one.

Figure 3. 30. *Mercator* shopping bag.

Photo taken on 21.12.2009.

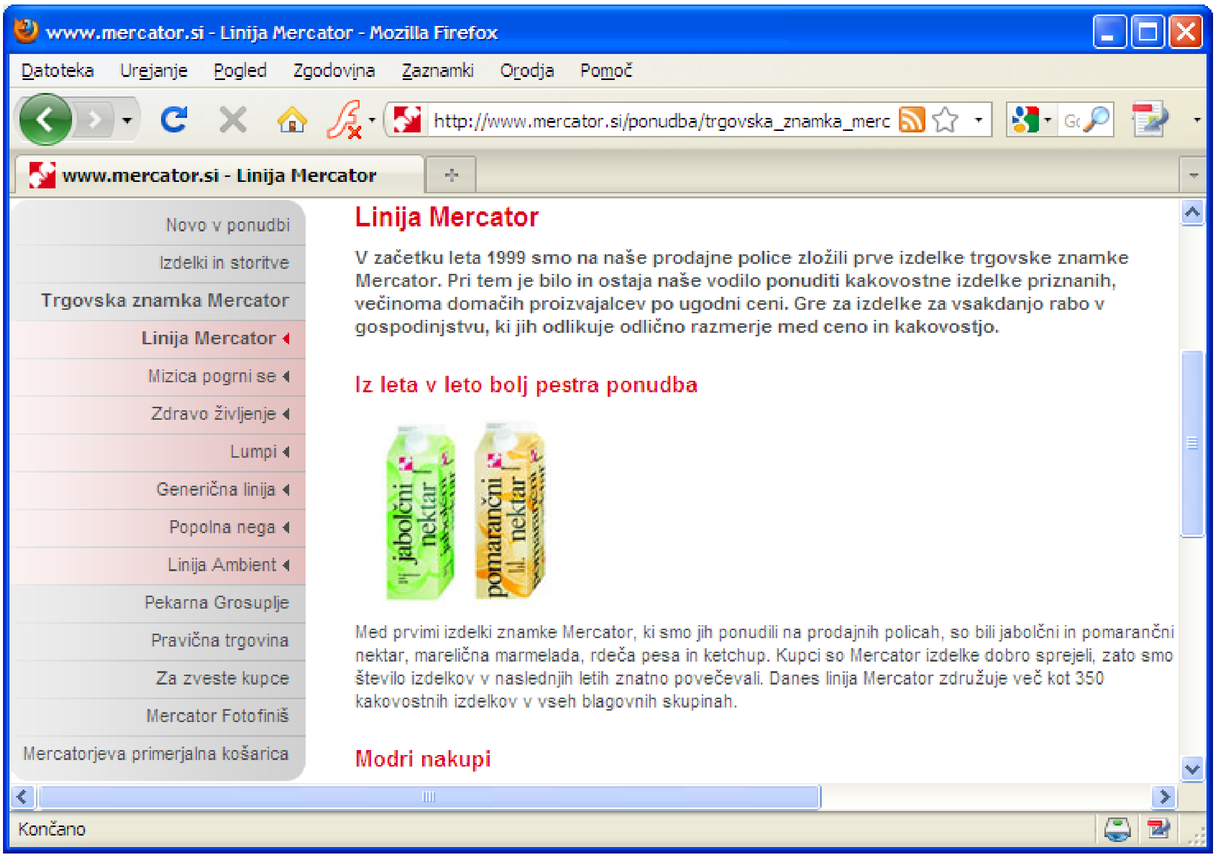
When a buyer leaves the shop, his shopping is thus marked with the identity of *Mercator*. It is therefore clear where the items were bought: in *Mercator*, and not in any other store. It is important to note, that some people take pride in shopping in *Mercator* only; I personally know several people who say they would never even step into a Hofer or Lidl store. Plastic bags are therefore a means for them to display they were shopping in *Mercator* and not in any other supermarket. In this manner *Mercator* makes its services and items sold inalienable. Even after the act of purchase is over, the transaction is marked with the identity of *Mercator*. *Mercator* also sells its own line of products in recognizable packaging (see Figure 3. 31.) and marked by the *Mercator* logo (*Mercator* 2009j).

Figure 3. 31. A *Mercator* brand product.

Photo taken on 21.12.2009.

Mercator has 7 private label lines (see figure 3. 32.), which include 2,223 products in Slovenia alone (*Mercator* 2009a, 15).

Figure 3. 32.Web presentation of seven lines of *Mercator* products.



Source: *Mercator* 2009k.

Even though these items were not produced by *Mercator*, they bear its mark. *Mercator* takes responsibility for the quality of these items as if it were the actual producer. Many products are thus branded by *Mercator* and in this way inalienably tied to *Mercator*. Here we can see once more the element of inalienability, which is otherwise characteristic of a gift (as discussed in Chapter 3.3.3.).

3.4.4. CONCLUSION

Mercator is trying to establish an image of a store where you get friendly help—something you would otherwise expect from your best neighbour. This corporate image of *Mercator* is in stark contrast to the images of other supermarkets in Slovenia, which mostly offer the conventional impersonal images of superstores. *Mercator* aims to bring its stores close to its customers and present itself as a friend, engaging its customers in long-term relationships through various strategies, which is one of the indicators of gift exchange.

Since supermarkets mostly sell small, disposable and relatively low-cost items, supermarket represents a commercial environment where relationship building is rather difficult to achieve. Other companies, which sell more expensive items (for instance cars) or companies which sell services, have far more opportunities for incorporating CRM and relationship marketing into their sales, and can therefore use even more features of gift exchange in their marketing practices.

However, *Mercator* skilfully employs various gift-giving techniques for attracting customers and engaging them into long-term relationships, which might be one of the reasons for its success and the largest market share in Slovenia. As mentioned earlier, *Mercator* is publicly considered to be the most expensive of all supermarkets present in Slovenia. With the exception of the *Tuš* supermarket chain, which is 100% privately owned by the richest Slovenian,[83] all the other supermarket chains in Slovenia are foreign corporations. Not surprisingly, they all compete on price, offering 'the best bargains.' Since *Mercator* is a Slovenian company (which was until recently partly state owned), it was in a position to introduce a sense of communal sentiment into its marketing strategy, contrary to other supermarket chains, which were just 'foreigners' looking to make a trade. For a foreigner, price competition is the most natural strategy, because with foreigners, where "the social distance" is at a maximum (Sahlins 1972), you do commerce. Other supermarket chains present in Slovenia (E. Leclerc, Hofer, Lidl, and Spar) are all 'foreigners', with whom you trade, while *Mercator* is 'the best neighbour'—your local friend.

We can see that even though *Mercator* is the largest supermarket chain in Slovenia, it abundantly and successfully utilises elements belonging to the sphere of gift exchange: an anthropomorphized corporate image, relationship building, creating various obligations and cycles of exchange, inalienability, community building, etc. As I said at the beginning, a

[83] Mr. Mirko Tuš, who established the second larges supermarket chain— *TUŠ*, keeps his private life completely closed from the public. He has never given a single interview and appears in public extremely rarely. Very little is known about his private life and he strictly does not mingle, neither with common people nor with others. He does not even show up at gala events where the Slovenian jet-set strives to appear at all costs. As such, he is a striking contrast to Mr. Janković, who is open to the public. For instance, even though Mr. Janković is one of the richest people in Slovenia, a person who works around the clock and currently holds the position of mayor of Ljubljana, I had absolutely no problem in making an appointment with him for the interview—it took me less than one day to schedule a meeting with him.

supermarket is something that embodies impersonal and anonymised commodity exchange. The very fact that a major Slovenian supermarket chain (as a representative of hardcore market exchange businesses) is using so many elements of gift exchange shows that through marketing practices contemporary commodity exchange can be modified to contain features of gift exchange.

4. DISCUSSION, FINDINGS AND CONCLUSION

4.1. DISCUSSION

The West often takes pride in its achievements and considers itself to be more evolved and progressive than past societies or other non-industrialised societies. For a Westerner the gift economy belongs to the 'archaic' domain of exotic, 'underdeveloped' societies and of our own past, which was still 'undeveloped'. In the light of such common evolutionary thinking, a market economy thus represents a higher, more complex mode of economic exchange. The market economy is supposed to be free from 'primitive superstitions' that would characterize gift economies. Therefore, for a modern reader, Mauss' essay on the gift often seems to describe primitive societies with strange customs, where activities are governed by irrational magical thought and superstitions.

Yet, research in disciplines such as social anthropology, social psychology, and behavioural economics has demonstrated that industrialised societies are not based solely on pure rationality, but display 'irrational' and 'archaic' ideas and actions as well. In many cases, we are not consciously aware that our conduct is actually rooted in pre-industrial, pre-scientific practices.

This can be used and exploited, for instance by marketing. According to Adcock, "[i]t could be argued that marketing is about moving a purchase evaluation away from the rational economic base—what Doyle (1994) described as decommoditizing, that is creating non-economic reasons for purchase" (Adcock 2000, 202).

Twitchell (1996, 31–32) has offered a provocative and interesting view on advertising: he proposed that in modern society, advertising has substituted religion in its role as the organizing principle of society. According to social anthropologist Platenkamp, "market commodity exchange, just like gift exchange is a ritually enacted process of establishing socio-cosmological relationships … Cosmological because the transaction reconstructs time and again a system of relationships implicating the exchange partners in a universe of values that transcend the lives of each individual person" (Platenkamp 2006, 27).

Therefore, industrial societies are not so dissimilar to 'primitive' societies as we like to think. There are numerous 'pre-modern' practices that survived the industrial revolution and only changed in appearance, while maintaining their importance. Cheal (1988, 6) has already warned that gift giving in the West should not be marginalised, because gift giving in industrialised societies is so extensive that it should not be dismissed as something that belongs only to pre-modern societies.

As discussed in Chapter 2.2.1.2., the growth of capitalism resulted in an increasing alienation of producers from their products. Carrier (1995, 11) has noted that although the onset of industrial capitalism enhanced the alienation of objects, relations, production and trade, people's needs for more personal relationships with objects did not decrease. He described how people in industrial societies tend to convert impersonal commodities into personal possessions through a process of appropriation, where people infuse commodities with their personal identities through usage and other means (Carrier 1995, 106–125).

He has also noticed that such processes of appropriation are not only enacted by individuals, but by companies as well. He has demonstrated how some mail-order catalogues refer to such processes by endowing commodities with an aura of possessions and allowing potential consumers to believe they are switching from commodity exchange to a gift economy. He suggested that companies achieve this by means of connecting commodities to their makers, by connecting the commodities to the person who is selling them, or by connecting the commodities to their users (Carrier 1995, 126–144).

However, my analysis reveals that contemporary commodity exchange actually contains other elements of gift exchange, in addition to those already described by Carrier. As discussed in Chapter 3.1.1., from the 1950s onwards, marketing has been forced to evolve from the impersonal concepts of'production', 'product' and 'selling', to the customer-centred 'marketing concept'. Recently, it has developed into so-called 'relationship marketing', which aims to establish strong and lasting relationships with customers. In a saturated market companies had to develop new strategies for selling their products and services. These strategies sometimes include moral elements, which are usually attributed to gift exchange. Since elements of gift exchange are used for commercial purpose, such strategies institutionalize the morality of the gift in order to increase profits.

Contemporary marketing activities thus tend to turn the mass-market activities, which were prevalent before the 1980s, into new approaches. They actually imitate selling practices from more than a hundred years ago, when sellers still knew their clients by name. In particular, the fast development of the Internet has enabled marketers to personalize their selling approaches and thus fulfil customers' desire for personalisation (Locke et al. 2000). Many new ways of selling and promoting consumer goods contain elements, which traditionally belonged to the domain of gift exchange.

For instance, nowadays firms often like to create the impression that the only purpose of their business is to selflessly provide service, not make money. It is common that a catalogue begins with a personal introduction from the CEO (with his photo and his signature at the end of his letter) in which he explains that the only purpose of his company is to offer the best possible service to valued customers and to help them solve their problems (see Appendix E).

Although such marketing strategies were primarily invented with the goal of increasing the profit of producers and sellers, they also have an advantage for customers. For even though commodity exchange has its benefits, such anonymous and alienated exchanges also have certain disadvantages and potential dangers. One of them is that it is vulnerable to possible exploitation and cheating.

As discussed in Chapter 2.2.1., market exchange is characterised by selfish behaviour without considerations about balancing the exchange. It is supposed to be an exchange between strangers who, once the transaction is over, will never again see each other again, and hence have no reason to behave in the interest of the other. Exploitation, suspicion, material gain, and pure self-interest dominate market exchange. It constitutes a context, in which each side simply wants to maximise its own advantage. Therefore, according to Sahlins, market exchange does not represent 'balanced reciprocity' but 'negative reciprocity' (Sahlins 1972, 195).

In the neoclassical model of economics (discussed in Chapter 2.2.1.4.), a person wants to obtain as much utility as possible for as little investment as possible (due to scarce means and budgetary constraints). According to this logic, if someone is able to get something for nothing, he will gladly do so, especially since he is dealing with strangers. Exchange based on 'negative reciprocity' thus presupposes a minimum amount of trust and cooperation between exchange participants. Conversely, in gift relations people know what to expect from others. Even though they do not have any formal contracts, which would oblige them to reciprocate the gift, and no formal institution, which would ensure compliance to the norm of reciprocity, people still act according to such expectations.

However, only in small-scale societies is it possible for all members to know each other. As discussed in Chapter 2.2.2.5., an individual cannot have an unlimited number of genuine relationships, but probably only up to the certain limit. Therefore, an individual does not pursue relationships with thousands of people, but rather focuses on several selected persons only.

Conversely, in contemporary mass societies, it is impossible to know everybody. This creates the problem of trust in exchange transactions, because people do not know what the motives of others are. In such circumstances, societies had to invent other solutions for reducing the risk and building trust among exchange participants. It probably comes as no surprise that besides formal contracts and legal obligations, some of these solutions may utilise elements of gift exchange, which is an extremely effective mechanism for creating alliances and building trust. It seems that gift-giving behaviour is so deeply embedded in our societies that even commodity exchange, which is supposed to be a completely impersonal kind of exchange, cannot avoid certain features of gift exchange. As Cheal (1988, 86) has pointed out, social reproduction "necessarily includes altruistic behaviour within moral economies, which is why no society has ever existed on the basis of a purely political economy." In his discussion of economic behaviour in markets, social and economic anthropologist Plattner suggested that "reciprocal economic relationships reduce risk in transactions that would otherwise be too uncertain or expensive to undertake" (Plattner 1989, 209). This insight is echoed in the discussion of economic anthropologist Narotzky on trust as "essential for the realisation of exchange" (Narotzky 1997, 55).

My suggestion is that reciprocity and gift giving are such fundamental aspects of any social system that even a market economy cannot completely ignore them. Gift giving and reciprocity create trust and social cohesion, which are important even in impersonal market exchanges. The result is that marketers are using various techniques that contain features of gift giving, probably without having a clear idea where these traits come from. These strategies enable consumers to reduce the risks, which are naturally involved in the 'negative reciprocity' of impersonal commodity exchange. There may be all kinds of risks that a customer wants to avoid: the economic risk regarding the price, the functional risk concerning product performance, the risk regarding a positive-negative product experiences, the psychological risk concerning one's self-identity to which the product contributes, and the social risk regarding one's social image that the product helps construct (Kapferer 2008, 1). Since social relationships are an effective and natural way of reducing risk, strategies, which involve features of gift exchange, thus help consumers to build trust towards manufacturer, seller and product.

Relationship marketing provides the buyer with significant advantages, such as increased control and reduced transaction costs (Buttle 1996, 8). Another reason such strategies are perceived as beneficient is that people have both less time and more choices to make; brands therefore offer a way to reduce risk and make decisions simpler (Jacoby et al. 1977). In general, for a customer it is more convenient to be loyal to an old supplier, than to switch to a new one. If the customer wants to receive the same level of service from another supplier, the customer first has to spend time and effort to inform the new company of all his demands that the previous company had already learnt through their mutual interaction (Peppers and Rogers 2004, 20, 58). If the company performs well and builds up a good relationship, the customer's costs of changing suppliers will be too high.

We know this from our everyday relationships, where an interpersonal relationship does not only bring obligations, but also quite a few benefits. Once we have established a relationship with someone, it is convenient to stay in it, because we know what to expect from our friend, what his preferences are and how to behave towards him.

It appears that the purely anonymous mode of commodity exchange is actually something of an exception, because in general, most commodities are branded in one way or another. We do not buy mineral water, but water from a specific producer; we do not buy generic bread, but a certain type of bread produced by a respected bakery.[84] And we prefer to buy it from a supplier we trust. Consumers want to know what they are buying and who the producer is. There are some shops that sell no-name products for a bargain price, but these are only attractive to people who cannot afford to buy better and more expensive products. Usually shops prefer not to sale no-name products, but instead offer branded products, the quality of which can be inferred from the producer, which are infused with some symbolic and intangible elements as well.

Barnes (2000, 105) admits that we do not completely understand the motivations of customers pursuing a relationship with a given company, whether all buyers want to do so, and whether this is more important for certain market categories. It is obvious that sometimes we prefer to be an anonymous buyer looking for the best short-term deal only, and that not all businesses profit equally from relationship marketing. If there are many customers, low profit margins and high sales volumes, businesses might have difficulties in implementing relationship marketing (Barnes and Open University 2000, 108). However, as my case study in Chapter 3.4. shows, even a supermarket, which epitomizes the alienation and de-personalisation of commodity exchange, can successfully incorporate elements of gift exchange in its sales strategies.

Barnes proposes that seeking a relationship might be more important and beneficial when transaction costs are higher, because in that case relationships reduce the risky and possibly stressful situations entailed in transactions with unknown people (Barnes and Open University 2000, 105). It is understandable that a buyer is highly concerned about all aspects of a

[84] And, as the example of *Mercator* shows, even bread can have personal names.

transaction (who is the producer, who is the seller, etc.) when purchasing a 20,000 EUR automobile. There is simply too much money at stake to treat the automobile as a purely anonymous, completely alienated commodity, which does not involve any relationship or non-financial obligations. When purchasing expensive commodities, the risk is greatly reduced by introducing features of gift exchange: inalienability, transfer of a producer's identity, moral obligations and a relationship. However, buyers very often prefer this kind of exchange over purely anonymous commodity exchange even for smaller and dispensable commodities like clothes, food, drinks, etc.

4.2. FINDINGS

As discussed in Chapter 2.2.3., several scholars have already pointed out that the distinction between gifts and commodities is not as sharp as it was believed. In my research, I extended Carrier's analysis (Carrier 1995) and demonstrated that under certain conditions, and in a more general sense, contemporary commodity exchange activities, as prescribed and described by contemporary marketing textbooks, can contain features of gift exchange. The research question of my thesis was:

Do methods of contemporary marketing, as described by marketing textbooks, add to commodity exchange features of gift exchange and if so, under what conditions?

I have analysed principles, ideas and practices of commodity exchange, as described by selected marketing textbooks, along five dimensions (Chapter 3.1.4.), which distinguish commodity exchange from gift exchange in the Maussian model. In my thesis, the null hypothesis, representing the dichotomous model of exchange was:

Since gift exchange and market exchange represent two dichotomous and strictly separated modes of exchange, market exchange transactions can never contain any traits of gift exchange.

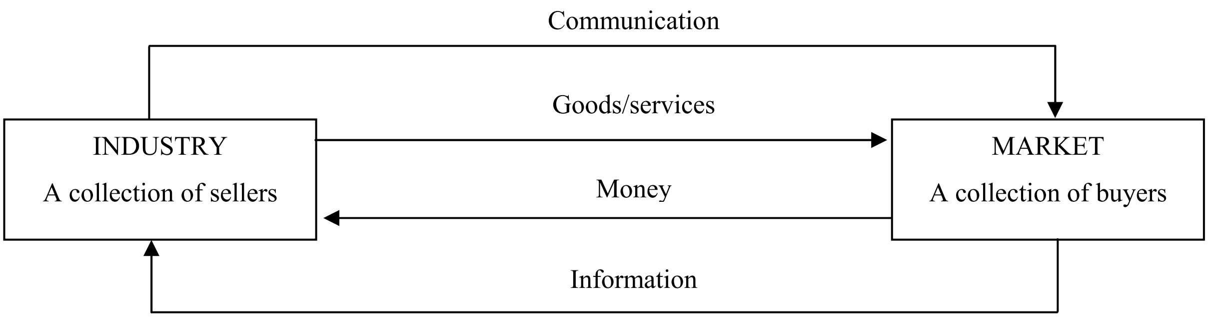
My research hypothesis was:

Under certain conditions, market exchange relations contain features of gift exchange.

My analysis shows, that contemporary commodity exchange, as prescribed by contemporary marketing textbooks, often contains features of gift exchange. Therefore, commodities in the contemporary market are usually no longer pure representatives of what was considered to be characteristic of commodities in a dichotomous model: anonymous products, alienated from the producer and the seller, devoid of all social and moral obligations. Due to the

development of marketing strategies in recent decades, the role and nature of commodities has changed significantly. As a result, pure commodity exchange is rather hard to find.
Nowadays, buying a commodity is seldom representative of ideal commodity exchange, involving an anonymous producer and a transaction that has no past or future interaction. Most often there are other elements involved: parties form relationships, obligations, a sense of loyalty, emotions and also exchange identities. Very often it is no longer possible to detach commodities from transactors and their relationships, however vague they might be. Companies frequently aim to create strong and permanent social bonds between buyer and seller by introducing various elements of gift exchange into their sales strategies.
The traditional view of market exchange can also be seen in the diagram offered by Kotler and Keller (see Figure 4.1.), where the sellers send communication (ads, direct mail) and goods/services and receive money and information (attitudes, sales data) from buyers.

Figure 4. 1. Kotler and Keller's schematic representation of market exchange.



Source: Kotler and Keller 2006, 11.

My research suggests that the view of commodity exchange, as depicted in this diagram, should be updated, because, as in gift exchange, buyers and sellers also exchange symbolic elements, obligations, identities, etc.
In Chapter 3.3.1., I have analysed the validity of my first sub-hypothesis which stated: Under certain conditions, market exchange transactions create relations between exchange partners that carry the properties of gift exchange relations.
I have found that commodity exchange can, under certain conditions, generate a type of relationship between the exchange participants. The expanding field of 'relationship marketing' treats relationships as a central part of building a successful business. Relationship marketing holds that a relationship with customers brings long-term profit and benefits to

both parties and is therefore more important than the individual transaction. Therefore, maintaining existing customers is considered more important than just acquiring new customers with whom one maintains only a fleeting transactional relationship (Tapp 2005, 210). I have demonstrated that such market relationships fulfil the selected criteria of a relationship. Such commodity transactions not only bind transactors for the duration of the actual transaction, but also aim to establish a long-term relationship between the exchange partners. In such a case, the relationship between buyer and seller lasts much longer than the actual commodity transaction itself.

For both exchange parties, establishing such long-term relationships is actually quite convenient. The producer (or seller) will have loyal customers, while customers also benefit from such a relationship: they are served better, in a more personalised way, and even after the transaction is over, they receive the support and customer service.

We thus can see that contemporary commodity exchange, as prescribed by modern marketing, often aims at creating long-term relationships between buyer and seller, which is one of the characteristics of gift exchange.

In Chapter 3.3.2., I have analysed the validity of my second sub-hypothesis which said: Market exchange relations of the type specified in sub-hypothesis no. 1, create social obligations as a kind of moral debt between exchange partners.

My analysis shows that the view, which treats commodity exchange as atomized and performed by socially unrelated individuals that have no lasting moral obligations after the act of transaction is over, is incomplete. Commodity exchange has significantly changed in recent years, and nowadays almost always, in some way or other, involves mutual social or moral obligations among exchange participants. In Chapter 3.3.2., I have discussed how personal selling, business gifts, 'Customer Relationship Management', and customer service create obligations that last longer than the actual transaction itself. I have also discussed how producers and sellers have a definite obligation towards the customers to maintain (or even improve) the level of quality of their products and services. And finally, I discussed how brands create obligations on a more symbolic level, beyond the context of direct interactions between buyer and supplier.

My analysis shows that under certain conditions contemporary commodity exchange transactions, as prescribed by modern marketing, tend to create mutual social or moral obligations between buyers and sellers (or producers)—once again a characteristic of gift exchange.

In Chapter 3.3.3., I have analysed the validity of my third sub-hypothesis which was: Under certain conditions, commodities manifest a form of inalienability from the giver (i.e. the producer or the seller).

I have found that nowadays most commodities are not just plain and anonymous items. It is only very rarely that we can buy a generic product; that is, a product with a basic label, without a brand name or advertised identity.

Branding adds to the commodity's information about its producer. It attributes properties to the commodity that cannot be alienated from the producer or the product. Brands allow consumer to identify the producer and therefore help to assign responsibility for a product or service to a particular manufacturer or seller. A product is thus inalienably stamped with the mark and identity of its producer. Especially in the case of the 'branded house' strategy, where a corporate brand serves as the basis for all the sub-brands or products, the inalienability of a producer from its products is conspicuous and unmistakable. The inalienability of the product from the producer is both legally and symbolically assured. No one can take away either the brand or the trademark from the producer, nor mistake the product as belonging to another producer.

My analysis thus reveals that commodities can, under certain conditions, manifest a form of inalienability that is otherwise one of the characteristics of a gift.

In Chapter 3.3.4., I have analysed the validity of my fourth sub-hypothesis which said: The inalienability of commodities specified in sub-hypothesis no. 3 entails that such commodities embody a quality of the giver (i.e. the producer or the seller).

I have found that often commodities are not alienated, anonymous items, but contain the identity of their producer or seller. Branded commodities always, in one way or another, identify the producer: his reputation, public image, quality, etc. Moreover, as with gifts whose the sentimental and emotional value exceeds the value expressed in their price, branded commodities display a similar property: they have additional value, which is expressed in the notion of 'brand equity'.

It was also demonstrated that, like personified gifts, branded commodities also have a 'brand personality'. And while, according to Mauss, the power of the gift ultimately derives from a higher cosmological principle (such as the Maori concept of *hau* of the forest), contemporary advertising often presents a product, not in terms of its utilitarian features or benefits, but rather in the similar context of a very general idea, or sometimes even an ideal. In such advertisements the product derives its identity, reputation and credibility from its association with an abstract idea or ideal, while the producer is mentioned only as a secondary reference.

As the *hau* of the forest animates the gift with an immense power, so such advertisements infuse commodities with something that is far beyond and above the sheer material utilitarian value of the object itself.

In Chapter 3.3.5., I have analysed the validity of my fifth sub-hypothesis which stated: The quality of the giver, which is specified in sub-hypothesis no. 4., is imposed as an aspect of the identity of the giver upon the receiver.

In Chapter 3.3.5., I have discussed how people believe that personal possessions carry on the identity of the previous owner and transfer it to the new owner. Therefore, Mauss maintains that the gift economy not only provides for the exchange of material objects, but also provides for the exchange of aspects of the identity of those, who participate in the exchange.

Unlike gifts, commodities are supposed to be alienated from the producer and therefore devoid of such a capacity to transfer the identity of the giver (producer or seller) to the receiver (the buyer). Commodities are supposed to be inert, lifeless objects, compared to gifts, which are infused with qualities of the giver or even human-like characteristics.

However, commodities are usually no longer just anonymous objects. Branding infuses the commodity with symbolic characteristics, which not only distinguish the branded commodity from other similar items produced by other manufacturers, but also connects the product to a producer's identity.[85] Very often, then, commodity exchange serves a much larger purpose than just providing someone with subsistence items. In many cases it actually aims to affect the identity of the buyer. Various authors have discussed how contemporary advertising transforms commodities into carriers of meaning. Consumers utilise brands for building their self-identity, a process in which the identity of the producer is transferred to the identity of the product, and then utilised by the consumer in this process of identity formation. Since people frequently utilise commodities for constructing their self-identity, marketers often endow products with qualities, which contribute to it. These studies have important consequences for our understanding of the gift-commodity dichotomy because they show that commodities are also capable of transferring identity from the giver to the receiver.

In chapter 3.3.5., I have also discussed how, as in the case of gift exchange, in which the identities of giver and receiver are interchanged, in commodity exchange the transfer of

[85] This connection to the producer can be more or less prominently expressed, depending on which branding strategy is used. However, even when a product is branded independently, there is a traceable connection to the manufacturer and its identity.

identities is also bi-directional: the identity of consumers, who belong to a specific target group, also affects the identity of the producer—its logo, promotional material, products, etc. My analysis shows that contemporary marketing practices, as prescribed by marketing textbooks, have features that allow them to be compared with gift exchange.[86] On all five

[86] Just for the sake of discussion, we can raise the following question: since contemporary commodity exchange often includes elements of gift exchange, can we find—at least to some degree—further parallels between gift exchange and commodity exchange? If commodity exchange—at least in some cases—resembles gift exchange, who in such types of commodity exchange plays the role of the giver and who plays the role of the receiver?

In the case of gift exchange the answer to this question is clear: the giver is the one, who initiates the exchange and sets the first step. The receiver then decides whether to accept or reject the gift and thus becomes obliged to the giver.

In commodity exchange, the buyer is the one who takes the first step towards the transaction. He voluntarily comes to a shop, buys something and thus initiates the exchange. The initiating role of the buyer, who can be compared to the gift giver, is also evident from the fact that in most cases the buyer first pays and only then receives the purchased item (but not always; often one pays only after having received the goods or services. For instance, in restaurant you get food first, and pay after). In most cases, the flow of exchange is therefore from the buyer to the seller, and then back from the seller to the buyer.

After the initial exchange is over, the obligation is now on the side of the seller towards the buyer. The seller has to provide customer service, take care of maintaining or improving the quality, etc. Even though the seller received the payment, he continues to have some future obligations towards the buyer (the initial giver). If the seller fulfils his obligations, he will have (ideally) a loyal customer. In that case the obligation is again with the buyer, who has become engaged in a relationship with the seller, or even a member of the 'brand community'. He is then supposed to maintain his position with future repeated purchases or with other activities (club membership, etc.), continually confirming his place in the relationship with the seller, company or brand. In other words, the buyer becomes obliged to the seller to re-purchase, because only in this manner can the buyer maintain his relationship or even his membership.

Even though this comparison is not applicable to all commodity exchange situations, it is still interesting to draw further parallels with gift exchange. According to Mauss, obligation to give a gift does not mean that giving a gift is always obligatory. When people form a new relationship, the very first gift is actually given voluntarily. For instance, the initial gift in the *Kula* exchange cycles, called the '*vaga*', is free and voluntary (Mauss 1954, 25). If someone wants to receive the *vaga*, he might try to sweet-talk his prospective future partner, who is still free. Once exchange participants enter into a relationship, however, all consequent exchanges are then governed by the threefold obligation of giving, receiving and reciprocating. Also Simmel has pointed out that the initial gift "has a voluntary character which no return gift can have. For to return the benefit we are obliged ethically; we operate under a coercion" (Simmel 1950, 392)

Similarly, in commodity exchange the first purchase is also voluntary. The seller wants to receive the *vaga*—the initial purchase from the buyer by flattering him through advertising and other strategies. If the relationship between buyer and seller is then established, obligations become part of the newly emerged relationship.

dimensions, which distinguish gift exchange from market exchange in the Maussian model, contemporary market exchange, as prescribed by contemporary marketing textbooks, can actually contain basic features of gift exchange: it can create relationships among exchange participants; it can create mutual moral and social obligations among exchange participants; commodities can contain the identity of the original owner (the producer or the seller); this identity can not be alienated by the new possessor; and finally, there can be an exchange of identities between exchange participants. Therefore, the research findings support my research hypothesis and reject the null hypothesis.

To find out to what extent the normative prescriptions of marketing textbooks are followed in practice, I have done a case study. I have purposefully decided to research a case, where features of gift exchange are most difficult to find. Since supermarkets embody impersonal and anonymised commodity exchange, I have analysed the marketing practices of the largest supermarket chain in Slovenia (*Mercator*). The results show that *Mercator* makes extensive use of various gift giving elements in its marketing: an anthropomorphized image of corporation, relationship building, creating various obligations and cycles of exchange, inalienability, community building, etc. This case study practically illustrates and demonstrates that even in the most hardcore commodity exchange environment, commodity exchange can be modified to contain features of gift exchange.

4.3. CONCLUSION

My analysis reveals that, despite a consensus that capitalist markets and commodity exchange depend primarily on an impersonal, rational economic logic, contemporary marketing tends to infuse market exchange transactions with features of gift exchange. Therefore, commodities are not always pure objects of exchange, transacted in assumedly impersonal market relations, but often give rise to relations that resemble those of gift exchange.

As discussed in Chapter 2.2.3.3., several scholars have criticised gift exchange as being inherently gain oriented, and as such, not substantially different from commodity exchange. I still maintain, however, that the traditional social-anthropological conceptualisation of gifts and commodities remains a valid and useful model, and that gift exchange and commodity

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However, these parallels should not be overstretched. As O’Malley and Tynan have pointed out about buyer-seller relationship, “[e]ach party to a relationship may take the initiative in seeking a partner, and either party may attempt to specify, manipulate or control the transaction process. Thus, ‘this process is not one of action and reaction: it is one of interaction’ (Ford, 1997, p. xi).” (O’Malley and Tynan 2003, 36).

exchange represent two different types of exchange. On the one hand, the primary purpose of gift exchange is to establish a social relationship between exchange participants. On the other hand, the primary purpose of commodity exchange is the exchange transaction itself, in which both parties either barter or exchange money for some other valuable items. In the course of this exchange, a relationship may develop as an epiphenomenon that lubricates the exchange itself. In gift exchange, the exchange of gifts facilitates the establishment of relationships. Conversely, in commodity exchange, a relationship is something that facilitates exchange—it is a means to an end, a business strategy. Therefore, relationships in commodity exchange are clearly business oriented: both exchange parties seek a concrete gain from the commodity transaction. Even though contemporary marketing strategies may include or resemble features of gift exchange, the main purpose is still making money and not relationship building as is the case with gift exchange.

There is yet another important distinction between gift exchange and commodity exchange. In gift exchange, there is no immediate payment involved. The recipient becomes indebted to the giver, who has no formal guarantee that he will ever receive anything back: in gift exchange it is often undefined (in the case of 'generalised reciprocity') how much the receiver will get back through the counter gift or in what form.[87] This is in stark contrast to commodity exchange, in which the compensation is established precisely, down to the penny equivalent, at the time of transaction. Commodity exchange establishes a well-defined quantitative relationship between the objects exchanged. The company's (and customer's) obligations are well-defined and known in advance: the buyer's obligations can be paid either with another object/service (barter) or with money; it can be paid immediately or postponed in the form of a credit. Even the seller's future obligations (customer service, maintaining brand image, research and development, etc.) are actually already pre-calculated and included in the price paid for the item. If a company would like to surprise the buyer by giving him more than what was initially promised,[88] it would run into difficulties, because in such a case the company would actually have to understate its offer, and by doing so diminish its competitive advantage against the offers of its competitors.

Therefore I do not claim that commodity exchange and gift exchange are identical, nor do I promote the idea that commodity exchange always contains features of gift exchange. I

[87] Many gift exchange systems have quite specific rules about the nature and quantity of the reciprocal gifts; it is just that these rules are not contractual and not codified.

[88] Which is otherwise possible, and a normal practice in gift exchange.

simply suggest that, under certain conditions, we can find features of gift exchange present in commodity exchange transactions. Although the Maussian model of gifts versus commodities is heuristically useful, in reality things are not so straightforward. As Carrier has pointed out, gifts and commodities represent two poles of a continuum, while individual transactions may be positioned anywhere between these two extremes (Carrier 1995, 190).

As discussed in Chapter 3.1.4., my analysis was based on one particular theoretical framework and has paid most attention to the principles, which establish reciprocity. My operationalisation therefore skipped some other salient features of gift exchange, for instance the establishment of social cohesion, social control, hierarchisation of social statuses, etc., which is to some extent a shortcoming of my analysis. My operationalisation is definitely not the only possible operationalisation of gift exchange. There are other possible operationalisations of gift exchange and I hope they will be the subject of future research.

As an original contribution to scientific knowledge, my research shows that the extensive gift giving, and other 'pockets' of the gift economy discussed in Chapter 2.2.2.5., which exists in industrialised societies, are not the only remnants of a gift economy that (according to Mauss) used to pervade all societies alike. My analysis of contemporary marketing indicates that also marketing and selling practices often contain traits of gift exchange, which infuse the presumably impersonal, alienated commodity exchange transactions with features of gift exchange. Therefore, the sharp and dichotomized distinction between gifts and commodities is nowadays often blurred. If commodities were traditionally considered to be alienated, de-personalised and anonymous objects, contemporary marketing increasingly de-alienates and personalises them: companies invest great efforts into differentiating their products, thus de-commoditising them and infusing them with presumably unique qualities or even personal characteristics. Therefore, it is nowadays difficult to find undifferentiated, anonymous commodities at all. Almost everything for sale on the market is presented in one way or another as unique and endowed with its own 'personal' attributes. Even a can of motor oil or a bottle of water is presented as representing some unique symbolic value that distinguishes the product from all other similar products. My analysis of marketing textbooks shows that these new marketing ideas and practices are well established, and are replacing the traditional principles of conventional transactional marketing. Furthermore, contemporary marketing textbooks transmit these new principles to new generations of marketers. In this manner, such marketing practices, which incorporate features of gift exchange into market exchange transactions, are becoming standard procedure.

Even though some marketing theorists explicitly connect gift exchange with contemporary marketing practices (cf. Jančič 1993; Jančič 1999; Jančič and Zabkar 2002) contemporary marketers probably use various techniques that contain features of gift exchange without being aware of the fact that these techniques originate from the practice of gift exchange. They know that their strategies are effective, yet they do not necessarily directly connect these techniques to the principles, which govern gift exchange. I have discussed my findings with several marketers, and all of them were genuinely astonished by the connection, which exists between the principles of gift exchange and contemporary marketing practices.

My research thus provides an understanding of the basic social forces that govern some types of commodity exchange as advocated and practised by contemporary marketing. My analysis not only shows that contemporary marketing practices contain features of gift exchange, but also enables us to interpret certain marketing theories and practices from a social anthropological perspective. The various modern marketing theories and practices discussed in this study from a social anthropological perspective are to be understood as commodity exchanges that instrumentalise features of gift exchange. This particular perspective on marketing opens up fertile ground for future research, where marketing theory and practice can greatly benefit from in-depth research of the principles governing gift exchange.

In his final chapter of *The Gift*, Mauss urged for a return to the social interconnectedness that gift exchange practices bring about. I am not the only person who feels that a friendly sale, which abundantly utilises features of gift exchange, is not only more convenient for the buyer, but also less dehumanised—it is a system, which brings sociable elements into an otherwise depersonalised capitalist system. It seems that marketers—consciously or intuitively—are recognizing the power contained in 'pre-modern' forms of exchange and have begun to use it. After all, even though such marketing strategies are clearly profit-oriented, they confer benefits to companies and customers alike, thus bringing at least some fulfilment to Mauss' desire for a society richer in the social sense of the word.

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APPENDICES

Appendix A: Interview with the informant from the *Mercator* marketing department

The interview was scheduled to take place on 23.10.2008, at 10:00 a.m. in the marketing department, on the 8th floor of the *Mercator* corporate building. I prepared several questions regarding some issues I wanted to clarify. I decided not to record the interview for two reasons:

- At the time the political debate over *Mercator* was still very lively. The media was full of controversies about what had happened in *Mercator*: why Zoran Janković was removed, who wants to get control of *Mercator*, to what degree politics was involved, etc. For that reason I felt that without a recorder the interview would be much more informal, thus enabling me to better discuss the questions I had.
- Since I was at the interview discussing business issues and marketing strategies, which are probably of an internal nature—or maybe even confidential?—I felt that not recording the interview would create a more relaxed atmosphere.

Altogether, I am very grateful to the informant from the *Mercator* marketing department for their goodwill in discussing with me some issues of *Mercator*'s marketing strategy, which could be—in a highly competitive market environment —somewhat risky for a corporation like *Mercator*. Therefore, I decided to ask the *Mercator* marketing department to specifically authorise those expressions from the interview, which were selected for publication in my research. Thus all the knowledge and information regarding *Mercator*'s marketing strategy published in my thesis was officially approved by the *Mercator* marketing department.

E-MAIL FROM MERCATOR MARKETING DEPARTMENT (received on 11.1.2010)

Spoštovani g. Rus,

vašo prošnjo smo preučili in vam podajamo pozitivno mnenje k pozivu za objavo podatkov. Obenem vas naprošamo, da vsled tega NE objavljate imen in priimkov Mercatorjevih predstavnikov (torej intervjuvanca ne omenjajte poimensko).

Dovoljujemo vam tudi uporabo slikovnih gradiv, ki so dostopna na spletu in v naših promo materialih. Enako velja tudi za uporabo Letnega poročila. Dovoljujemo vam tudi realizacijo 3. točke iz vaše elektronske poštne z dne 24.12.2009 (objava slikovnega materiala).

…

V priponki vam prilagam tudi nekaj bolj kakovostnih materialov, ki ste jih želeli in upam, da vam bodo v pomoč (objavo vam dovolimo IZKLJUČNO V VAŠI DISERTACIJI).

Lep pozdrav,
Tjaša Tršar
Sektor za marketing

Appendix B: Interview with Mr. Zoran Janković

I sent a request to meet with Mr. Janković via e-mail on 5.3.2009 in the morning and by the afternoon I (completely unexpectedly) received a phone call from his office, confirming that the interview could be done on 19.3.2009 in the City Hall building.

The meeting with Mr. Zoran Janković was scheduled at 15:00. However, our interview started about 45 minutes later because he was busy. Altogether, I spent 25 minutes with him—almost exactly the time I asked for in my email request (at the beginning and at the end we had some informal, off-topic chatting, so the effective time was less than 20 minutes).

Since *Mercator* and Mr. Janković were a very hot and controversial topic in the media at the time (Mr. Janković was at that time even involved in a legal suit against Mr. Šrot and Mr. Bavčar regarding *Mercator*, with the media full of stories about that), I decided not to record the interview, but to take notes only, to create an atmosphere of confidence. I prepared four questions for Mr. Janković:

1. To what degree was he involved in creating the marketing strategy of *Mercator*?
2. I explained to him the two types of exchange, and how contemporary marketing uses features of gift exchange. I asked him whether and how—according to his opinion—*Mercator* uses elements of gift exchange in any of its practices.
3. Since *Mercator* used to be partially state-owned, to what degree the social responsibility policy of *Mercator* was created from the side of the state?
4. Since features of gift exchange can be found in both the marketing and managerial levels of *Mercator*, to what degree did Mr. Janković's Serbian origin influence *Mercator*'s activities?

The interview was interactive—whenever I was not clear about something, I asked him to elaborate or to clarify the point. I took notes during the interview, writing down the main points, as they unfolded through our interaction.

MAIN POINTS FROM THE INTERVIEW:

ANDREJ RUS: Najprej bi se vam zahvalil, ker ste si vzeli čas za ta pogovor.

Na FDV opravljam pri prof. Vesni Godini doktorat iz antropologije marketinga. Imam tudi ko-mentorja iz tujine, ki mi je predlagal, da z vami opravim intervju in vas vprašam par stvari glede geneze marketinških metod Mercatorja.

V svoji disertaciji med drugim raziskujem marketinško strategijo Mercatorja pa bi vam v nekaj stavkih potem na koncu povedal, za kaj gre. Zdaj pa bi vam rad zastavil samo par vprašanj. Prva stvar, ki me zanima je, do kolikšne mere ste bili vi vpleteni v kreiranje marketinške strategije Mercatorja?

ZORAN JANKOVIĆ: V celoti.
V bistvu obstaja par osnovnih načinov kako povečati prodajo. En. način je vpeljati nove formate, nove trgovske centre. Ko imaš enkrat to narejeno lahko rečeš: moj pristop je najboljši in greš v druge države. Ko imaš stvari doma organizacijsko postavljene, lahko ta model prestaviš v tujino in vsak tam ve kako je treba stvari opravljati.
Ko si na začetku in se širiš v tujino, greš tja, kjer trgovina še ni razvita: Hrvaška, Bosna. Ne greš pa v Avstrijo, kjer je trgovina že razvita. Še ena prednost je, da te na teh trgih kupci že poznajo. Greš torej tja, kjer je treba manj vlagati v blagovno znamko.
Moja filozofija je, da verjamem v medkulturni dialog. Mercator združuje vse naše potrošnike
Odtod izvira ideja "Mercator združuje ljudi" ter ideja "Mercator brez meja". In to dvoje skupaj je "Mercatoriada", to je druženje zaposlenih v Mercatorju enkrat letno na posebnem dogodku, kjer se vsi zberejo.
To združevanje ljudi se izraža tudi v Pika kartici, kjer smo bili takorekoč prvi v Evropi. Samo še TESCO je takrat v Evropi imel tako kartico. Mercator Pika kartico ima 1 milijon ljudi. Neplačnikov je manj kot 1 promil, kar je fenomenalno malo. Nihče od lastnikov noče izgubiti Pika kartice.
Ko je bilo pred leti iz tujine opravljeno vrednotenje trgovske verige Mercator, je bila Pika kartica ena od stvari, ki jih je najbolj impresionirala in je posledično dvignila tržno vrednotenje Mercatorja.
Zanimivo je, da je bil Mercator proglašen za podjetje leta v Sloveniji, kar je zelo neobičajno za trgovsko verigo. Mercator je edini trgovec na svetu, ki je dobil nagrado za najuglednejše podjetje v državi. Običajno trgovci ne dobivajo nagrade za podjetje leta. To nagrado je dalo združenje Manager.
Prav tako sem bil nekajkrat izvoljen za slovenskega managerja leta; to je nagrada, ki jo z glasovanjem vsakoletno podeljuje 1000 članov slovenskega združenja managerjev.

ANDREJ RUS (POVZETEK): v nekaj minutah sem razložil kako antropologija pozna dva temeljna tipa menjave in ju nadrobno opisal. Povedal sem, kako sem v svoji raziskavi ugotovil, da še zlasti sodobni marketing in še zlasti t.i. 'marketing odnosov' uporablja elemente darovanja v svojih marketinških tehnikah. Prav tako sem ugotovil, da Mercator intenzivno uporablja elemente menjave daru pri svojih marketinških metodah. Prosil sem, če lahko komentira, kako Mercator uporablja takšne metode.

ZORAN JANKOVIĆ: V mojih časih smo merili košarico 1.000 proizvodov Mercatorja in konkurentov in TUŠ je bil najdražji. A mi nikoli tega nismo izpostavljali. Nam je bila važna prijaznost, prijateljstvo do kupcev in do sodelavcev.

Dobro podjetje mora vlagati v svoje okolje, tam kjer ustvarja. Ko pride kriza se potem pokaže, koliko si dober in takrat se potem nimaš česa bati. Nekateri menijo, da je treba v krizi racionalizirat poslovanje ter odpuščati ljudi. V resnici pa je ravno v krizi treba poskrbeti za svoje ljudi. Če ne bi bilo tega človeškega faktorja, bi lahko za odpuščanje zaposlenih uporabili kar računalnik. To idejo, kaj to pomeni bi vam rad pokazal s SMS sporočilom, ki sem ga dobil od šefa oddelka iz Balkanskega trga (opomba: mi pokaže daljši SMS, kjer zaposleni hvali Jankovićevo sposobnost dela z ljudmi).
Treba je skrbeti za ljudi in za zaposlene, še posebej v slabih časih, ker se to podjetju v dobrih časih potem vrne nazaj. Moja tajnica, ki jo imam zdaj kot župan, je z mano že takorekoč od vsega začetka. Bila je z mano na Electi, v Mercatorju in zdaj tukaj v kabinetu župana.

ANDREJ RUS: Glede na to, da bil Mercator v preteklosti delno v lasti države, me zanima do kolikšne mere je bil državni vrh vpleten v kreiranje strategije družbene odgovornosti Mercatorja?

ZORAN JANKOVIĆ: Tudi piko ne. Gospodarstvenik ne sme dovoliti, da se politika meša v posel. Vsak človek ima določene sposobnosti, v katerih je odličen in moja sposobnost je, da si najdem takšne ljudi, ki so v nečem odlični ter jim dam možnost, da vodijo svoje področje. Ne maram pa ljudi, ki "se razumejo na vse" in žal so tudi takšni danes ponekod v poslu. Poglejte, vi na primer delate doktorat, torej ste sposobni na enem specifičnem področju. A če bi imeli težave s kolenom, bi šli k nekomu, ki se razume na zdravljenje kolena. Moja vrlina je, da povezujem strokovnjake, ki so odlični na svojem področju.

ANDREJ RUS: Še zadnje vprašanje: elementi ekonomije daru postajajo bolj izraženi čim bolj geografsko proti vzhodu gremo. Do kolikšne mere bi lahko rekli, da je vaš nacionalni izvor povezan z vašim načinom upravljanja in marketinga?

ZORAN JANKOVIĆ: Ne bi rekel, da ima to velik vpliv. Po svoji mami sem dobil komunikacijsko vrednost, po očetu pa socialnost.

E-MAIL FROM THE OFFICE OF ZORAN JANKOVIĆ (received on 28.12. 2009).

Spoštovani g. Rus,
sporočam vam, da je župan Mestne občine Ljubljana g. Zoran Janković privolil, da v doktoratu poimensko napišete, da ste imeli z njim intervju.
Lep pozdrav,

Špela Ložar
Tajništvo župana MOL
Telefon: 00386 1 306 10 10
Faks: 00386 1 306 12 14
spela.lozar@ljubljana.si

Appendix C: Interview with marketing informant (E.Leclerc supermarket chain, Slovenia)

In order to discuss how the E. Leclerc marketing strategy was conceived, especially in relation to the marketing strategy of *Mercator*, I tried to schedule an interview with someone from the marketing department of E. Leclerc Slovenia. On 3.3.2009 I phoned E. Leclerc and asked for someone responsible for marketing. I was redirected to the marketing department and had a talk with a person from the marketing department. I explained who I was, what I was doing, and for what reason I would like to have an interview about marketing strategy of E.Leclerc.

However, the informant told me that the E. Leclerc marketing strategy is created in France, while Slovenian department only implements whatever was decided and created in France. I suggested that even so, marketing activities must probably be modified for the Slovenian market, but the informant insisted that the Slovenian department only executes marketing created in France.

The informant agreed to have and interview with me, but due to lack of time, asked me to call in two weeks to schedule the interview. However, due to the executive-only nature of the Slovenian marketing department, I estimated that the interview was not necessary.

Later on I have called the informant to get the permission to mention their name in my dissertation. However, since E. Leclerc is an international company, my informant expressed concern about being named in my dissertation. We agreed to use the term ‘informant’ instead.

Appendix D: Company profile of the *Mercator* Group

Mercator

Business strategy

We have always been our customers' daily companion.

2

1

Our **vision** is to be the leading retail chain with FMCG program (market program) in Southeastern Europe.

STRATEGIC POLICIES OF THE MERCATOR GROUP

1. Remain the largest retailer in Slovenia
2. Become the leading retailer in the neighbouring markets of SE Europe
3. Enter other SE European markets
4. Develop non-market programs
5. Ensure profitable operation

3

Business strategy

5

benefit groups, created by way of our business operations:

benefit for the customers - by providing excellent retail services, high-quality goods and competitive prices

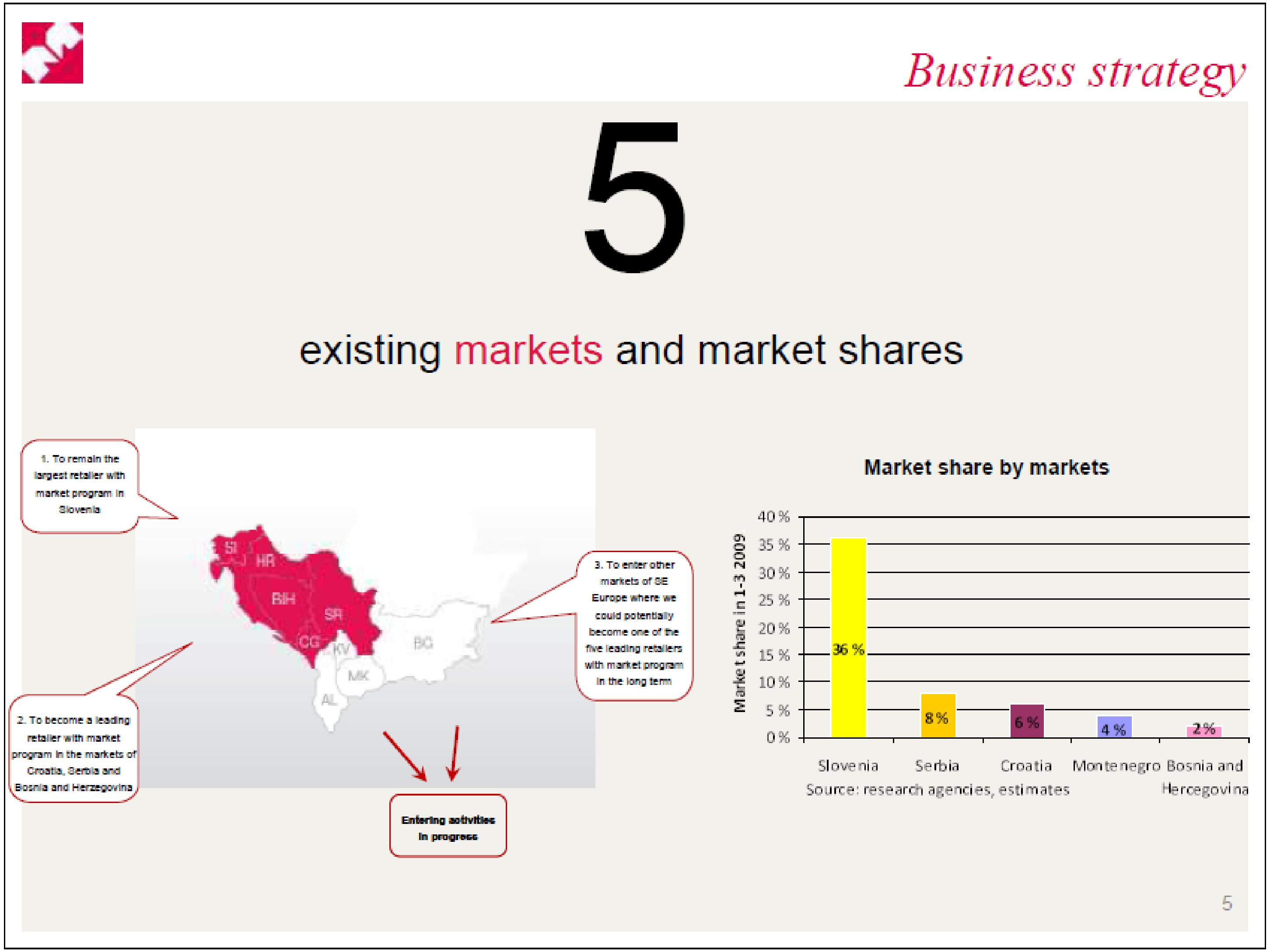
benefit for suppliers - by taking part in the development of high-quality and innovative products and by providing the possibilities for growth in Slovenia and in emerging markets

benefit for the shareholders - by attaining a profitable growth of business operations, improving business efficiency and increasing the company market value

benefit for the employees - by providing safe and pleasant working environment and a possibility of personal and professional development

benefit for the broad environment - by a responsible attitude towards our natural and social environment and by respecting the business ethics and social values in all fields of operation

4


Business strategy
5
existing markets and market shares
1. To remain the largest retailer with market program in Slovenia
2. To become a leading retailer with market program in the markets of Croatia, Serbia and Bosnia and Herzegovina
3. To enter other markets of SE Europe where we could potentially become one of the five leading retailers with market program in the long term
Entering activities in progress
SI
HR
BIH
SR
CG
KV
MK
AL
BG
Market share by markets
Market share in 1-3 2009
40 %
35 %
30 %
25 %
20 %
15 %
10 %
5 %
0 %
36 %
8 %
6 %
4 %
2 %
Slovenia
Serbia
Croatia
Montenegro
Bosnia and Hercegovina
Source: research agencies, estimates
5

Business strategy

2008-2012

STRATEGIC GOALS

- **GROWTH OF NET SALES REVENUE FROM TRADE**
  - average annual nominal growth in EUR: approximately 9 %

- **TARGET MARKET SHARES**

	2009*	2010	2012
Slovenia	36%	36%	35%
Croatia	7%	12%	15%
Serbia	8%	10%	15%
Bosnia and Herzegovina	5%	7%	10%
Montenegro	4%	5%	10%
Macedonia	-	-	5%
Bulgaria	-	1%	3%

* Market share in Slovenia – Measurement of Mercator's market share (Valicon survey)

- **INVESTMENT AND FINANCING SOURCES**
  - annual investment in the average amount of **EUR 220-260 million**, financed by own sources and additional debt capital;
  - **issuing new capital** for forming any major strategic alliances.

- **SUCCESSFUL BUSINESS PERFORMANCE AND EFFICIENCY**
  - **growth of gross cash flows from operating activities** should be 1 percentage point higher than the growth of net sales revenues;
  - at least 1% average annual **growth of economic labor productivity** in the period 2008-2012;
  - at least 1% **annual productivity growth of invested capital** in the period 2008-2012.

6

Mercator

General information

We constantly change our stock
to keep up with the times.

7

General information

19

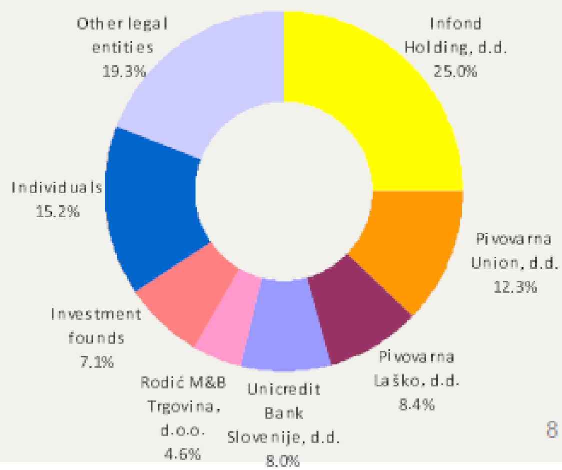
companies (trade and non-trade) in composition of the Mercator Group and ownership structure of the Company Poslovni sistem Mercator,d.d.

Composition of the Mercator Group

Mercator Group			
Poslovni sistem Mercator, d.d.			
Trade companies		**Non-trade companies**	
Mercator – H, d.o.o.	99.9%	Pekarna Grosuplje, d.d.	100.0%
Mercator – S, d.o.o.	100.0%	Belpana, d.o.o.	100.0%
M - Rodić, d.o.o.	88.0%	Eta, d.d.	100.0%
Mercator – BH, d.o.o.	100.0%	Mercator – Emba, d.d.	100.0%
Mercator - Mex, d.o.o.	51.0%	M-Nepremičnine, d.o.o.	100.0%
Mercator Makedonija, d.o.o.	100.0%	Mercator – Optima, d.o.o.	100.0%
M.COM, d.o.o.*	100.0%	Interier, d.o.o.	97.6%
Investment International, d.o.o.*	100.0%	Evolution, d.d.	100.0%
Mercator - B, e.o.o.d.*	100.0%	Mercator IP, d.o.o.	100.0%
M-BL, d.o.o.	100.0%		

*The company has not yet commenced its operating activities.

Ownership structure of the Company Poslovni Sistem Mercator, d.d. at March 31st 2009

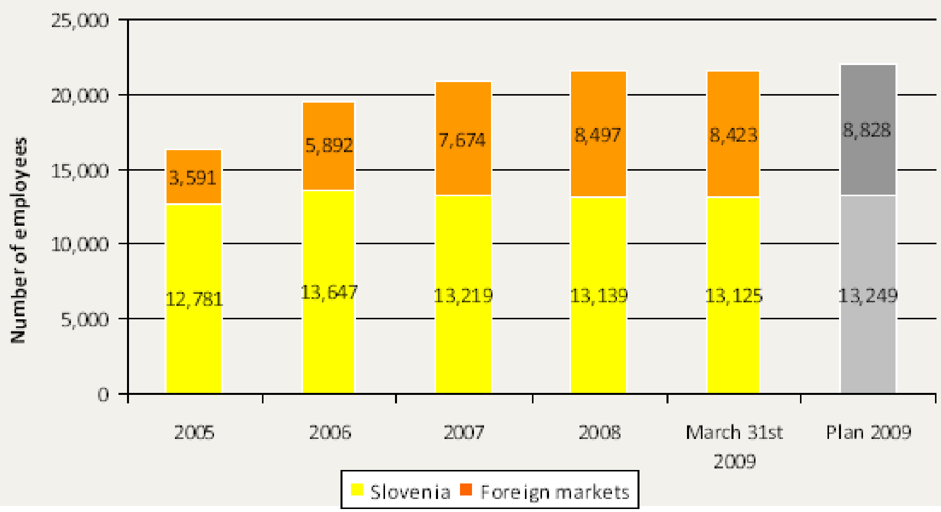


8

General information

21,548

was the number of **employees** in the Mercator Group at March 31st 2009

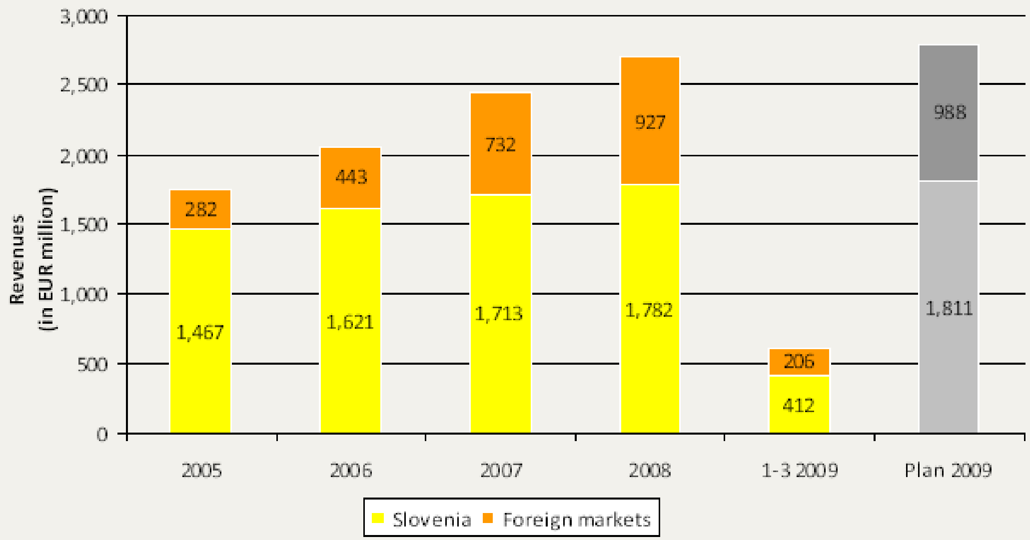


9

General information

EUR 618 mn

revenues were created in period 1-3 2009



General information

1,429

was the number of Mercator´s **retail units** in all markets at the end of March 2009

COUNTRY	SLOVENIA	CROATIA	SERBIA	BIH	MONTENEGRO	MERCATOR GROUP		
ACTIVITY	Number of units	Number of units	Number of units	Number of units	Number of units	Number of units	Gross sales area	Net sales area
Hypermarkets	19	13	12	4	-	48	239,235	151,903
Supermarkets	130	29	22	13	4	198	226,699	144,489
Superettes	282	43	23	2	4	354	147,606	83,781
Neighbour stores	68	17	7	-	1	93	15,024	8,114
Cash & Carry	12	-	2	-	-	14	35,355	22,966
Hard discount stores	17	-	-	-	-	17	14,011	9,765
TOTAL FMCG programme	528	102	66	19	9	724	677,930	421,018
Technical programme	101	15	6	-	-	122	162,495	90,469
Technical programme	69	14	3	-	-	86	125,694	63,511
Furniture programme	32	1	3	-	-	36	36,801	26,958
Clothing programme and drugstores	96	29	18	9	-	152	67,573	56,556
Clothing programme	80	29	10	6	-	125	64,397	53,992
Drugstores and perfumeries	16	-	8	3	-	27	3,176	2,564
Intersport	29	22	9	6	1	67	37,512	28,989
Restaurants	22	17	6	11	-	56	16,957	10,937
Other	4	-	-	-	-	4	81	81
TOTAL specialised programmes	252	83	39	26	1	401	284,617	187,032
TOTAL	780	185	105	45	10	1,125	962,547	608,050
Franchise stores	225	79	-	-	-	304	54,508	35,204
TOTAL with franchise stores	1,005	264	105	45	10	1,429	1,017,055	643,254

MERCATOR PROGRAMMES

- Market (FMCG) programme
- INTERSPORT programme
- Technical programme
- Clothing and beauty programme

11

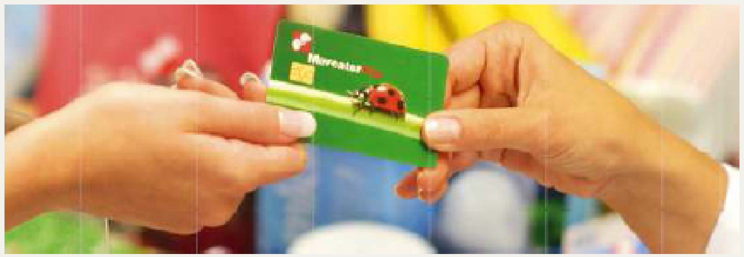

Marketing projects
Mercator
We always guarantee satisfaction of all forms and requirements of all shades.
12

Marketing projects

1,313,589

is the number of Mercator Pika card holders as at March 31st 2009 in all markets. The share in total retail revenues deriving from payment with the Mercator Pika card in all markets of Mercator's operations in period 1-3 2009 amounted to **42.1 %** (52.7 % in Slovenia).

Mercator Pika card holders	Slovenia	Serbia	Croatia	Bosnia and Herzegovina	Montenegro	Total
As at March 31st 2009	863,142	134,343	219,090	97,014	-	1,313,589



We offer 4 types of Mercator Pika card:

- blue cash card
- green credit card
- gold credit card
- business card

Goal: CRM establishment and focus on reaching buyers´ segments

13

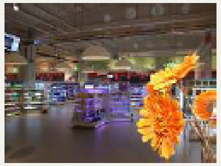
Marketing projects

3

clubs for Mercator Pika card holders:

“Healthy lifestyle” club
M mobil club
Maxi club

In 2006 we introduced a prepaid mobile phone service M mobil, in 2007 we introduced holidays and journeys M Holidays.



Development of new store formats in 2007–2008:

- **Type A hypermarket** in Ljubljana (MC Ljubljana and HM Rudnik – Supernova)
- **Comfort store** in Zagreb (Gallerija Importanne)
- **Home and ambient store** in Ljubljana (Maxi Ambient)
- **Fashion Avenue** in Ljubljana (MC Ljubljana)

Development of new technologies and services in 2007–2008:

- Introduction of **self-check-out cashiers** (first retailer in the region) – in 10 hypermarkets at the end of 2007 – first retailer also in Croatia (HM Rijeka) → on average 22 % of purchases
- Introduction of **info-stands**
- Introduction of **new services** (warm meal station, photo stand, recipe of the week, gourmet corner)

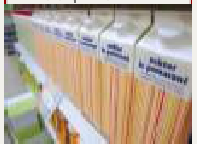
14

Marketing projects

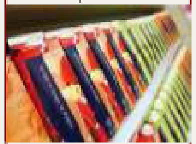
7

Mercator **private label lines** included **2,223** products at the end of March 2008.

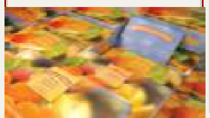
Generic line
53 products



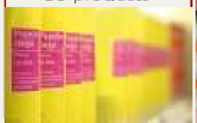
Mercator line
475 products



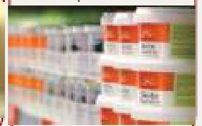
Mizica, pogrni se!
(The wishing table)
115 products



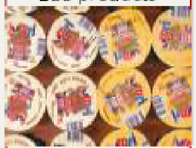
Popolna nega
(Total body care)
50 products



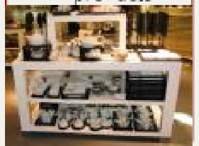
Zdravo Življenje
(Healthy living)
83 products



Lumpi
239 products



Ambient
37 products



Number of Mercator private label products	As at March 31st 2009
Slovenia	2,223
Serbia	719
Croatia	1,343
Bosnia and Herzegovina	707

- SLO: **15 %** of sales (goal: 20 % of sales)
- Croatia, Serbia and BiH: **1–8 %** of sales (goal: 10 % of sales)

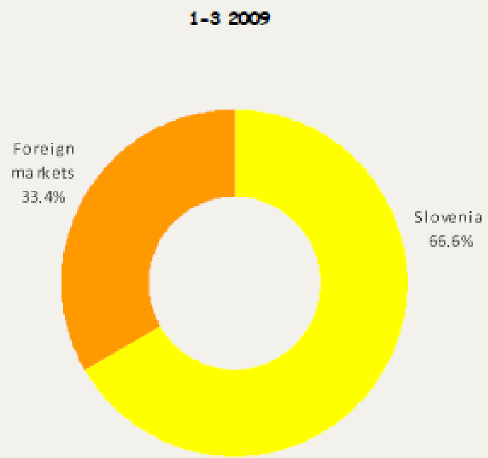
15

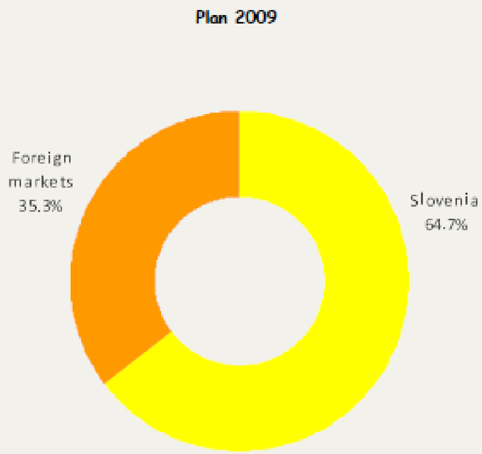

Mercator
Business performance analysis
24UR!
Along increasingly modern shopping pathways,
we are closer to our customers than ever.
16

Business performance analysis

1/3

of **revenues** of Mercator Group in period 1-3 2009 were created on foreign markets.



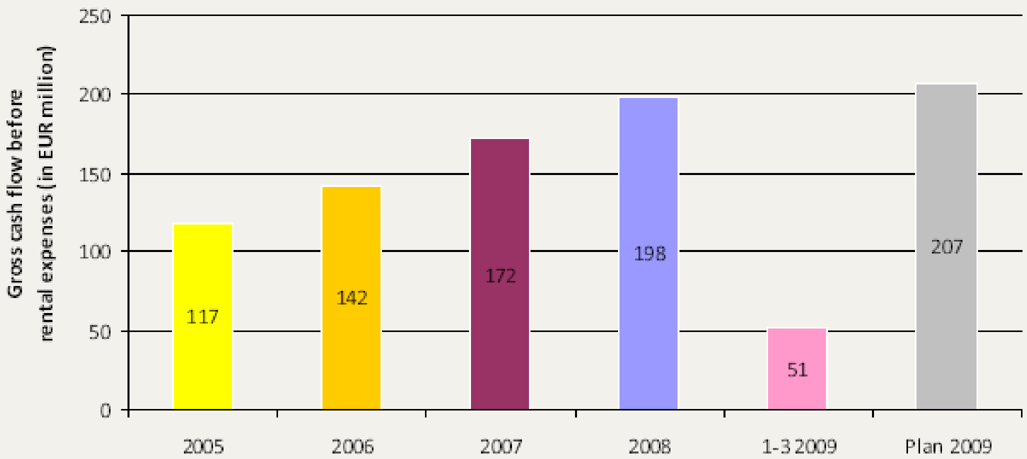


17

Business performance analysis

EUR 51 mn

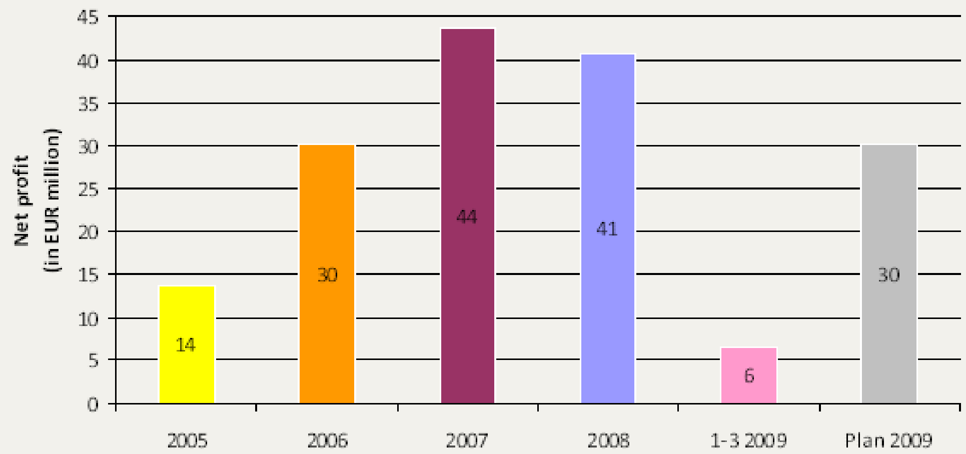
amounted **gross cash flow before rental expenses** (EBITDAR) in period 1-3 2009. Plan for the 2009 is EUR 207 million.



Business performance analysis

EUR 6.4 mn

amounted **net profit** in period 1-3 2009.
Plan for the 2009 is EUR 30.1 million.

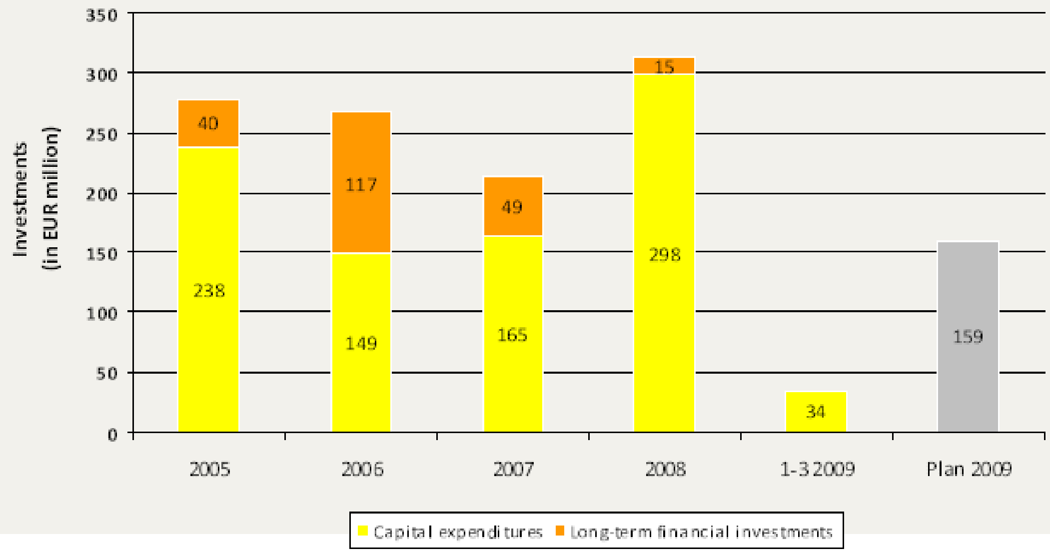


19

Business performance analysis

EUR 34 mn

amounted **investments** in period 1-3 2009
(EUR 13 million in Slovenia and EUR 21 million on foreign markets). Plan for the 2009 is EUR **159** million.



20

Business performance analysis

7.2 %

amounted **gross cash flows from operating acitivites in revenues** of Mercator Group in period 1-3 2009.

	Mercator Group		
	2007	2008	1-3 2009
Indicators of profitability			
Return on equity	6.8%	5.6%	3.5%
Return on sales	1.8%	1.5%	1.0%
Indicators of financial structure			
Financial liabilities / equity	1.22	1.27	1.30
Equity and provisions to total equity and liabilities	34.9%	33.3%	33.6%
Trade and other payables to total equity and liabilities	23.5%	23.6%	20.4%
Indicators of operating efficiency and productivity			
Labour costs per hours worked (in 000 EUR)	14.4	14.2	13.4
Revenue / labour costs	8.9	9.3	9.0
Revenue per employee per hours worked (in 000 EUR)	128.0	132.5	133.1
Value added per employee per hours worked (in 000 EUR)	22.9	22.8	24.4
Business costs / sales	23.0%	22.1%	23.2%
Gross cash flows from operating acitvities / revenue	7.0%	7.3%	7.2%

21


Mercator
Thank you for your attention!
Naj se rodi sreča
42 km
www.mercator.si
In an increasingly modern society, we are committed to true progress - we care about the broader social and sustainable environment and about the importance of interpersonal relations.
22

Appendix E: Excerpts from "Good wishes from the director," CaliNews

Direktorjevo voščilo

Ljudje se delimo na dve veliki skupini. V eni skupini so tisti, ki venomer tarnajo in za vse, kar se slabega zgodi, krivijo nekoga drugega. V drugi skupini pa smo tisti, ki se zavedamo, da smo za svojo srečo in zdravje najprej odgovorni sami. In primerno temu tudi ukrepamo.

Čestitam, ker ste v drugi skupini!
Če ne bi bili, tudi ne bi bili naš član in ne bi brali tega sporočila.

Letošnje leto je zaznamovala 10. obletnica delovanja CaliVite International v Sloveniji in na to sem izredno ponosen, saj mi je skupaj z vsemi vami uspelo, da je CaliVita danes to kar je. Naša skupna dolžnost je pomagati našim prijateljem, sorodnikom in znancem. Če dobro premislimo, naš posel ni nič drugega, kot pomoč tistim, ki jih imamo radi. Vemo, da naši izdelki koristijo, pomagajo, vemo, da z našo poslovno priložnostjo lahko uspe vsak, ki je pripravljen nekaj narediti.

Kaj bomo vsi skupaj v kratkem storili, da bomo še bolj uspešni, še bolj srečni in bolj zdravi? Kaj je bolje, razmišljati o neki zadevi in še malo razmišljati in še malo odlašati, ali pa nekaj narediti. In to takoj! Zato o naših izdelkih in poslovni priložnosti obvestite čim več ljudi. Saj jim želimo pomagati, mar ne? Seveda vsi nikoli ne bodo rekli DA, saj se ljudje delimo v dve veliki skupini.

Voščim vam vesele božične in novoletne praznike in preživite jih s tistimi, ki jih imate radi. Ostanite zdravi. Izkoristite izzive in priložnosti, ki se vam ponujajo!

Vse lepo in vse dobro v letu 2010!

Vaš Rok Chwatal,
direktor CaliVite International za Slovenijo

Excerpts from "Good wishes from the director," written by Rok Chwatal, director of CaliVita International, Slovenia

"Our duty is to help our friends, relatives and acquaintances. If we think about it, our business is nothing else than helping those we love … What else will we do very soon to be even more successful, happier and healthier? … Inform even more people about our products and our business opportunity. After all, we want to help them, don't we?" (CaliNews 2009, 3).

Source: CalVita® International lifestyle magazine CaliNews, 2009/10. (December/Januar)

E-MAIL FROM THE EDITOR (received on 29.12. 2009)

Pozdravljeni!
Se strinjamo z objavo. Upam, da vam je naš CaliNews tudi sicer všeč.
Lp, Simona

From: Andrej Rus [mailto:andrej.rus@siol.net]
Sent: Monday, December 28, 2009 1:51 PM
To: Simona Lužar [mailto:simona.luzar@calivita.si]
Subject: dovoljenje za objavo

Spoštovani,
na Fakulteti za družbene vede v Ljubljani opravljam doktorat iz antropologije marketinga. Ker sem v vaši reviji CaliNews 2009/10. (december-januar) naletel na direktorjev uvodnik, ki to zelo lepo ilustrira, bi vas prosil za dovoljenje, da v doktoratu objavim fotokopijo sestavka "Direktorjevo voščilo", ki se nahaja na strani 3 zgoraj navedene revije.

Najlepša hvala in lep pozdrav,
Andrej Rus

POVZETEK

Mauss je v svojem eseju (1954/1925) razvil razlikovanje med 'darovanjem' in 'menjavo tržnega blaga' ter razvrstil družbe glede na obliko menjave, ki je prevladovala v njihovih ekonomskih aktivnostih. V konvencionalni socialni antropologiji je bila Maussova delitev na darove in tržno blago široko sprejeta; to osnovno razlikovanje je do pred kratkim kritizirala le peščica antropologov.

Po Maussu je Gregory (1982), najpomembnejši in največkrat citiran teoretik darovanja, razvil dihotomno razločevanje med 'darovanjem' in 'menjavo tržnega blaga'. Menjava tržnega blaga (oz. tržna menjava) ne povzroči nikakršnih trajnih socialnih obvez ali osebnih vezi med menjalnimi partnerji. Zato velja, da je menjava tržnega blaga v veliki meri brez socialnih elementov. Razen obveze kupca, da prodajalcu plača dogovorjeno vsoto denarja, in obveze prodajalca, da kupcu dostavi prodano blago, menjalni stranki nimata nikakršnih socialnih obvez druga do druge.

Po drugi strani pa darovanje ustvarja, upravlja in krepi socialne vezi med darovalcem ter obdarovancem. V nasprotju s tržnimi dobrinami, ki so anonimne, so darovi neodtujljivi; zato ne samo, da vedno vsebujejo identiteto dajalca, temveč to identiteto prenesejo na obdarovanca.

Gregory trdi, da tržna menjava med objekti menjave vzpostavi kvantitativne odnose, menjalne partnerje pa po opravljeni transakciji pusti medsebojno neodvisne, medtem ko menjava daru med dajalcem in prejemnikom daru vzpostavi kvalitativne odnose ter njuno medsebojno odvisnost v podaljšani seriji neuravnoteženih menjav, potem ko je prvotna transakcija že zaključena. Tržna menjava v družboslovju pogosto označuje 'ekonomsko racionalnost' in komercialno ustvarjanje dobička, medtem ko so darovi nosilci moralnih in družbenih obvez.

Številni znanstveniki so v preteklih letih poudarjali, da to vzajemno izključujoče se nasprotje med darovi in tržnim blagom ni tako ostro, kot predpostavlja tradicionalni model, oz. ni dihotomno, kot je predlagal Gregory. Ti znanstveniki trdijo, da menjava darov in tržnega blaga nista dve strogo ločeni in vzajemno izključujoči se vrsti menjave, saj lahko v praksi katerakoli menjava vsebuje elemente tako menjave daru kot tržne menjave.

Večina kritikov kategoričnega ločevanja na darove in tržno blago je pokazala, da darovanje lahko vsebuje elemente, ki so sicer značilni za tržno menjavo. Zato je namen disertacije preveriti, ali lahko transakcije tržne menjave vsebujejo elemente, ki sicer običajno pripadajo darovanju. Disertacija analizira predpostavko, da je tržna menjava menjavanje odtujljivih, neosebnih in anonimnih predmetov, brez moralnih in socialnih elementov ali obvez, zato je strogo ločena od menjave daru.

Izhodišče pričujoče raziskave je bilo opažanje, da so se v zadnjih desetletjih marketinške tehnike precej spremenile. To je vodilo k vprašanju, ali lahko metode sodobnega marketinga, kot jih opisujejo marketinški učbeniki, tržni menjavi dodajo značilnosti darovanja, in če da, pod kakšnimi pogoji.

Od petdesetih let prejšnjega stoletja se je bil namreč marketing prisiljen razviti iz neosebnega 'produkcijskega', 'produktnega' in 'prodajnega' koncepta v t. i. 'marketinški koncept', ki je osredotočen na kupca, ne pa zgolj na prodajo ali na proizvod. V zadnjem desetletju ali dveh je šel razvoj marketinga še dlje; razvil se je koncept t. i. 'marketinga odnosov', ki teži k vzpostavljanju močnih in trajnih vezi s kupci. Na tržišču, prenasičenem z raznovrstnimi izdelki, so bila podjetja prisiljena razviti nove strategije za prodajo svojih proizvodov ali uslug. Te strategije včasih vključujejo moralne elemente, ki sicer pripadajo menjavi daru, ne pa tržni menjavi. Zato v sodobnem trgovanju tržno blago ni več nedvoumno predstavnik idealnega tipa tržne menjave, kot ga opisuje tradicionalni model. Tržno blago danes ni več anonimni proizvod, popolnoma odtujen od proizvajalca ali prodajalca ter brez moralnih ali socialnih obvez. Danes je tržno blago le redko predstavnik idealnega tipa tržne menjave, ki naj bi vključevala anonimnega proizvajalca ter transakcijo brez predhodne in bodoče interakcije med prodajalcem in kupcem. Pogosteje namreč velja, da tržna menjava vsebuje elemente, ki jih poznamo iz menjave darov: menjalni partnerji tvorijo medsebojne odnose, obligacije, občutek lojalnosti, do menjalnih partnerjev ali izdelkov razvijejo čustva in si izmenjujejo identitete. Zato tržnega blaga pogosto ni več mogoče ločiti od transaktorjev in njihovih medsebojnih odnosov, kakorkoli površni bi že ti bili. Podjetja pogosto težijo k ustvarjanju trdnih in trajnih socialnih vezi med podjetjem in kupcem, tako da v svoje prodajne strategije vključijo različne elemente menjave daru.

Pričujoča raziskava analizira tržno menjavo po petih značilnostih, ki v Carrierjevem (1995) modelu razločujejo menjavo tržnega blaga od menjave daru. Analiza je pokazala, da sodobni marketing menjavi tržnega blaga pogosto doda različne elemente, ki tradicionalno pripadajo zgolj menjavi daru: tržna menjava namreč pogosto ni neosebna, temveč je usmerjena v ustvarjanje določene vrste socialnih vezi med podjetjem in kupcem ter medsebojnih moralnih in socialnih obvez med menjalnimi partnerji. Tržno blago, podobno kot dar, lahko vsebuje lastnosti prvotnega lastnika (proizvajalca ali prodajalca) in izkazuje obliko neodtujljivosti od dajalca (proizvajalca ali prodajalca), kar je sicer značilnost daru. Poleg tega tržno blago – podobno kot dar – ne samo da po transakciji še vedno vsebuje identiteto dajalca, temveč lahko to identiteto prenese na prejemnika (kupca) in obratno.

Pričujoča raziskava je pokazala, da lahko tržna menjava pod določenimi pogoji ustvarja darovanju podoben tip medsebojnih odnosov med menjalnimi partnerji. Take transakcije menjalnih partnerjev ne povežejo zgolj za čas trajanja transakcije, temveč so usmerjene v ustvarjanje dolgoročnega odnosa med njimi.

Analiza je pokazala, da danes transakcije tržne menjave pod določenimi pogoji težijo k ustvarjanju medsebojnih socialnih obligacij med kupcem in prodajalcem (ali proizvajalcem), kar kaže, da tržna menjava lahko ustvarja dolgoročne socialne obveze, kar je spet ena od značilnosti menjave daru.

Raziskava je še pokazala, da lahko tržno blago pod določenimi pogoji izkazuje vrsto neodtujljivosti, kar je sicer značilnost daru: danes večina tržnega blaga ni zgolj neosebnih in anonimnih predmetov. Pri znamčenih izdelkih je namreč identiteta proizvajalca tako simbolno kot legalno vezana na izdelek, zato je neodtujljivost izdelka od proizvajalca očitna in nedvoumna, še zlasti pri vrsti znamčenja, ki se imenuje '*Branded house*'.

Zaradi lastnosti neodtujljivosti torej tržno blago pod določenimi pogoji lahko vsebuje identiteto proizvajalca ali prodajalca. Podobno kot darovi, ki so personificirani, ima tudi znamčeno tržno blago 'osebnost', ki pripada blagovni znamki (t. i. '*brand personality*'). In če dar po Maussu moč črpa iz višjega kozmološkega načela (ki se pri Maorih imenuje *hau* gozda), temu podobno tudi sodobno oglaševanje pogosto predstavi proizvod ne zgolj z vidika *z vidika njegove uporabne vrednosti*,, temveč v kontekstu zelo splošne ideje ali včasih celo ideala. Pri takšnem oglaševanju proizvod svojo identiteto, ugled in kredibilnost črpa iz svoje povezanosti z abstraktno idejo ali idealom, medtem ko je proizvajalec omenjen le postransko.

Ker znamčenje napolni tržno blago s simbolnimi značilnostmi, ki ne samo da znamčeno tržno blago ločijo od drugih podobnih proizvodov drugih proizvajalcev, temveč proizvod tudi povežejo z identiteto proizvajalca, tržna menjava zelo pogosto služi mnogo širšemu namenu kot zgolj temu, da kupcem nudi predmete nakupa. V mnogih primerih je namreč oglaševanje usmerjeno v vplivanje na identiteto kupca. Potrošniki uporabljajo blagovne znamke za izgradnjo svoje osebnostne identitete. V tem procesu je identiteta proizvajalca prenesena na identiteto proizvoda, kupec pa jo nato uporabi v procesu oblikovanja svoje osebnostne identitete. To ima pomembne posledice za naše razumevanje dihotomije dar−tržno blago, saj kaže, da ima tržno blago prav tako zmožnost, da identiteto dajalca prenese na prejemnika. Podobno kot pri menjavi daru, ki vzajemno izmenja identiteti dajalca in prejemnika, tudi tržna menjava lahko vključuje dvosmerno izmenjavo identitet, saj identiteta potrošnikov, ki sestavljajo specifično ciljno skupino, vpliva na identiteto proizvajalca (njegov logotip, promocijske materiale, proizvode itd.).

Ker supermarketi poosebljajo neosebno tržno menjavo, je v disertaciji opravljena študija primera glavne slovenske verige supermarketov (Mercator). Študija primera preverja, do kolikšne mere so elementi menjave daru prisotni v tržnem okolju, kjer bi takšne elemente najmanj pričakovali. Izsledki raziskave kažejo, da Mercator v veliki meri in uspešno uporablja elemente, ki sicer pripadajo sferi menjave daru: antropomorfizirano podobo korporacije, grajenje odnosov, ustvarjanje raznih obvez in ciklusov menjave, neodtujljivost, grajenje skupnosti itd.

Raziskava je pokazala, da zaradi razvoja marketinga tržna menjava pogosto vsebuje elemente darovanja. Zato tržno blago ni vedno zgolj čisti predmet menjave v predpostavljeno neosebnih tržnih odnosih, temveč pogosto ustvari odnose, ki spominjajo na odnose pri menjavi daru, kjer sodobni marketing briše ločnico med tržnim blagom in darovi.

Čeprav je tradicionalni antropološki model daru v primerjavi s tržnim blagom hevristično uporaben, pa v resničnosti ločitev ni tako stroga. Darovi in tržno blago predstavljajo dva pola kontinuuma, medtem ko so posamične transakcije nekje vmes med tema dvema skrajnostma.

KLJUČNE BESEDE: Mauss, Gregory, Carrier, dar, darovanje, tržno blago, tržna menjava, marketing, ekonomska antropologija

SUMMARY

In his seminal essay on the gift, Mauss (Mauss 1954/1925) developed a distinction between 'gift exchange' and 'commodity exchange', and distinguished societies based on the form of exchange that dominated their economic actions. In mainstream social anthropology Mauss' original distinction between gift exchange and commodity exchange has been widely accepted and, until recently, few social anthropologists have criticised this basic distinction.

After Mauss, Gregory (1982) is the most widely cited theorist of the gift. He developed a dichotomy between 'gift exchange' and 'commodity exchange'. Commodity exchange (or market exchange) is an exchange transaction, which does not impose lasting social commitment or personal bonds between exchange participants. Commodity exchange is therefore believed to be a commercial transaction largely removed from social considerations. Beyond the requirement to pay the agreed amount of money to the seller and to deliver the paid goods to the buyer, both parties involved in the transaction have no social obligation to each other.

Conversely, gift exchange creates, manages and reinforces the social bonds between givers and recipients. Unlike anonymous commodities, gifts are held to be inalienable and thus not only continue to embody the identity of the giver but also impose this identity upon the receiver.

According to Gregory, commodity exchange establishes quantitative relationships between objects and leaves the transactors independent, whereas gift exchange establishes qualitative relationships between givers and receivers that leave them reciprocally dependent in a prolonged series of imbalanced exchanges even after the transaction has been completed. In social science commodity exchange frequently stands for 'economic rationality' and commercial profit making, while gifts are presumed to be bearers of moral obligations and social concerns.

However, several scholars have pointed out that the mutually exclusive contrast between gifts and commodities is not as sharp as it was traditionally believed, and not dichotomous as proposed by Gregory. According to these authors, commodity exchange and gift exchange do not represent two different, mutually exclusive societal forms. Besides, in practice the character of an exchange may include both commodity and gift elements.

In their criticism of the categorical difference between gifts and commodities, most authors have focused on showing that gift exchange can include elements that are otherwise characteristic of commodity exchange. Therefore, the purpose of my analysis was to examine

whether market exchange transactions can contain elements that are usually attributed to gift exchange. I analysed the conjecture that commodity exchange is an exchange of alienable, impersonal and anonymous items, devoid of moral and social considerations or obligations, and therefore strictly different from gift exchange.

The starting point of my research was my observation that marketing practices have changed significantly in the past decades. This observation led me to the question, whether methods of contemporary marketing, as described by marketing textbooks, add features of gift exchange to commodity exchange and, if so, under what conditions?

From the 1950s onwards, marketing has been forced to evolve from impersonal 'production', 'product' and 'selling' concepts, to the customer-centred 'marketing concept'. Recently, it has developed into so-called 'relationship marketing', which aims to establish strong and lasting relationships with customers. In a saturated marketplace, companies had to develop new strategies for selling their products and services. These strategies sometimes include moral elements, which are usually attributed to gift exchange. Therefore, commodities in the contemporary market are usually no longer pure representatives of what was traditionally considered to be characteristic of a commodity: anonymous products, alienated from the producer and seller, devoid of all social and moral obligations. Nowadays, buying a commodity is seldom representative of ideal commodity exchange, involving an anonymous producer and a transaction that has no past or future interaction. Most often there are other elements involved: parties form relationships and obligations, develop a sense of loyalty, feel emotionally attached and also exchange identities. Very often it is no longer possible to detach commodities from the transactors and their relationships, however vague they might be. Companies also frequently aim to create strong and permanent social bonds between buyer and seller by introducing various elements of gift exchange into their sales strategies.

My analysis, conducted along the five dimensions that distinguish commodity exchange from gift exchange in the 'Maussian' model, shows that contemporary marketing very often adds various elements to commodity exchange that are traditionally attributed to gift exchange alone: market exchange is not always impersonal, but can aim to create certain types of social bonds and mutual moral and social obligations between the exchange parties. The commodity, like the gift, can possess a quality of the original owner (the producer or the seller) and manifest a form of inalienability from the giver (producer or seller), which are otherwise characteristics of the gift. Besides that, similarly to gifts, commodities not only continue to embody the identity of the giver but can also impose this identity upon the receiver (a buyer) and vice versa.

My research thus shows that commodity exchange can, under certain conditions, generate a gift-exchange type of relationship between the exchange participants. Such commodity transactions do not bind transactors only for the duration of the actual transaction, but aim to establish a long-term relationship between the exchange partners.

My analysis also reveals that under certain conditions, contemporary commodity exchange transactions tend to create mutual social obligations between buyers and sellers (or producers), indicating that commodity exchange can involve lasting social obligations, once again a characteristic of gift exchange.

Furthermore, my research indicates that under certain conditions commodities manifest a form of inalienability, which is indicative of a gift: nowadays most commodities are not just plain and anonymous items. In the case of branded commodities, the identity of the producer is both legally and symbolically attached to the product. The inalienability of products from the producer is conspicuous and unmistakable, especially in the case of the 'Branded house' strategy. My analysis thus reveals that commodities can manifest a form of inalienability that otherwise is one of the characteristics of a gift.

Due to the quality of inalienability, commodities under certain conditions also contain the identity of the producer or seller. Like the personified gifts, branded commodities also have a 'brand personality'. According to Mauss, the power of the gift ultimately derives from a higher cosmological principle (such as the Maori concept of *hau* of the forest), likewise, contemporary advertising similarly often presents a product not in terms of its utilitarian features or benefits, but rather in the context of a very general idea, or sometimes even an ideal. In such advertisements, the product derives its identity, reputation and credibility from its association with an abstract idea or ideal, while the producer is mentioned only as a secondary reference.

Since branding infuses the commodity with symbolic characteristics which not only distinguish the branded commodity from other similar items produced by other manufacturers, but also connects the product to producer's identity, very often, then, the commodity actually aims to affect the identity of the buyer. Consumers utilise brands for building their self-identity, a process in which the identity of the producer is transferred to the identity of the product and then utilised by the consumer in the process of identity formation. This has important consequences for our understanding of the gift-commodity dichotomy because it shows that commodities are also capable of transferring identity from the giver to the receiver. As in the case of gift exchange, in which the identities of giver and receiver are interchanged, in commodity exchange the transfer of identities is also bi-directional: the identity of consumers that belong to a specific target group also affects the identity of the producer—its logo, promotional material, products, etc.

Since supermarkets epitomise impersonal market exchange, the dissertation also examined the case of Slovenia's largest supermarket chain (*Mercator*) in order to explore to what extent features of gift exchange are present in an environment where such elements are expected to be expressed the least. My findings indicate that *Mercator* abundantly and successfully utilises elements which belong to the sphere of gift exchange: an anthropomorphized corporate image, relationship building, creating various obligations and cycles of exchange, inalienability, community building, etc.

My analysis reveals that due to developments in marketing, market exchange transactions often utilise features of gift exchange among exchange partners. Therefore, commodities are not always the pure objects of exchanges transacted in assumedly impersonal market relations, but often give rise to relations that resemble those of gift exchange, where contemporary marketing tends to blur the distinction between gifts and commodities. Although the model of gift versus commodity is heuristically useful, in reality things are not so straightforward. Gifts and commodities represent two poles of a continuum and individual transactions may be positioned anywhere between these two extremes.

KEYWORDS: Mauss, Gregory, Carrier, gifts, gift exchange, commodities, commodity exchange, marketing, economic anthropology

RAZŠIRJEN POVZETEK

(10% OBSEGA DISERTACIJE)

Mauss je v svojem eseju (Mauss 1954) razvil razlikovanje med 'menjavo daru' in 'menjavo tržnega blaga', ter razvrstil družbe glede na obliko menjave, ki je prevladovala v njihovih ekonomskih aktivnostih. V konvencionalni socialni antropologiji je bila Maussova delitev na darove in tržno blago na široko sprejeta in vse do nedavnega je le peščica antropologov kritizirala to osnovno razlikovanje.

Na osnovi Maussovega eseja je Gregory v svoji znameniti knjigi *Gifts and Commodities* (Gregory 1982) razvil analitično razlikovanje med darovi in tržnim blagom. S svojim modelom dihotomije 'darovanja' in 'menjavo tržnega blaga' je Gregory najpomembnejši in največkrat citiran teoretik menjave po Maussu (Carrier 1995, vii). Gregory trdi, da tržna menjava vzpostavi kvantitativne odnose med objekti menjave in pusti menjalne partnerje po opravljeni transakciji medsebojno neodvisne (Gregory 1982: 45), medtem ko darovanje vzpostavi kvalitativne odnose med darovalcem in obdarovancem in vzpostavi njuno medsebojno odvisnost v podaljšani seriji neuravnoteženih menjav potem, ko je prvotna transakcija že zaključena (Gregory 1982: 42). Menjava tržnega blaga (oz. tržna menjava) ne povzroči nikakršnih trajnih socialnih obvez ali osebnih vezi med menjalnimi partnerji. Zato velja, da je menjava tržnega blaga v veliki meri brez socialnih elementov. Razen obveze kupca, da plača dogovorjeno vsoto denarja prodajalcu ter obveze prodajalca, da dostavi prodano blago kupcu, obe menjalni stranki nimata nikakršnih socialnih obvez druga do druge.

Po drugi strani pa darovanje ustvarja, upravlja ter krepi socialne vezi med darovalcem in obdarovancem. V nasprotju s tržnimi dobrinami, ki so anonimne, so darovi neodtujljivi in zato ne samo, da vedno vsebujejo identiteto dajalca, temveč tudi prenesejo to identiteto na obdarovanca.

Tržna menjava v družboslovju pogosto označuje 'ekonomsko racionalnost' in komercialno ustvarjanje dobička, medtem ko so darovi nosilci moralnih obligacij in družbenih obvez.

Kategorično razločevanje menjave na tržno menjavo in darovanje je bilo v socialni antropologiji vse do nedavnega na splošno sprejeto. Od začetka 1980-tih let pa so različni znanstveniki izpostavili, da kontrast med darovi in tržnim blagom v resnici ni tako, oster oz. ni dihotomen, kot je to predlagal Gregory (prim. Appadurai 1986; Carrier 1995; Gell 1992; Parry 1986; Parry in Bloch 1993), saj lahko v praksi katerakoli menjava vsebuje elemente tako menjave daru kot lastnosti tržne menjave.

Večina kritikov kategoričnega ločevanja na darove in tržno blago je pokazala, da darovanje lahko vsebuje elemente, ki so sicer značilni za tržno menjavo. Zato je namen moje disertacije preveriti ali lahko transakcije tržne menjave vsebujejo elemente, ki sicer običajno pripadajo darovanju. Disertacija analizira predpostavko, da je tržna menjava menjavanje odtujljivih, neosebnih in anonimnih predmetov, brez moralnih in socialnih elementov ali obligacij in je zato strogo ločena od menjave daru.

Izhodišče moje raziskave je bilo opažanje, da so se v zadnjih desetletjih marketinške tehnike precej spremenile. Za tržno ekonomijo zgodnjega 20. stoletja je bila namreč značilna predvsem masovna proizvodnja anonimnih ter neosebnih izdelkov. Od začetka industrijske revolucije je večina podjetij sledila produkcijsko orientiran pristop, kar pomeni, da je fokus podjetij bil na masovni produkciji izdelkov, ki jih je potem podjetje poskušalo prodati s pomočjo masovnega marketinga (Bruhn 2002: 1-2). Ta pristop, ki poudarja zgolj transakcije, se imenuje 'transakcijski marketing', kjer med prodajalcem (proizvajalcem) ter kupcem ne obstaja nikakršna bistvena komunikacija ali dolgotrajen medsebojni odnos. Glavni cilj je zgolj trenutno ustvarjanje prodaje (Boone in Kurtz 1999: 334).

Vendar pa so kasnejše faze tržne ekonomije prinesle spremembe marketinga, zaradi katerih tržno blago pogosto ne ustreza več kriterijem, ki v ločijo tržno menjavo od menjave darov. Od 1950-tih let prejšnjega stoletja naprej, se je bil marketing prisiljen razviti iz neosebnega 'produkcijskega', 'produktnega' in 'prodajnega' koncepta v t.i. 'marketinški koncept', ki je osredotočen na kupca, ne pa zgolj na prodajo ali na produkt. V 1980-tih letih je marketing začel dajati večji poudarek gradnji odnosov s kupci in nastal je t.i. 'marketing odnosov' (angl. *relationship marketing*) (Bruhn 2002: xiv). Ustvarjanje in vzdrževanje trajnih odnosov s kupci je postal vedno bolj pomemben cilj marketinga.

Na tržišču, zasičenem z raznovrstnimi izdelki, so bila podjetja prisiljena razviti nove strategije za prodajo svojih proizvodov ali uslug. Tržno blago dandanes ni več anonimni produkt, popolnoma odtujen od proizvajalca ali prodajalca ter brez kakršnih koli moralnih ali socialnih obligacij. Dandanes je tržno blago le še poredko predstavnik idealnega tipa tržne menjave, ki naj bi vključevala anonimnega proizvajalca ter transakcijo brez predhodne in bodoče interakcije med prodajalcem in kupcem. Bolj pogosto namreč velja, da tržna menjava vsebuje elemente, ki jih poznamo iz menjave darov: menjalni partnerji tvorijo medsebojne odnose, obligacije, občutek lojalnosti, razvijejo emocije do menjalnih partnerjev ali izdelkov ter med seboj izmenjujejo identitete. Zato pogosto ni več mogoče ločiti tržnega blaga od transaktorjev in njihovih medsebojnih odnosov, kakorkoli površni že ti bili. Podjetja pogosto težijo k ustvarjanju trdnih in trajnih socialnih vezi med podjetjem in kupcem tako, da vključijo razne elemente menjave daru v svoje prodajne strategije.

Moje raziskovalno vprašanje je torej, ali sodobne marketinške metode, kot jih opisujejo izbrani marketinški učbeniki, tržni menjavi lahko pripišejo značilnosti, zaradi katerih tržno menjavo lahko primerjamo z menjavo daru?

Za potrebe svoje raziskave sem najprej operacionaliziral koncept 'darovanje' in potem preveril, ali lahko najdemo elemente darovanja v sodobni tržni menjavi.

Kot mnogi temeljni spisi, je bil tudi Maussov esej predmet številnih, pogosto kontradiktornih interpretacij. Različni avtorji so izpostavili različne vidike darovanja ter prišli do različnih, celo nasprotujočih se zaključkov, zato sem za operacionalizacijo izbral en sam teoretski model, ostale modele pa izpustil. S procesom operacionalizacije sem torej definiral indikatorje 'menjave daru' in 'tržne menjave', za kar sem uporabil Carrierjev (1995) model iz njegove knjige *Gifts and Commodities*. Carrier v uvodu navaja, da njegova knjiga idejno temelji na istoimenski knjigi *Gifts and Commodities* (Gregory 1982) in predstavlja nadgradnjo Gregoryevega modela. Knjigo so sicer recenzirali najbolj znani teoretiki menjave daru (David Cheal, Chris Gregory, Tim Ingold, Daniel Miller in Johnatan Parry) in zato predstavlja svojevrsten konsenz pomembnih avtorjev.

Moja raziskava predstavlja nadaljevanje ter razširitev analize, ki jo je opravil Carrier v svoji knjigi, kjer (v negeneralizirani obliki) pokaže, kako sodobni marketing tržni menjavi lahko pripiše elemente, ki sicer pripadajo darovanju (Carrier 1995). Tako moja raziskava z relativno mehansko preslikavo osnovnih parametrov Maussove teorije darovanja na sistem tržne ekonomije preverja prisotnost elementov darovanja v sodobnih marketinških praksah, pri čemer je fokus raziskave predvsem na principih recipročnosti, saj je vse do nedavnega v antropološki analizi darovanja prevladoval model, ki temelji na načelu recipročnosti (prim. Osteen 2002a, 5; Yan 2002, 67).

Carrier pravi, da je dar definiran z naslednjimi tremi lastnostmi: dar je (1) obvezujoča izmenjava (2) neodtujljivih predmetov ali storitev med (3) medsebojno obvezanimi in povezanimi menjalnimi partnerji (Carrier 1995, 21).

V raziskavi sem marketinške metode iz izbranih učbenikov analiziral po petih dimenzijah, ki v Carrierjevem modelu razločujejo tržno menjavo od menjavo daru:

1. Ali menjava ustvarja dolgoročne odnose med menjalnimi partnerji.
2. Ali menjava ustvarja moralne obveze med menjalnimi partnerji.
3. Ali je predmet menjave lahko odtujen od dajalca.
4. Izhajajoč iz 3.: ali predmet menjave vsebuje identiteto dajalca.

5. Izhajajoč iz 4.: ali predmet menjave lahko prenese identiteto dajalca na prejemnika in obratno.

Za določanje kriterijev vsakega indikatorja sem uporabil Carrierjevo knjigo (Carrier 1995) ter knjigi na katerih je temelji (Gregory 1982; Mauss 1954). Moja operacionalizacija zagotovo ni edina možna operacionalizacija menjave darov; različne operacionalizacije bi izpostavile različne elemente. Npr., Carrier v uvodu knjige navaja, da je namerno zanemaril analizo vzpostavljanja odnosov moči ter družbene ne-enakosti (Carrier 1995: x). Tako sem tudi sam v svoji analizi zavestno izpustil vidike vzpostavljanja družbene kohezije, družbene identitete, hierarhizacije socialnih statusov in družbenega nadzora. Vsekakor bi bilo zanimivo analizo opraviti tudi z drugačnimi operacionalizacijami in primerjati rezultate.

Moja operacionalizacija je izpostavila naslednje indikatorje darovanja ter njihove kriterije:

Prvi indikator menjave daru zadeva prisotnost medsebojnega odnosa med darovalcem in obdarovancem. Menjava darov ustvarja, upravlja ter krepi socialne vezi med darovalcem in prejemnikom daru. Za ugotavljanje prisotnosti medsebojnih odnosov sem uporabil naslednje kriterije:

1.1. Kaj je namen transakcije: namen menjave daru je vzpostavljanje in upravljanje medsebojnih odnosov, medtem ko je namen tržne menjave zgolj izmenjava blaga in storitev (Gregory 1982: 19).

1.2. Dolžina trajanja odnosa med menjalnimi partnerji: če menjava daru vzpostavi dolgoročen odnos med menjalnima partnerja, pa tržna menjava vzpostavi le kratkotrajen odnos med prodajalcem in kupcem, ki se konča takoj po zaključeni transakciji (Mauss 1954: 18).

1.3. Osebna bližina, domačnost: tržna menjava poteka med tujci, menjava darov pa med ljudmi, ki se poznajo (Carrier 1995: 10, 29; Gregory 1982: 43).

1.4. Vzpostavljanje konteksta in zgodovine med menjalnima partnerjema: pri menjavi daru v medsebojnem odnosu med menjalnima partnerjema obstaja iteracija, saj vsaka naslednja interakcija celotni vsebini odnosa pridoda novo informacijo in tako ustvarja zgodovino ter kontekst (Mauss 1954: 20, 26).

Drugi indikator menjave daru zadeva medsebojne moralne obveze, ki jih ustvari menjava daru. Tržna menjava ne povzroči nikakršnih trajnih socialnih obvez med menjalnimi partnerji. Razen obveze kupca, da plača dogovorjeno vsoto denarja prodajalcu ter obveze prodajalca, da dostavi prodano blago kupcu, obe menjalni stranki po končani transakciji nimata nikakršnih obvez druga do druge, temveč sta popolnoma neodvisni. Po drugi strani pa menjava daru temelji na dolgoročnih obvezah, ki izvirajo iz medsebojnih odnosov (do prijateljev, sorodnikov, itd.) ne pa iz pravil ekonomske menjave (Carrier 1995: 23).

Za ugotavljanje prisotnosti moralnih obvez sem uporabil naslednje kriterije:

2.1. Pri menjavi daru neupoštevanje obvez ne regulira nikakršna formalna institucija ali zakon, temveč upoštevanje teh pravil nadzorujejo družbene norme in osebna prepričanja udeležencev menjave daru (Carrier 1991: 123; Mauss 1954: 1).

2.1. Pri menjavi daru povračilo daru ne razdolži obveze, temveč jo le še potrdi (Carrier 1995: 23). Na ta način menjava daru povzroči nenehno serijo menjav.

2.3. Pri menjavi daru je povračilo odloženo v prihodnost (Gregory 1982: 46; Mauss 1954: 18). V nasprotju z menjavo daru pa sta pri tržni menjavi prodajalec oz. kupec poplačana takoj.

2.4. Četrti kriterij pravi, da pri menjavi daru obveza dajanja in vračila daru ne zahteva nujno recipročnosti med dvema specifičnima posameznikoma, temveč posamezniki nastopajo kot predstavniki simbolne skupine, ki ji pripadajo (Mauss 1952: 3).

Tretji indikator menjave daru zadeva neodtujljivost od darovalca. Kadarkoli v procesu tržne menjave predmet zamenja lastnika, novi lastnik pridobi vse pravice glede predmeta, ki ga je kupil (Carrier 1995: 30-31). Tako predmet postane odtujen od svojega prejšnjega lastnika. Po drugi strani pa predmet, ki ga nekdo prejme v dar, nikoli ni popolnoma odtujen od svojega prejšnjega lastnika (darovalca), saj novega lastnika vedno spominja na darovalca in tako nosi pečat prejšnjega lastnika (Mauss 1954: 22). Za ugotavljanje prisotnosti neodtujljivosti sem uporabil naslednje kriterije:

3.1. Dar zaznavamo kot nekaj, kar na inherenten način pripada originalnemu lastniku. Mauss pravi, da pri menjavi daru "predmeti nikoli niso popolnoma ločeni od ljudi, ki jih izmenjujejo" (Mauss 1954: 31). Celo, če je dar odvržen, še vedno pripada darovalcu (Mauss 1954: 9).

3.2. Dar ima zgodovino, ki ga veže na originalnega lastnika (Carrier 1995: 26; Mauss 1954: 22). Darovani predmet ni zgolj anonimen član kategorije podobnih predmetov, kot je to značilno za tržno blago.

3.3. Dar uteleša odnos med darovalcem in obdarovancem (Carrier 1991: 126), zato ima dar močno emocionalno komponento.

3.4. Dar je pomemben zaradi neoprijemljivih značilnosti, ne pa zaradi svoje uporabne ali pa menjalne vrednosti (Gregory 1982: 48). Po drugi strani pa je tržno blago pomembno zgolj zaradi svoje uporabne in menjalne vrednosti (Gregory 1982: 10-11).

Četrti indikator menjave daru zadeva vsebnost identitete darovalca v daru. Neodtujljivost daru povzroči, da dar vedno vsebuje identiteto darovalca (Carrier 1995: 147). Za ugotavljanje prisotnosti identitete dajalca sem uporabil naslednje kriterije:

4.1. Dar ohrani asociacijo na darovalca (Mauss 1954: 10), medtem ko je tržno blago anonimen objekt, kupljen in pomemben zgolj zaradi svoje uporabne vrednosti (Gregory 1982: 11).
4.2. Vrednost daru izvira iz njegove simbolne povezanosti z darovalcem (Mauss 1954:. 8-9).
4.3. Dar je personificiran, saj mu ljudje pridodajo človeške lastnosti (Gregory 1982: 93; Mauss 1954: 44).
4.4. Maussov predlog (Mauss 1954, 9), da je identiteta darovalca v daru prisotna v obliki mistične moči *hau*, je bila kasneje deležna številnih kritik, zato sem raje privzel, da identiteta darovalca ne biva v daru samem, temveč v zavesti ljudi, ki sodelujejo v transakciji (Carrier 2005: 24; Yan 2002: 67).
4.5. V končni instanci darovalec ni posameznik, temveč nekaj kar posameznika presega. Identiteta daru zatorej v končni instanci ni povezana z darovalcem kot posameznikom, temveč z nečem, kar je mnogo večje od posameznika: z Naravo, Bogom, gozdom, kozmološkim počelom, s "*hau* gozda" (Mauss 1954: 9).

Peti indikator menjave daru zadeva prenos identitet med darovalcem in obdarovancem. Neodtujljivost daru povzroči, da dar vedno vsebuje identiteto darovalca (Carrier 1995: 147) in ustvari izmenjavo identitet (Ingold 1987: 267). Mauss pravi, da menjava darov ne nudi samo izmenjave materialnih predmetov, temveč tudi izmenjavo osebnosti ljudi, ki sodelujejo v izmenjavi (Mauss 1954: 10), zato pri daru ne prejmemo samo materialnega predmeta, temveč tudi značilnosti darovalca, kar potem posredno vpliva na obdarovančevo osebno identiteto (Mauss 1954, 22). Človek, ki sodeluje v izmenjavi darov zato ni neodvisen posameznik, temveč relacijska oseba, ki deluje v mreži medosebnih odnosov, kjer je vse povezano med sabo: darovalci, prejemniki in darovi. Predmeti zato niso definirani samo z lastnostmi človeka, ki predmet poseduje, temveč tudi z lastnostmi prejšnjega lastnika.

To je v skladu z ugotovitvami psihologije, ki je ugotovila, da ljudje uporabljajo in smatrajo predmete kot da so del njihove razširjene osebnosti. Pri konstruiranju koncepta o samemu sebi namreč ljudje ne uporabljajo samo svojih notranjih psiholoških značilnosti, temveč tudi zunanje predmete. Ljudje smatrajo, da tako kot fizično telo, tudi zunanji predmeti niso zgolj v lasti, temveč dejansko konstituirajo človeka.

Številni etnografski primeri iz vsega sveta pričajo, da ljudje pogosto verjamejo, da predmeti vsebujejo identiteto prejšnjega lastnika. Zato ljudje v različnih kulturah prakticirajo inkorporiranje predmetov v svojo osebnost: ližejo na novo pridobljene predmete ter pokopljejo umrle skupaj z njihovo osebno lastnino. Tudi človek, ki npr. kupi osebni predmet, ki je nekoč pripadal znani osebnosti meni, da s tem na nek način dobi lastnosti te osebe.

Raziskave tudi kažejo, da ljudje verjamejo, da predmeti, ki so bili prej v lasti nekoga drugega, to identiteto prenesejo na novega lastnika (prim. Rozin in dr. 1998).

5.1. Glavni kriterij za presojo ali tržno blago lahko prejemniku vsili identiteto darovalca je, če lahko izdelek na kakršen koli način prenese identiteto proizvajalca na kupca.

Na osnovi zgoraj opisanih kriterijev sem potem preverjal ali marketinški učbeniki ter marketinška literatura vsebujejo elemente darovanja. Ker marketinški učbeniki predstavljajo osnovo za marketinške aktivnosti, zato prestavljajo temeljni vir moje analize. Zanimalo me je, ali marketinški učbeniki, ki so izšli v zadnjih desetih letih, predpisujejo marketinške prakse, ki tržni menjavi pripišejo značilnosti, zaradi katerih jo lahko primerjamo z menjavo darov. Za analizo sem v knjižnici Fakultete za družbene vede na oddelku marketinške literature izbral knjige tako, da so v izbor so prišle le knjige, ki:

- služijo kot učbeniki marketinga;
- obravnavajo marketing kot celoto, ne pa samo njegova posamezna področja (npr. samo oglaševanje);
- so imeli vsaj 600 strani. Ta kriterij je izločil knjige, ki niso dovolj obširno in podrobno obravnavale marketinga;
- ki so izšle v zadnjih 10 letih, saj analiziram pojav, ki je značilen za marketing zadnjih 15-20 let.

Za osnovne enote analize sem izbral naslednje učbenike:

8. *Marketing Management, 12th edition* (Kotler in Keller 2006; 816 strani).
9. *Principles of marketing, 4th European edition* (Kotler in dr. 2005; 954 strani);
10. *Principles of marketing* (Palmer 2000; 644 strani);
11. *Contemporary Marketing* (Boone in Kurtz 1999; 742 strani);
12. *Marketing Strategies for Competitive Advantage* (Adcock 2000; 406 strani, vendar strnjenega besedila in brez fotografij, zato sem knjigo vključil v analizo).

V raziskavi sem uporabil metodo analize besedila (Titscher in dr. 2007). Z analizo izbranih marketinških učbenikov sem želel preveriti, če le-ti eksplicitno ali implicitno vsebujejo ideje, načela, napotke in prakse, ki vsebujejo z izbranimi kriteriji definirane značilnosti menjave daru.

Izsledki analize besedila izbranih učbenikov marketinga ter marketinške literature kažejo, da sodobne marketinške metode zares lahko pripišejo tržni menjavi značilnosti darovanja. Analiza po izbranih kriterijih da naslednje rezultate:

Indikator št. 1, ustvarjanje medsebojnih odnosov:

Prvi kriterij: Če je v času masovnega marketinga veljalo, da je namen tržne menjave zgolj nekaj prodati, pa je naraščajoča konkurenca in zasičenost tržišča povzročila, da marketing kot enega od osnovnih namenov menjave izpostavlja vzpostavljanje odnosov med podjetjem in kupci.

Navkljub temu pa seveda med darovanjem in tržno menjavo seveda še vedno obstaja razlika v hierarhiji interesov: pri darovanju obstaja primarnost odnosov med menjalnimi partnerji nad odnosi med osebami in predmeti menjave. Pri tržni menjavi pa so odnosi – ne glede na njihovo veliko pomembnost – le nekaj kar pripomore k bolj gladki in uspešni tržni menjavi. Zatorej ta kriterij ne kaže na to, da sta tržna menjava in darovanje istovetni, temveč le na to, da v določenih primerih namen tržne menjave ni zgolj menjava stvari, temveč tudi ustvarjanje odnosov, kar je v nasprotju z modelom, ki pravi, da je pri tržni menjavi pomembna zgolj trenutna prodaja. 'Marketing odnosov' torej pridoda osnovnemu namenu tržne menjave še ustvarjanje odnosov.

Drugi kriterij: 'Marketing odnosov' postavlja ustvarjanje dolgoročnih odnosov s kupci v prvi plan in trdi, da je pravi namen trgovanja ustvarjanje in vzdrževanje dolgotrajnih odnosov med podjetjem in kupci. Podjetja uporabljajo različne metode s pomočjo katerih s kupci ustvarjajo dolgotrajne odnose, t.j. odnos, ki traja mnogo dlje kot pa le za čas trajanja transakcije, saj to poveča dobiček podjetja. Te metode vključujejo npr. upravljanje odnosov z kupci (*Customer Relationship Management - CRM*), pomoč kupcem (*customer service*), programe lojalnosti, ter programe klubov kupcev, itd.

Tretji kriterij: Podjetja poskušajo emulirati element osebne bližine in domačnosti tako, da ustvarjajo individualizirane interakcije z kupci, ter gradijo z njimi različne kontekste. Na ta način lahko podjetje vsakemu kupcu posebej prilagodi ponudbo in komunikacijo, v skladu s kupčevimi potrebami in željami. Preprost in pogosto uporabljen aspekt te strategije so prodajna pisma, ki so na videz narejena kot da gre za osebno pismo. Prav tako nekatera podjetja individualizirajo proizvode za različne kupce, ali pa vsaj poskušajo ustvariti vtis, da gre za personalizacijo. Podjetje lahko kupcu nudi individualni tretma, ki daje kupcu vedeti, da ne gre za anonimni, neosebni masovni marketing, temveč za trženje, ki različne kupce obravnava različno. Boone in Kurtz trdita, da se na ta način marketing vrača k starim časom, ko je prodajalec osebno poznal svoje kupce in je zato lahko prilagodil vsak proizvod in prodajno predstavitev specifičnim potrebam individualnega kupca (Boone in Kurtz 1999: 346).

Takšen odnos tako vključuje dvosmerni tok, dialog med obema stranema, zato mora podjetje vedeti za obstoj vsakega posamičnega kupca. To je postalo mogoče z pojavom novih tehnologij, ki podjetju omogočajo zbiranje in hranjenje ogromne količine informacij o posameznih kupcih. Na ta način lahko kasneje podjetje vsakemu kupcu posebej prilagodi ponudbe in komunikacijo, v skladu s kupčevimi potrebami in željami. Ta strategija je znana pod imenom 'upravljanje odnosov z kupci' (*Customer Relationship Management* - *CRM*). CRM omogoči podjetju da vzpostavi virtualni odnos s kupcem. Vendar pa v takšnem virtualnem odnosu med podjetjem in kupcem obstaja asimetrija, saj je kupec le eden od tisočih, ki jih podjetje 'osebno' naslavlja s ponudbami in promocijsko komunikacijo.

Četrti kriterij: 'Marketing odnosov' močno poudarja interakcijo z kupci, ne pa zgolj enosmeren način komunikacije, ki je značilen za transakcijski marketing. Sodobna tehnologija podjetjem omogoča zbiranje in hranjenje številnih informacij o kupcih in njihovih preteklih transakcijah ali interakcijah s podjetjem. Na ta način lahko podjetje zgradi individualne zgodovine svojih odnosov s kupci. Pri tovrstni tržni menjavi podjetje lahko upošteva input kupca in skladno s tem kroji svoje ponudbe ter v nekaterih primerih celo izdelke. Ker se aktivnosti in preference kupcev ves čas menjajo, se tudi podjetje temu ves čas prilagaja in menja svoje aktivnosti ter proizvodnjo.

Tako odnos podjetja do kupca postaja vedno bogatejši z informacijami o kupcu. Dober primer je Amazon.com, kjer vsak obisk spletne strani pridoda informacije o kupcu, kar ob naslednjem obisku Amazon uporabi za generiranje priporočil. Takšen pristop se bistveno loči od transakcijskega marketinga, ki ga zanima le enkratna prodaja. Čeprav tudi kupci pomnijo svoje izkušnje s podjetjem in tako gradijo zgodovino svojih interakcij s podjetjem, pa kljub temu v takšnem virtualnem odnosu med podjetjem in kupcem obstaja asimetrija, saj je kupec le eden od tisočih, ki jih podjetje 'osebno' naslavlja s ponudbami in komunikacijo ter eden od mnogih, za katere podjetje beleži podrobnosti interakcij in nakupnih aktivnosti.

Indikator št. 2, ustvarjanje moralnih obvez:

Prvi kriterij: Najočitnejša vrsta moralne obveze, ki se lahko pojavi v tržni menjavi, je med prodajalcem in kupcem. Če je kupec zelo dobro postrežen, to pri njemu ustvari občutek moralne obvezanosti, kar lahko vodi v lojalnost do prodajalca.

Za dosego tega učinka obstajajo različne metode: prodajalec lahko kupcu nameni svoj čas, mu svetuje, nudi informacije, pomoč, ga posluša ali pomaga pri nakupovalni odločitvi (Levine 2003: 74). Prav tako lahko s pogovorom o ne-poslovnih zadevah ter šalami prodajalec pri kupcu zbudi občutek obveze (Levine 2003: 75).

Občutek moralne obveze pa lahko obstaja tudi na strani prodajalca. Npr., nekateri blagajničarji v trgovini so v raziskavi izrazili občutek, da čutijo moralno obvezo, da nudijo dobro uslugo (Payne in dr. 1998: 119).

Naslednja metoda za ustvarjanje obvez pri kupcih izkorišča človeško tendenco po sprejemanju in vračanju darov (Cialdini 2001: 22). Zato podjetja pogosto dajejo strankam različna darila, kar pri prejemniku ustvari občutek moralne obveze ter tako pospešuje prodajo. Pri tem podjetja uporabljajo različne vrste darov: vzorce, kupone, vračilo denarja, dva za ceno enega, mala darilca, programe lojalnosti, nagrade, brezplačna testiranja, itd. Belch in Belch navajata, da promocijska darilca za nekajkrat povečajo odzivnost kupcev (Belch in Belch 2003: 445).

Po drugi strani pa ‘marketing odnosov’ poudarja predvsem moralne obveze, ki jih imajo podjetja do strank. Tu ne gre za formalne obveze podjetja do kupcev. Posledica izpolnjevanja teh obvez je zaupanje kupcev v kakovost, zanesljivost, trajnost ter integriteto podjetja in njegovih proizvodov (Boone in Kurtz 1999: 339). Še več, kupec lahko razvije tako močno zaupanje do podjetja, da trdno verjame, da podjetje dela v njegovo korist. V tem primeru lahko kupec razvije celo navezanost na podjetje. Vidimo torej, da v določenih okoliščinah tudi tržna menjava lahko ustvari moralne, ne pa formalne obveze med menjalnimi partnerji.

Drugi kriterij: V nasprotju s transakcijskim marketingom, ki ga zanima zgolj trenutna prodaja, pa je ‘marketing odnosov’ osredotočen na ustvarjanje lojalnosti, kar ustvari mrežo vzajemnih obvez med podjetjem in kupcem ter serijo ponavljajočih se menjav. Prodajalec (proizvajalec) ima do kupca različne dolgoročne obveze, npr. obvezo, da vzdržuje kakovost izdelkov ter dobro ime blagovne znamke, ‘podporo in pomoč strankam’, itd. Vse to kaže na dolgoročno obvezo podjetja do kupca. Kadar podjetje preko svoje podporne službe pomaga kupcu, s tem ne razdolži svoje obveze do kupca, temveč jo le še potrdi. Podpora kupcem se lahko manifestira tudi kot (običajno brezplačna) telefonska številka za pomoč ter informacije kupcem.

Boone in Kurtz pravita, da podjetje, ki ne izpolni svojih obljub do strank, tvega uničenje kakršnega koli upanja za izgradnjo trajajočega odnosa med kupcem in prodajalcem (Boone in Kurtz 1999: 338).

Tretji kriterij: Tudi v sodobni tržni menjavi najdemo obveze, ki trajajo dlje od same transakcije. Ena od dolgoročnih moralnih obvez, ki jo ima podjetje do kupca je, da vzdržuje (oziroma celo izboljšuje) kakovost. Če podjetje noče kupcu nečesa prodati samo enkrat ter nato izginiti, ima podjetje nedvoumno moralno obvezo, da ob naslednjem nakupu dostavi kupcu enako ali celo boljšo kakovost (ugled, prestiž itd.). Ta obveza vzdrževanja oz. izboljševanja je odložena v prihodnost in traja dlje kot pa zgolj samo dejanje nakupa in prodaje.

Persse trdi, da je ideja nenehnega izboljševanja kakovosti prepletena skozi ves ISO9001 standard (Persse 2006: 133). Tudi znani koncept popolnega upravljanja kakovosti (*Total Quality Management - TQM*) je posvečen nenehni skrbi za izboljševanje proizvodov.

Četrti kriterij: Ena od izjemno zanimivih situacij, ko se obveze pojavijo v kontekstu tržne menjave je, ko obveza obstaja med simbolnimi skupinami. Dihotomni model menjave obravnava menjavo daru kot menjavo, ki poteka znotraj socialnih mrež, medtem ko naj bi tržna menjava potekala med atomiziranimi ter avtonomnimi posamezniki (Kapferer 2008: 215). Analiza pa pokaže, da sodobna tržna menjava lahko ustvari obveze, ki temeljijo na kupčevem članstvu v simbolni skupini. Ker imajo blagovne znamke svojo osebnost, lahko potrošniki tvorijo parasocialne odnose z njimi, kjer nastane odnos med resnično osebo (kupcem) ter konstruirano osebnostjo blagovne znamke (Gummesson 2002: 111). Blagovna znamka torej tvori temelj simbolnih skupin, ki delujejo podobno kot "*personne morale*" (Mauss 1952: 3) pri menjavi daru. Kupci, ki so močno predani določeni blagovni znamki namreč čutijo, da so del nečesa kar je mnogo večje od njih samih (Cova in dr. 2007; Lindstrom in dr. 2004: 82). Muniz ter O'Guinn (2001) sta v svojem članku predstavila idejo 'skupnosti blagovne znamke' ter jo opisala kot ne-geografske skupnosti, ki je nastala in obstaja na osnovi strukturnih odnosov med ljudmi, ki močno favorizirajo ter občudujejo določeno blagovno znamko. Zato včasih podjetja okoli blagovne znamke zgradijo skupnost uporabnikov, saj imajo ljudje bazično potrebo po pripadnosti socialni skupini, ki jo zadovoljijo ter izkazujejo z nakupom določenih izdelkov. V takšnem simbolnem odnosu med skupnostjo goreče zvestih strank in blagovno znamko imata obe strani vzajemne obveze, ki jih morata spoštovati in izpolnjevati. Po eni strani ima podjetje (lastnik blagovne znamke) različne obveze do svojih zvestih strank, saj jim mora nenehno zagotavljati nove, izboljšane izdelke, s katerimi potrjuje svojo obvezanost do teh predanih kupcev. Prav tako ima obvezo, da vzdržuje dobro podobo (ugled) podjetja in blagovne znamke. Poleg tega ima obvezo, da skrbi za svoje zveste stranke. Po drugi strani pa ima zvest kupec obvezo, da kupuje proizvode, ki pripadajo tej blagovni znamki, saj edinole na ta način ohranja svojo pripadnost blagovni znamki, oz. socialni ali simbolni skupini, ki jo tvori blagovna znamka.

Indikator št. 3, neodtujljivost od dajalca:

Prvi kriterij: Najočitnejši primer tržne menjave kjer je neodtujljivost od darovalca očitno prisotna, je prodaja umetnin, saj umetniškega dela ne moremo odtujiti od avtorja. Umetnino lahko kupimo in postanemo njen lastnik, ne postanemo pa avtorski lastnik umetniškega dela samega po sebi (Carrier 1995: 29). Ob nakupu knjige ali glasbene zgoščenke zato kupec postane zgolj lastnik fizičnega nosilca, ne pa tudi vsebine.

Poleg tržne menjave umetniških izdelkov pa lahko lastnost neodtujljivosti najdemo tudi pri znamčenem (angl. *branded*) tržnem blagu. Dandanes namreč tržno blago ni več sestavljeno iz anonimnih predmetov, temveč skoraj vedno (bolj ali manj odkrito) poskuša kupca spomniti na proizvajalca. Običajno je zato ime blagovne znamke (npr. Gillette) na izdelku mnogo bolj očitno ter izpostavljeno kot pa vrsta izdelka (npr. 'brivnik za enkratno uporabo'). Zato kupec pogosto ne kupi 'brivnika za enkratno uporabo', temveč kupi 'Gillette'. Podjetja s pomočjo patentov, blagovnih znamk, avtorskih pravic itd. močno ščitijo legalne pravice in avtorsko neodtujljivost svojih izdelkov. Večina izdelkov tako dandanes izkazuje neodtujljivost od proizvajalca, saj večina proizvajalcev (in včasih tudi prodajalcev) poskuša vtisniti svojo identiteto tako na izdelek kot tudi v zavest kupca. Blagovna znamka daje izdelku element neodtujljivosti od proizvajalca ali prodajalca, saj identificira izvor ali pa proizvajalca izdelka.

Drugi kriterij: Tako kot dar, pri katerem je pomembno kdo ga je dal in v kakšnem kontekstu, tudi znamčeno tržno blago vsebuje simbolne pomene glede na svojo biografijo: kdo je proizvajalec, kje je bil predmet kupljen (v prestižnem butiku ali na tržnici), itd.

Če kupec ne ve, kdo je proizvajalec, bo srajca v trgovini zanj samo generična srajca, ki jo lahko nadomesti katera koli druga podobna srajca. Takšen predmet nima biografije, nikakršnega dodatnega pomena pridodanega njegovi uporabni vrednosti. Znamčena srajca pa ima pedigre in biografijo. Vse izkušnje, ki jih ima kupec z blagovno znamko preko oglaševanja, osebne izkušnje, mnenj drugih, itd. prispevajo k biografiji znamčenega predmeta, ki tako ni več generičen, anonimen izdelek, temveč ima svojo zgodovino. K njeni zgodovini pa ne prispeva samo ime proizvajalca, temveč tudi kontekst kjer je bila kupljena, npr. ali je bila kupljena na tržnici ali pa v prestižnem butiku.

Tretji kriterij: Analiza kaže, da tudi sodobni marketing pogosto ustvari situacijo, ko izdelku doda emocionalno komponento. Uspešno znamčenje (angl. *branding*) namreč ustvari emocionalne vezi ter čustvene reakcije pri kupcih (Pimentel in Reynolds 2004). Obstaja celo t.i. 'emocionalni branding' (Gobé in Zyman 2001), ki trdi, da se mora marketing dotakniti najglobljih kupčevih čustev.

Kupec lahko torej vzpostavi močno čustveno navezanost na podjetje, blagovno znamko ali proizvod. Takšen odnos je lahko čustven in trajen, podobno kot katerikoli odnos med dvema človekom, saj raziskave kažejo, da gre takšna čustvena navezanost na izdelek, blagovno znamko, itd. lahko vse do strasti ali ljubezni (Fournier 1996; Fournier 1998; Fournier in Yao 1997). Tržno blago zatorej ni nujno neosebno in brez emocionalnega naboja, temveč je lahko nabito z osebnimi ter čustvenimi komponentami, kar je sicer značilnost darov. Odlične blagovne znamke ustvarijo čustveno navezanost kupcev, ne pa zgolj racionalne preference.

Četrti kriterij: Znamčeni izdelki pogosto niso pomembni zaradi svoje uporabne, temveč zaradi svoje simbolne vrednosti. Spektakularno demonstracijo tega načela nudijo testi, kjer ljudje okušajo hrano ali pijačo, ne da bi poznali znamko okušenih izdelkov. Raziskave kažejo, da testna skupina, ki pozna blagovno znamko okušenega proizvoda, ta proizvod oceni drugače, kot skupina ki ga ne pozna, čeprav obe skupini testirata isti izdelek (Kotler in Keller 2006: 186). Znamčen izdelek je pomemben zaradi svojih oprijemljivih in neoprijemljivih značilnosti.

Indikator št. 4, vsebnost identitete darovalca:

Prvi kriterij: V tržni menjavi lahko najdemo primere, kjer tržno blago jasno vsebuje identiteto prejšnjega lastnika, npr. predmeti ki so kupljeni zato ker imajo zgodovino (zbirateljski predmeti, predmeti iz antikvariata, predmeti kupljeni na posebnih dražbah itd.). Vendar pa analiza pokaže, da tudi običajni izdelki najpogosteje vsebujejo identiteto proizvajalca. Znamčeni izdelki vsebujejo identiteto proizvajalca. Dandanes namreč večina izdelkov ni zgolj generičen proizvod z osnovno nalepko (sol, mleko, srajca, itd.), brez blagovne znamke in brez oglaševanja. Takšne proizvode običajno lahko najdemo le v posebnih diskontnih trgovinah. Večina izdelkov v običajnih trgovinah pa ni zgolj generičen proizvod, saj običajno podjetja vlagajo velike napore v znamčenje, ki obeleži izdelek s simboli, posebnim imenom ter razločujočo embalažo (Boone in Kurtz 1999: 403). Takšen izdelek bolj ali manj razločno ohranja asociacijo na proizvajalca. Za znamčenje v osnovi obstajata dve različni strategiji, ki predstavljata dve skrajni možnosti, ki ju lahko uporabi podjetje (Kotler in Keller 2006: 296). Pri prvi strategiji podjetje gradi ločene, individualne blagovne znamke, ki niso eksplicitno povezane z korporativno blagovno znamko proizvajalca. Pri drugi strategiji, (ki je bolj zanimiva za našo analizo) pa podjetje neposredno veže svoj ugled (ter blagovno znamko) na svoje proizvode ter tako neposredno prenese podobo podjetja tudi na svoje izdelke. Pri tovrstni strategiji je identiteta podjetja direktno izražena v proizvodu. Dandanes je znamčen izdelek močno povezan z proizvajalcem in ju je zato praktično nemogoče (pa tudi nesmiselno) razdvojiti, saj bi odstranitev blagovne znamke zmanjšala simbolno, emocionalno in monetarno vrednost izdelka. Čeprav pri nekaterih strategijah znamčenja proizvajalčevo ime ni izrecno izpostavljeno, pa kupci vseeno vedo kdo je proizvajalec. Kadar pa podjetje izrecno veže blagovno znamko izdelka na ime podjetja, je lastnost neodtujljivosti nedvoumno izražena, saj je identiteta proizvajalca tako legalno kot simbolno pripeta na proizvod. Zato je za zelo zveste in predane kupce izjemno težko ločiti proizvod od blagovne znamke, ki mu takšen proizvod pripada, saj znamčenega proizvoda ne more nadomestiti podoben generični proizvod ali pa podoben proizvod druge blagovne znamke. Analiza torej pokaže, da lahko pod določenimi pogoji tudi tržna menjava vsebuje element neodtujljivosti, ki je sicer značilna za menjavo daru.

Drugi kriterij: Znamčeni izdelki imajo v primerjavi z analognimi generičnimi, ne-znamčenimi izdelki dodano vrednost. Ta dodana vrednost je lahko finančna, emocionalna, intelektualna, psihološka, simbolna, itd. (Kotler in Keller 2006: 274). Marketing to dodano vrednost znamčenega izdelka označuje z izrazom 'moč znamke' (angl. *brand equity*) (Dowling 2004: 233). Izdelki z visoko 'močjo znamke' stanejo več v primerjavi z podobnimi generičnimi izdelki ali pa v primerjavi z izdelki z nizko 'močjo znamke' (Kotler in Keller 2006: 276). Znamčen izdelek jasno kaže, da je tudi pri tržnem blagu pomembno kdo je dajalec (proizvajalec). Znamčen izdelek zato ni samo eden od podobnih izdelkov, temveč je prepojen z značilnostmi proizvajalca, njegovo reputacijo, itd., kar pridoda simbolno in finančno vrednost takšnemu izdelku.

Tretji kriterij: Znamčenje pogosto pripiše izdelkom osebne značilnosti, neke vrste osebnost. Ta osebnost je običajno tesno povezana z značilnostmi proizvajalca (Dowling 2004: 229; Palmer 2000: 100). V marketingu obstaja termin "osebnost blagovne znamke" (Kotler in Keller 2006: 182). Gre za antropomorfični koncept, ki označuje človeške značilnosti povezane z določeno blagovno znamko (Dowling 2004: 236). Osebnost blagovne znamke določajo različni faktorji. Eden od pomembnih dejavnikov je "osebnost" podjetja, ki ima v lasti dotično blagovno znamko (Van Gelder 2003: 42).

Četrti kriterij: Moč znamčenega izdelka, da vpliva na ljudi, izvira iz reprezentacij, kar pomeni, da blagovna znamka deluje znotraj medsebojno povezanega sistema mentalnih asociacij, ki se imenujejo "podoba blagovne znamke", te asociacije pa delujejo znotraj omrežja kjer vplivajo druga na drugo ter odnosov (Kapferer 2008: 11). Zavest o blagovni znamki je kolektivni fenomen: blagovna znamka obstaja v zavesti ljudi (Adcock 2000: 203). Ko je blagovna znamka poznana in spoštovana, to vedo vsi (ali pa vsaj precej ljudi), ne pa samo en kupec na svetu (Kapferer 2008: 21).

Peti kriterij: Sodobno oglaševanje pogosto ne izpostavlja več značilnosti ali uporabnih dobrobiti izdelka, temveč ga raje predstavi v kontekstu zelo splošne ideje ali celo ideala. Ta ideja, ki stoji za izdelkom, je navadno povsem nepovezana z osnovno uporabno vrednostjo izdelka, temveč uporablja "sekundarne asociacije" (Kotler in Keller 2006: 287-288). Takšna reklama poskuša ustvariti vzdušje, občutek, emocijo ter upa, da bodo ljudje mentalno ter emocionalno povezali produkt z idejo, vzdušjem ali občutkom, ki je prikazan v reklami. V takšni reklami izdelek zadobi svojo vrednost, avtoriteto, verodostojnost ter reputacijo iz asociacije z abstraktno idejo, medtem ko je proizvajalec le obrobno omenjen. Tudi logotip ali slogan podjetja lahko poskuša povezati podjetje z višjo idejo.

Indikator št. 5, prenos identitet:

Analiza literature pokaže, da sodobna tržna menjava služi mnogo širšemu namenu kot pa zgolj izmenjavi materialnih dobrin, oziroma zgolj zagotavljanju stvari, ki so potrebne za preživetje. Različni znanstveniki v preteklosti so že pokazali, kako sodobna potrošnja pretvori tržno blago v nosilce pomena (prim. Barthes 1972; Bourdieu in Nice 1977; Baudrillard 1981; Douglas in Isherwood 1979). Te študije imajo pomembne posledice za naše razumevanje dihotomije dar-tržno blago, saj nam pomagajo razumeti, kako lahko tudi tržno blago prenese identiteto dajalca na prejemnika.

Analiza pokaže, da tudi tržno blago lahko prenese identiteto dajalca na prejemnika. Ker izdelki dobijo svojo identiteto iz odnosa partnerjev vpletenih v menjavo, to pomeni, da ni mogoče ločiti predmetov menjave od transaktorjev in njihovih medsebojnih odnosov. Zato ni ustrezno obravnavati menjalnih subjektov ter objektov kot dveh ločenih realnosti (v Kartezijanskem smislu), temveč raje kot dinamično medsebojno povezanih realnosti. V tržni menjavi objekt (izdelek) ni nujno ločen od subjekta (proizvajalca), saj brandirani izdelki vsebujejo identiteto proizvajalca, medtem ko kupci (aktivno ali pasivno) uporabljajo te neoprijemljive elemente izdelka za konstruiranje svoje lastne osebnostne identitete.

Sodobni potrošnik lahko namesto tradicionalnih simbolov pripadnosti raje za konstruiranje svoje osebnostne identitete uporabi znamčeno tržno blago (Pimentel in Reynolds 2004). Nekatere tržne znamke so celo pridobile status kulta med zvestimi in navdušenimi kupci. Oglaševalci to spretno izkoriščajo in tako pridodajo izdelkom simbolne elemente, ki jih potem kupci uporabljajo za konstruiranje svoje osebnosti. Znamčeni izdelki pomagajo kupcem vplivati na svojo samo-podobo ter na to, kako jih vidijo drugi ljudje. Zato znamčen izdelek ni inerten, neoseben in anonimen predmet, temveč nekaj, kar aktivno sodeluje pri formaciji osebnosti kupca. Ker imajo ljudje bazično potrebo po pripadnosti socialni skupini, tržne znamke nudijo dobro priložnost, da potrošnikom takšno pripadnost tudi omogočijo.

Spoznanje, da potrošnik lahko ponotranji kupljen izdelek ter ga vgradi v svojo širšo osebnost, lahko vidimo v primeru, kadar kupec pretirano skrbi za kupljen predmet (npr. avto) – tako, kot da bi skrbel za živo bitje. Še več, takšen kupec dojema kakršno koli poškodbo, ki se zgodi izdelku enako čustveno, kot da bi se poškodoval sam.

Znamčeni izdelki torej vsebujejo simbolne elemente, ki jih kupci uporabljajo v procesu konstruiranja lastne osebnosti. Z nakupom določenega izdelka lahko ljudje tudi izražajo pripadnost določeni socialni skupini, oz. ohranjajo razlikovanje napram ljudem, ki imajo druge vrste izdelkov.

V primeru tržnega blaga je torej identiteta dajalca (t.j. proizvajalca ali pa prodajalca) lahko superimponirana na izdelek preko procesa znamčenja. Takšen znamčen izdelek potem kupec lahko uporabi v procesu formiranja svoje osebnostne identitete. Simbolni element izdelka je izpeljan iz proizvajalca oz. prodajalca na podoben način kot je simbolna vrednost daru izpeljana iz dajalca daru.

Pri menjavi daru velja, da je izmenjava identitet dvosmerna, saj menjava daru medsebojno izmenja identiteti darovalca in obdarovanca (Ingold 1987: 267). Podobno situacijo lahko najdemo tudi pri tržni menjavi, saj niso samo podjetja tista, ki preko svojih izdelkov prenesejo svojo identiteto na kupce, temveč velja tudi obratno. Identiteta kupcev namreč prav tako vpliva na identiteto proizvajalca (prodajalca). V večini primerov namreč podjetja ne poskušajo prodajati vsem možnim kupcem, temveč skrbno določijo najpomembnejše potrošniške segmente, ki jih potem evaluirajo ter na koncu izberejo le tiste, ki so za prodajo najbolj relevantni. Podjetje potem naravna svoje marketinške aktivnosti glede na izbrano ciljno skupino.

Če podjetje npr. proizvaja otroške igrače, bo ciljna skupina definitivno vplivala na identiteto podjetja: na logotip, promocijske material, slogan, odnose z javnostmi itd., saj je identiteta blagovne znamke podjetja povezana s tem, kako naj bi kupci percipirali podjetje. Tako bo iz identitete ter podobe podjetja jasno, da podjetje proizvaja otroške igrače, ne pa npr. visoko tehnološko vojaško opremo. Vidimo torej, da je simbolna izmenjava identitet tudi pri tržni menjavi dvosmerna. Če podjetje segmentira tržišče, bodo značilnosti ciljne skupine vplivale na podobo podjetja. Po drugi strani pa bodo značilnosti podjetja vplivala na identiteto kupcev. Vidimo torej, da model mnejave, ki predpostavlja da do izmenjave identitet med menjalnimi partnerji pride le pri menjavi daru, ne pa tudi pri tržni menjavi, ne odraža povsem verodostojno sodobne tržne menjave. Moja analiza namreč kaže, da tržna menjava pod določenimi pogoji lahko drugačna od tistega kar bi morala biti po strogem dihotonmonem modelu daru in tržnega blaga.

Da bi preveril, do kakšne mere lahko v praksi najdemo lastnosti menjave daru v tržni ekonomiji, sem opravil študijo primera največje slovenske trgovske verige (Mercator). Ker supermarket pooseblja neosebno tržno menjavo, sem namerno za študijo primera izbral ravno verigo supermarketov, kjer bi sicer elemente menjave daru najmanj pričakovali ter najtežje našli. V supermarketu namreč samopostrežba minimalizira interakcijo med prodajalcem in kupcem in na ta način ustvari veliko brezosebnost pri menjavi. V takšnem brezosebnem sistemu menjave tudi nakupljeni predmeti zadobijo lastnost brezosebnosti in postanejo le anonimni predmeti na prodajnih policah.

V disertaciji sem v luči temeljnega vprašanja moje disertacije analiziral marketinške aktivnosti največje verige supermarketov v Sloveniji (Mercator). V raziskavi sem v marketinški strategiji Mercatorja poskušal locirati elemente, ki se ne vklapljajo v tradicionalni antropološki model tržne menjave. Moj namen študije primera Meractorja ni bil preverjati veljavnost izsledkov moje analize besedila marketinških učbenikov, temveč preveriti, do katere mere lahko na enem samem konkretnem primeru (trgovska veriga Mercator) najdemo elemente darovanja, vsebovane v prodajnih ter marketinških aktivnostih Mercatorja.

Ker po splošnem ljudskem prepričanju velja, da ima Mercator najvišje cene od vseh supermarketov, ki so prisotni v Sloveniji, mora Mercator to zagotovo kompenzirati na nek drug način, saj sicer ne bi imel daleč največjega tržnega deleža v Sloveniji. Eden od razlogov je verjetno Mercatorjeva marketinška strategija, ki v nekaterih elementih bistveno odstopa od strategij konkurentov ter v nekaterih primerih vključuje elemente, ki so sicer značilni za darovanje, tipično za sfero prijateljev in sorodnikov.

Moje raziskava kaže, da je cilj splošne Mercatorjeve marketinške strategije ustvarjanje podobe prijaznosti, prijateljstva ter ustvarjanje odnosov z kupci. V primerjavi z Mercatorjem namreč ostali supermarketi v Sloveniji vzdržujejo podobo neosebne trgovine kamor človek pride, da nakupi stvari, ki jih dnevno potrebuje – podobo ki je sicer značilna za supermarkete na splošno. Mercatorjevi prodajalci imajo uradno navodilo, da morajo biti do kupcev izjemno prijazni, uslužni ter ustrežljivi. To vidimo npr. iz izjemno prijaznega pozdrava na blagajni, kjer pogosto blagajničarke kupca zapletejo v kratek, domačen pogovor, ki odstrani videz brezosebne prodaje, saj imitira pomoč ter osebno zanimanje, ki sicer prevladujeta v medosebnih odnosih med prijatelji ter sorodniki.

Prvi element, ki kaže na to, da se Mercator ne poskuša predstaviti kot neosebna korporacija temveč poskuša emulirati domeno kjer prevladuje menjava darov, je Mercatorjev slogan: 'Mercator, najboljši sosed'. Ta slogan imitira sfero prijateljev in sorodnikov, kjer prevladujejo medosebni odnosi ter menjava darov. Slogan personificira Mercator ter ga predstavlja kot nekoga, ki pomaga ljudem kadarkoli ti kaj potrebujejo. 'Mercator, najboljši sosed' je dejansko '*personne morale'*, ki sicer obstaja v družbah, kjer prevladuje menjava daru. Na simbolni ravni torej Mercator ni predstavljen kot neosebna korporacija udeležena v hladnokrvni tržni menjavi, temveč kot oseba in uslužen sosed. Tovrstni slogan pomaga Mercatorju zgraditi osebnost tržne znamke in projicira kvazi-človeške lastnosti v tržno znamko. Poleg tega pomaga kupcem vzpostaviti emocionalno povezavo z podjetjem, saj poskuša prepričati kupce naj sprejmejo Mercator kot človeško bitje – kot najboljšega, uslužnega soseda.

Naslednji element, ki pri Mercatorju spominja na sfero prijateljev in sorodnikov, kjer sicer prevladuje izmenjava darov, je povezana s nekdanjim direktorjem Mercatorja g. Zoranom Jankovićem. Ta je dolga leta veljal za izjemno izpostavljeno javno osebnost, ki je dobesedno poosebljala Mercator in njegov poslovni uspeh. Direktorji ostalih supermarketov v Sloveniji so običajno anonimni managerji, ki niso javno izpostavljeni, zato jih javnost običajno ne pozna. V nasprotju z njimi pa je Zoran Janković znan po tem, da je v 1990-tih letih potegnil Mercator iz finančno slabe situacije in ga pretvoril v eno od najuspešnejših slovenskih podjetij. Odgovornost za Mercatorjev uspeh je bil torej v preteklosti simbolno pripisan eni sami osebi (Zoranu Jankoviću), ki je dobesedno poosebljal Mercator in njegov uspeh.

G. Janković sicer slovi po svoji izjemni sociabilnosti, saj se nenehno druži tudi z običajnimi ljudmi, zaposlenimi ter kupci. Mercator se navznoter in navzven (še zlasti v preteklosti, ko ga je vodil g. Janković) ne predstavlja kot neosebna korporacija, temveč kot organizacija v kateri prevladujejo skoraj družinski odnosi – torej na nek način kot klan, z g. Jankovićem kot vodjo klana na vrhu organizacije.

V intervjuju, ki sem ga imel z g. Jankovićem mi je ta zaupal, da je njegovo vodstveno načelo, da mora biti podjetje organizirano na osnovi medčloveških odnosov, podobno kot v družini. In še več, tudi odnosi s strankami naj bi težili k temu idealu. Takšna ideologija vodenja bistveno odstopa od popolnoma neosebnih načel tržne menjave in kaže namero, da emulira sfero sorodstva, v kateri sicer prevladujejo odnosi darovanja daru. Ta strategija ustvarja medsebojne odnose ter obligacije – tako znotraj podjetja, kot tudi navzven z kupci in poslovnimi partnerji.

Mercator redno organizira razne dogodke v svojih nakupovalnih centrih. Na ta način poskuša postati središče družbenega življenja ter na nek način prevzeti funkcijo, ki jo je tradicionalno v vasi imel centralni trg. Tu jasno vidimo, da Mercator poskuša vključiti stranke v post-prodajne aktivnosti, ki pomagajo zgraditi odnos med kupci in podjetjem.

Vsi večji Mercator supermarketi imajo tudi igralnice za otroke, kar ustvari občutek domačnosti soseske (Mercator je 'najboljši sosed') v trgovini. Mlade družine z otroci so sicer eden od najpomembnejših Mercatorjevih ciljnih skupin. Zato je Mercator ustvaril posebno tržno znamko za otroške izdelke ('Lumpi'), hkrati pa organizira različne dogodke za otroke.

Mercator uporablja tudi druge metode za zmanjšanje brezosebnosti, ki je sicer na splošno prevladuje v tržni menjavi ter trgovanju v supermarketih. Interier Mercatorjevih trgovin v splošnem poskuša ustvariti toplo, prijazno in prijateljsko vzdušje. Namesto promoviranja hladnega, neosebnega, minimalističnega dizajna, ki bi se najbolje prilegal brezosebni vrsti menjave značilne za supermarket, Mercator raje poskuša ustvariti prijetno nakupovalno okolje. Zato so v nekaterih Mercatorjevih trgovinah oblekli svoje prodajalce v igrive rdeče-bele črtaste majice. Na ta način prodajno osebje ne izgleda več kot anonimna delovna sila oblečena v dolgočasne bele halje ali uniforme, temveč izgleda precej neformalno – podobno prijatelju ali sosedu, ki je tu, da nam pomaga. Poleg tega ima osebje na znački napisano samo osebno ime (brez priimka), kar še dodatno poudari vtis, da gre za prijatelja, ne pa za uradno osebo.

V Mercatorjevih trgovinah redno iz zvočnikov objavljajo oglase in objave, ki so posneti s prijateljskim glasom. Na ta način oglasi imitirajo prijatelja, ki nam vznemirjeno ter navdušeno sporoča nekaj zanimivega in pomembnega – nekaj kar bi na vsak način rad delil z nami.

Spomladi 2008 je Mercator uvedel nov način oglaševanja izdelkov: v svojih promocijskih materialih je pričel za ilustracijo uporabljati fotografije ljudi, namesto fotografij izdelkov. Namesto, da bi suhoparno predstavil izdelke ter njihove cene, jih Mercator v skladu z novo strategijo predstavi v kontekstu človeške zgodbe. Na ta način de-komodificira izdelek ter poskuša zmanjšati neosebni vtis tržne menjave.

Mercator tudi redno izdaja brezplačno barvno revijo 'Mesec', ki prinaša zgodbe ljudi iz Mercatorja, novice, nasvete itd. Na ta način posnema situacijo, ki obstaja v stikih med prijatelji. Kadar imamo prijateljski odnos z nekom, namreč počnemo nekaj podobnega: govorimo jim o nas samih, kaj počnemo, preteklih dogodki, načrtih, delimo z njimi ideje ter informacije itd.

Mercator prav tako nudi različne programe lojalnosti, s katerimi nagrajuje zveste kupce. Npr., kupci za določeno vrednost nakupa prejmejo majhne nalepke, ki jih potem zbirajo na posebnih kartončkih. Ko zberejo vse nalepke, jih Mercator nagradi z brezplačnim darilom. V nasprotju z ostalimi supermarketi, ki tudi uporabljajo strategijo zbiranja nalepk, pa Mercator običajno kupcem na koncu zares podari brezplačno darilo, ne pa zgolj popust na izbran izdelek, kot to počno drugi supermarketi. Eden od Mercatorjevih programov lojalnosti je 'Pika kartica', ki kupcem nudi kumulativne nagrade v obliki popusta, glede na višino opravljenih nakupov v polletnem obdobju. Pika kartica kaže, da med kupcem in Mercatorjem obstaja post-prodajni odnos (torej dolgoročni odnos), ki traja dlje od časa same prodajno-nakupne transakcije. Svojim strankam Mercator nudi tudi članstvo v različnih klubih, ki prav tako veže Mercator in njegove stranke v dolgoročni medsebojni odnos. S pomočjo kumulativnih ter medsebojno povezanih dobrobiti za zveste kupce poskuša Mercator vplesti svoje stranke v mrežo interakcij s podjetjem. Za zvestega Mercatorjevega kupca tako odnos s podjetjem ne traja samo za kratek čas nakupa v trgovini, temveč traja mesece ali celo leta ter vplete kupca v številne različne aktivnosti ter interakcije s podjetjem.

Eden od načinov, s katerimi Mercator pri kupcih ustvarja možnost nastanka občutka obligacije, je dajanje majhnih daril, popustov, testiranja vzorcev, itd. Mercator je uvedel tudi zanimivo strategijo, ki ustvari cikluse ponavljajočih se nakupov, kar na nek način spominja na nenehne cikluse menjave, ki obstajajo pri menjavi daru. Za vsak nakup nad 50 EUR opravljen v torek, Mercator nagradi kupca z 10% popustom na celotni nakup opravljen naslednji torek. Nasploh lahko rečemo, da je dajanje popustov strategija, ki imitira menjavo med prijatelji ali sorodniki, kjer se predmeti ne prodajajo po polni ceni.

Element zaupanja in moralne obligacije lahko v primeru Mercatorja najdemo tudi na oddelku sadja in zelenjave, kjer kupec sam stehta izbrano blago. Ker na nobeni točki nakupa trgovina ne preverja pravilnosti tehtanja, tu vidimo element zaupanja, ki ga v drugi supermarketih ne najdemo. Mercator je pač "najboljši sosed" in med sosedi velja zaupanje, ki temelji na moralnih obligacijah. Prav tako je Mercator edini supermarket v Sloveniji, kjer kupcem ni treba vstaviti 1 EUR depozita za nakupovalni voziček, temveč ga sami pripeljejo nazaj na osnovi moralne obligacije do trgovine.

Ena od značilnosti Mercatorja je tudi, da prodaja predvsem slovenske izdelke. S tem Mercator zelo spretno izkoristi nacionalna občutja kupcev, saj kupovanje v Mercatorju tako ni več samo stvar tega, da kupec dobi cenejše ali pa boljše izdelke, temveč nakupovanje v Mercatorju postane obligacija pomaganja "našim", slovenskim proizvajalcem, ki pripadajo "razširjeni" družini, t.j. narodu.

Še en element, ki kaže na obstoj post-prodajne obligacije Mercatorja do kupcev in tudi način, s katerim Mercator veže kupce v dolgoročni odnos, je nudenje pomoči kupcem na info-desku ali pa preko brezplačne telefonske številke.

Element neodtujljivosti je pri trgovski verigi težje locirati, saj ne gre za proizvajalca, ki lahko znamči svoje proizvode. Kljub temu pa tudi v primeru Mercatorja lahko najdemo elemente neodtujljivosti, ki so sicer značilni za dar. Ko kupec kupi izdelke, na blagajni dobi plastične vrečke na katerih je Mercatorjev logotip. Ko torej kupec zapusti trgovino je jasno, da je kupoval v Mercatorju, ne pa v kateri drugi trgovini, kar je za nekatere ljudi, ki jim je izpod časti kupovati v drugih 'cenenih' supermarketih vsekakor element, ki odraža neodtujljivost mesta nakupa. Mercator poleg tega prodaja linijo izdelkov z Mercatorjevo blagovno znamko. Čeprav pri teh izdelkih Mercator ni proizvajalec, pa s tem dejanjem Mercator prevzame nase odgovornost za kakovost teh izdelkov, ki nosijo Mercatorjev logotip.

Vidimo torej, da Mercator kot največja trgovska veriga v Sloveniji, oblino uporablja elemente, ki sicer pripadajo sferi menjave daru. To kaže, da lahko tudi povsem neoseben tip tržne menjave, ki ga sicer pooseblja supermarket, uspešno v svojo marketinško strategijo vgradi elemente menjave daru.

Moja disertacija torej ugotavlja, da sodobne marketinške metode lahko tržni menjavi pripišejo lastnosti, ki so sicer značilne za darovanje. Analiza je pokazala, da ti učbeniki zares predpisujejo ideje in ter opisujejo prakse, neznačilne za tipsko tržno menjavo, kot jo definira dihotomni model menjave.

Ti učbeniki predpisujejo in opisujejo gradnjo dolgoročnih medsebojnih odnosov med podjetjem in kupci, kjer lahko kupec vzpostavi odnos s podjetjem, proizvodom, trgovino, ali blagovno znamko. Takšen odnos traja mnogo dlje kot pa dejanska tržna transakcija in izpolnjuje vse izbrane kriterije odnosa, ki obstaja med menjalnima partnerjema pri menjavi daru.

Dihotomni model tržno menjavo obravnava kot nekaj kar poteka med družbeno nepovezanimi posamezniki, ki nimajo nikakršne medsebojne moralne obveze po končani transakciji. Analiza pa kaže, da dandanes tržna menjava pod določenimi pogoji lahko ustvari medsebojne moralne obveze menjalnih partnerjev.

Poleg tega lahko tudi tržna menjava vsebuje element neodtujljivosti, ki je sicer značilna za menjavo daru. Znamčen izdelek je povezan s proizvajalcem in ju je zato praktično nemogoče (pa tudi nesmiselno) razdvojiti, saj bi odstranitev blagovne znamke zmanjšala simbolno, emocionalno in monetarno vrednost izdelka.

Zato znamčeno tržno blago vsebuje identiteto dajalca (t.j. proizvajalca ali prodajalca), kar je v nasprotju z dihotomnim modelom menjave, ki predpostavlja, da je tržno blago neosebno ter anonimno.

Znamčeno blago tudi prenese identiteto dajalca na prejemnika. Ker izdelki dobijo svojo identiteto iz odnosa partnerjev vpletenih v menjavo to pomeni, da ni mogoče ločiti predmetov menjave od transaktorjev in njihovih medsebojnih odnosov. V tržni menjavi objekt (izdelek) ni nujno ločen od subjekta (proizvajalca), saj znamčeni izdelki vsebujejo identiteto proizvajalca, medtem ko kupci (aktivno ali pasivno) uporabljajo te neoprijemljive elemente izdelka za konstruiranje svoje lastne osebnostne identitete.

Analiza pokaže, da sodobna tržna menjava lahko vsebuje elemente, ki so sicer značilni za menjavo daru. Sodobne marketinške tehnike tržno menjavo de-komodificirajo, zmanjšajo element odtujenosti ter jo personalizirajo, zato je stroga ločnica med menjavo daru in tržno menjavo lahko pogosto zabrisana.

Tržna ekonomija naj bi bila brez raznih 'primitivnih praznoverij', ki jih sicer moderni človek najde v arhaičnih družbah, kjer menjava ne temelji na ekonomski logiki, temveč na menjavi daru. Navkljub temu pa raziskave različnih znanstvenih disciplin kažejo, da sodobne industrijske družbe ne temeljijo zgolj na popolnoma racionalnem obnašanju, temveč vsebujejo tudi razne 'iracionalne' ter 'arhaične' prakse. Moja raziskava kaže, da npr. sodobna tržna menjava lahko pod določenimi pogoji vsebuje elemente, ki so sicer značilni za menjavo daru. Očitno je dandanes stroga ločnica med menjavo daru in tržno menjavo lahko pogosto zabrisana, saj sodobne marketinške tehnike tržno menjavo de-komodificirajo, zmanjšajo element odtujenosti ter jo presonalizirajo.

Čeprav so bile te marketinške tehnike narejene zaradi povečanja dobička podjetij, pa imajo tudi koristne učinke za kupce. Značilnost tržne menjave je namreč sebično obnašanje akterjev, ki jih ne zanima uravnotežena menjava, temveč poskušajo maksimizirati le svoje koristi (Sahlins 1972: 195). Takšna je npr. menjava med dvema tujcema, ki se po opravljeni transakciji nikoli več ne bosta srečala in zato nimata nobenega razloga, da bi delovala v korist drugega (Sahlins 1972: 199). V osnovi zato tržno menjavo označuje izkoriščanje, sum v namere drugih, želja po materialnih dobitkih ter upoštevanje zgolj lastnih interesov. Vsaka stran v menjavi poskuša kot se le da povečati svoje koristi, brez oziranja na interes druge strani. V nasprotju s tem pa pri menjavi daru prevladujejo povsem nasprotna načela: zaupanje, zanimanje za potrebe drugega, itd.

Vendar pa so osebni odnosi ter poznavanje menjalnih partnerjev možni le v manjših družbah, saj človek nima neomejenih kognitivnih sposobnosti (Dunbar 1992). Zato posameznik ne more vzdrževati osebnega odnosa z neomejenim številom ljudi. To postane problematično v velikih sodobnih družbah, saj ustvari problem zaupanja v menjalnih transakcijah, kjer ljudje ne poznajo motivov druge strani. V takšnih okoliščinah so te družbe morale iznajti druge mehanizme za zmanjšanje tveganja ter ustvarjanje zaupanja med menjalnimi partnerji. Kot kaže moja raziskava, poleg formalnih pogodb ter pravnih obvez nekatere rešitve očitno uporabljajo elemente menjave daru, ki je star ter izjemno učinkovit mehanizem za ustvarjanje zavezništev ter medsebojnega zaupanja. Videti je, da je menjava daru tako fundamentalen aspekt vseh družb, da celo tržna menjava, ki naj bi bila popolnoma neosebna oblika menjave, ne more biti popolnoma obiti teh elementov. Menjava daru ustvarja zaupanje ter socialno kohezijo, ki sta zelo pomembni sestavini tudi pri tržni menjavi. Tudi zato morda sodobni marketing pogosto uporablja različne tehnike, ki vsebujejo lastnosti menjave daru, čeprav se verjetno ne zavedajo odkod te metode izvirajo. Marketinški profesionalci vedo, da te metode delujejo, vendar jih najverjetneje uporabljajo brez eksplicitnega razumevanja, da te tehnike izvirajo iz menjave daru.

Ker sodobna tržna menjava pogosto vsebuje značilnosti menjave daru to pomeni, da tržno blago ni več čisti predstavnik tega, kar predpostavlja dihotomni antropološki model. Izdelki dandanes pogosto niso več anonimni, od proizvajalca ter proizvajalca odtujeni objekti, katerih menjava ne ustvarja nikakršnih moralnih obvez. Zaradi razvoja marketinga se je v zadnjih desetletjih narava tržnega blaga bistveno spremenila, zato je tržno blago v čisti obliki (kot jo predpostavlja dihotomni antropološki model menjave) dandanes pravzaprav težko najti. Čeprav je dihotomni model daru napram tržnemu blagu heuristično uporaben, pa v realnosti tipi menjav niso tako jasno ločeni. Dar in tržno blago zatorej predstavljata dva pola kontinuuma, medtem ko posamične transakcije običajno ležijo nekje vmes med tema dvema ekstremoma, ki predstavljata modelni, oz. idealni situaciji.

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