

# **The London School of Economics and Political Science**

The Brand as a Social System of Interpenetration:

Conceptualizing Brand through Communications

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## **Declaration**

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## **Abstract**

In this thesis I address oversights in the socio-cultural understanding of the brand by demonstrating the failings of three prevailing views. First, the brand is commonly captured through two dimensions: the functional and the symbolic. This conception results from an oscillation between two distinct worldviews: the material and the communicative. Second, the brand is conceptualized as the direct result of the motives of individuals, who are not reflexive of broader socio-cultural formations. Third, the brand is portrayed as a commercial entity that is coupled with a single ideology for competitive advantage. However, the multi-dimensional brand is neither essentially economic nor culturally one dimensional. Using Niklas Luhmann's social systems theory, I observe communications media and the brand as self-reproductive social systems. Merging his methodology of functional analysis with Michel Foucault's archaeology, I analyze the relevant academic literature and subject an actual brand to empirical examination.

Herein I show how communication technologies and media make up 'the communications system', through which the society is not simply communicated but is created. Like all social phenomena, the brand as a social system (and its meanings) arises within the communications system by observing itself in relevant communicative events. The self-reproductive brand system exists within society by differentiating itself from its environment comprised of disparate social systems. The brand interpenetrates and then differentiates from each of these environmental systems via a particular distinction. The plurality and the interplay of these diverse distinctions enable the brand system. In turn, the brand as a social system of interpenetration fulfils its macro function in society by translating and synchronising these otherwise detached social systems. By understanding this broader societal function of the brand and its resulting dispositions, marketers can elevate their micro perspective in relation to a long-term macro view and thereby better guide the brand.

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## **1. Introduction: The Cultural Understanding of the Brand**

The aim of this research is to extend the cultural understanding of the brand in the consumer culture academic literature and to provide an alternative conceptualization of the brand that addresses oversights in existing models. Therefore, I start the thesis by reviewing the extant academic literature regarding the brand. Next, I demonstrate the failings of three prevailing views in the cultural approach, and I proffer my contributions in the form of remedying these oversights. Finally, I declare my research question and elucidate it via my propositions for the alternative cultural conceptualization of the brand.

### **1.1.Existing Definitions of the Brand**

The American Marketing Association defines the brand as a ‘name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers’ (American Marketing Association, 2010). However, this is a very simplistic definition of the brand, focusing only on its physical traits. Rather than reducing the brand to its material attributes, one would do well to investigate its role in the society. For example, Goodyear calls into question the various roles of the brand in our lives via a socio-historical study (1996). She examines the maturity of the market to classify the various aspects of the brand and shows how the understanding of the brand evolves in parallel to the changes in the market. The more mature the market, the more sophisticated the branding techniques. She observes two main marketing eras:

- 1) Classic branding: In this period, the consumer is able to see only the brand and its products but not the company behind them. Four distinct roles of brands matched to the various market maturity stages characterise this period: ‘Unbranded’, ‘Brand as reference’, ‘Brand as personality’, and ‘Brand as icon’.
  - a. Unbranded: In a non-industrialized economy, commodities, certainly, but even most goods are not branded nor even packaged, though packaging can be a way to attract customers. In this period, suppliers frequently already have excessive power over consumers, such that there is insufficient rivalry to force firms to brand their products.
  - b. Brand as reference: In developing markets, the brand name serves as an emblem of a guarantee of quality and consistency. The maker’s name is generally the brand name. In these markets, there is no need for sophisticated

marketing techniques, and the rational benefits of products are primarily emphasized.

- c. Brand as personality: In a more mature market, there is more competition and rivalry, such that companies are forced to differentiate their products through more emotional appeals. Brand names begin to distance themselves from the corporate name, and the personality of the brand is created through emotive advertising. Still, product quality remains important.
  - d. Brand as icon: In highly mature markets, the consumer shapes the broader status of the brand in the cultural context. Certain brands reach iconic status, in which they end up being core parts of the popular culture. This role of the brand is generally established internationally.
- 2) Postmodern branding: The postmodern consumer is no longer easily controlled by the marketer and is able to see through the brand and discover the corporation and the broader context behind it.
- a. Brand as a company: The brand-literate consumer perceives the complexity of the brand and demands a congruent identity from the company. The marketer can no longer hide behind the branded product. The company must focus on managing an integrated communication strategy to align the corporate culture with the brand.
  - b. Brand as policy: The highly empowered customer not only recognizes the company behind the brand but also the broader context. This postmodern consumer demands from the brand and the company a certain alignment with social and political issues. In the highly mature market, not the company but consumers own brands, and through the brands they possess substantial power in managing the company across various issues, including social, political and financial.

While Goodyear captures the brand from a long-term societal perspective, de Chernatony and Riley interview managers to describe its short-term aspects. Their definition becomes much more detailed, outlining fourteen distinct understandings of the brand under 'the spectrum of brand interpretations' (de Chernatony, 2006: 26-54, de Chernatony and Dall'Olmo Riley, 1998):

- 1) Input perspective: This perspective focuses on the efforts of brand managers to convey various types of messages and values.

- a. Brand as logo: Visual aspects of a brand differentiate it from others in the market.
  - b. Brand as legal instrument: Each brand has a certain financial value, and the organisations seek to ensure legal ownership of their brands against imitators.
  - c. Brand as company: Brands are derived from the corporate values of owners and end up representing and also guiding the companies behind them.
  - d. Brand as shorthand: Brands help consumers to filter and simplify the vast amount of information regarding products and organisations to facilitate their purchasing process.
  - e. Brand as risk reducer: There are various risks associated with a purchase or consumption, such as performance, financial, and social risk. Brands can be used to reduce purchase risk if the necessary associations are developed.
  - f. Brand as positioning: Brands are associated with a particular functional benefit so consumers can choose effortlessly among the numerous available products.
  - g. Brand as personality: In most cases, a brand may not only have a functional benefit but also an emotional value, which customers appreciate and consume.
  - h. Brand as cluster of values: A brand carries a group of values, and the combination of these values differentiates it from other brands.
  - i. Brand as vision: Marketers and managers endow their brands with a vision to express the values of their companies.
  - j. Brand as added value: A brand may also have extra benefits over its basic functional or emotional aspects, and these added values may help the brand to be preferred over competing brands.
  - k. Brand as identity: A brand eventually reflects all the branding activities of an organisation, such as positioning, brand vision, presentation, and relationships with all stake holders.
- 2) Output perspective: In this perspective, the consumers' interpretations of brands are emphasised.
- a. Brand as image: Brand image is the set of associations with the brand as perceived by customers. The image may be different from the brand identity, which is the intended projection.

- b. Brand as relationship: If a brand can be seen as a personality, then consumers may have interpersonal relationships with it.
- 3) Time perspective: This perspective underlines how the understanding of brands changes over time.
  - a. Evolving entity: de Chernatony argues that brands evolve in terms of their interpretation over time, referring to Goodyear's suggestion that brand understanding evolves in parallel to market change (1996). De Chernatony analyses how brand interpretations evolve according to the sophistication of brand management (2009: 27).

However, the above definitions are primarily based on the observable characteristics of the brand. The diverse sociological, economic, and psychological approaches that conceptualize brands in a more theoretical sense give rise to the above definitions.

## **1.2. Existing Conceptualizations of the Brand**

In order to better understand the brand, academics apply theories from other disciplines and conceptualize the essential aspects of the brand via theoretical frameworks. Heding offers a seven-fold categorization of theoretical approaches for conceptualizing the brand which I will also apply to my review of extant literature concerning theorizing the brand (2009):

- The economic approach
- The identity approach
- The consumer-based approach
- The personality approach
- The relational approach
- The community approach
- The cultural approach

### **1.2.1. The Economic Approach**

Borden (1964) embarked on one of the earliest attempts to theorize brand or marketed products in the early 1950s. To that point, academics had been searching for the perfect formula for marketing products, but Borden came up with the idea of the 'marketing mix', wherein there is no one single way to market products; instead, marketing managers shuffle various elements to suit the conditions of their markets and their companies. Borden's list was comprised of twelve elements, which McCarthy (1960)

later narrowed to his famous concept of four Ps (product, place, price and promotion). This approach assumes that by manipulating the marketing mix, marketers can alter a consumer's brand preferences. Here, the brand and its equity are the products of companies, and the brand is delivered from an active company to a passive consumer.

This approach rests on two essential theories. The first supporting theory is derived from the combination of transaction cost theory and the concept of 'economic man'. The economic man construct assumes that individual behaviour is rational and depends on maximizing satisfaction in an environment in which there is perfect information and limited income. Unlike other theories, this approach focuses only on the exchange of certain goods or services and does not take into account the satisfaction of certain emotional desires, even though these can be rational for the consumer. Transaction cost theory acknowledges that it is important for the consumer to reduce the costs of the search, purchase, and consumption of a product. This theory also conceives of the exchange as an isolated event rather than as a part of a series of transactions. The brand is seen as a signal that reduces uncertainty for the economic man in the microeconomic transaction that transpires between him and the product.

The other supporting theory is the marketing mix. The four Ps—product, place, price and promotion—are seen as the key factors in the success of the brand in achieving a transaction with the economic man. Product reflects the utility aspect of the brand, which corresponds to the functional demands of the consumer. Price is judged according to the product and competitors' prices, but is also closely related to promotion, because promotion changes demand. Place concerns making the product available at the right time in the right location. Promotion involves communicating the qualities of a brand to the consumer. Good brand management in this approach is based on enabling the transaction by taking into account the marketing mix, the economic man, and transaction cost theory. Most analysis methods for this approach are quantitative and focus on the correlation between the marketing mix and the demand for a product. Therefore, in the short term the economic approach is a necessary and powerful way of perceiving marketing, but because it is based only on single transactions and the simplistic economic man conception, it lacks strategic value for long-term planning, such that it is necessary to complement it with other approaches.

### **1.2.2. The Identity Approach**

Corporate branding comes from the organizational culture and corporate construction of identity. This approach is based on the principle that the corporation behind the product is as important as the product itself in constructing brand identity. Hatch and Schultz (1997) focus on how corporate identity forms a coherent brand message that is delivered to all stakeholders and especially to consumers. The key notion in corporate branding is to integrate and align all organizational activities and elevate them to a strategic level to provide a coherent brand experience to consumers rather than focusing only on the marketing of the product. It is a move towards linking employees, top management, consumers, and all stakeholders by breaking down the hedges between the internal and external operations of the company. This approach focuses not only on the relationship between brand and consumer but also on the relationship between brand and other stakeholders, especially the internal organization. Therefore, this approach conceives of the brand as the joint product of consumers and the organization, a conception which is fluid rather than stable, and which does not limit the brand to being viewed as a product of the company.

Heding et al. divide brand identity into four elements: organizational and corporate identities are internal elements, and image and reputation are external ones (2009: 56). The corporate identity is both the behavioural and visual manifestation of the central idea of the organization handed down by the top management, such as its mission or vision. The organizational identity refers to organizational behaviour, which arises from employees, organizational culture, and strategy. Corporate image is the short-term representation of the company to all stakeholders through formal and informal signals, including advertisement. Reputation, on the other hand, is the understanding of the company over the long run through its actions, as embodied in corporate social responsibility and success stories.

Hatch and Schultz's seminal article focuses on how corporate identity forms a coherent brand message that is delivered to all stakeholders and especially to consumers (1997). This approach conceives of brand identity as the result of three main elements: vision, culture, and image. Vision is the strategic aspect, involving management aspirations and often corresponding to the corporate identity. Culture is the organizational identity, reflecting the internal values and beliefs of the employees. Image is the combination of the image and reputation articulated in the model of Heding et al., and it represents the



overall understanding of the company on the part of all external stakeholders. Alignment of these three elements is the key to creating a successful corporate brand identity. If there is a gap between any of these elements, it should be closed by making sure employees, management and external stakeholders are in line with one another.

Another influential conceptualization of corporate brand identity is Balmer and Greyser's AC2ID framework (2003). Like Hatch and Schultz's model, it also assumes that multiple identities can exist, and that these should be continually aligned to enable a strong corporate brand identity. There are five identities in the model: actual, communicated, conceived, ideal, and desired. Actual identity is the organizational behaviour of the corporation. The communicated identity is all the informal and formal communication regarding the corporate brand. The conceived identity is the external image. The ideal identity is the conception of how the corporate brand should be positioned. Finally, the desired identity is the strategic vision within the minds of the top management. Three distinct methods are applied in researching the three basic elements of brand identity, vision, culture, and image, because these elements are constructed from three distinct groups: top management, employees, and external stakeholders, respectively.

### **1.2.3. The Consumer-Based Approach**

In this approach the brand is conceptualized as a cognitive construal in the mind of an individual consumer. The brand is owned by the consumer, but a linear communication is nonetheless assumed, by which the marketer can shape the minds of consumers. The two theoretical building blocks of this approach are 'the cognitive consumer perspective' and 'the information-processing theory of consumer choice'. In the cognitive consumer perspective, the individual is seen as a computer which receives stimuli from the environment via the senses, processes those stimuli, and then acts upon them. In this tradition, man is seen as a highly rational system working via if-then logic, and all emotional factors are ignored. How knowledge is stored in the memory and recalled from it are keys in this understanding. Memory is conceptualized as a network of associations which are represented via nodes and links. Some links are stronger than others. When an environmental stimulus occurs, a spreading activity starts from an initial node and triggers other nodes sequentially until the activity fades. Therefore, understanding how humans create and structure these nodes is important given that

individuals cannot stock their available daily knowledge as it is; they have to abstract such knowledge to the internal variables of their brains. Memory representations for brands can be categorized into three: linguistic, direct, and propositional (Franzen and Bouwman, 2001: 178). Linguistic representations consist of words or other language structures such as 'Rolls Royce cars'. Propositional representations are non-sensory interpretations that are abstracted from the sensory experiences of the brand, such as the belief that Rolls Royce cars are for the ultra-rich. Direct or analogous representations are sensory experiences, such as that Rolls Royce is a huge black object. In the cognitive consumer perspective, memory is considered quite durable, and therefore continuous exposure to a commercial message can lead to permanent memory codes.

The information processing theory of consumer choice is based on the notion that choice is a process and can be explained via certain steps, including attention, perception, evaluation, and learning. The cognitive man is not capable of processing vast information in the environment and therefore reduces complexity by simplifying his environment. These simplifying mechanisms can be called heuristics. When perceived benefits or risks are high, consumers seek to process more information, and the process tends to be very complicated, but in the case of a low-involvement brand, researchers can more easily apply a heuristic analysis (Heding et al., 2009: 92). For example, the lexicographic heuristic involves buying the cheapest, and the familiarity heuristic involves buying the most familiar.

Keller proposes that one should perceive the brand as a cognitive construal in consumers' minds (1993), asserting that 'the power of a brand lies in what resides in the minds of the consumers' (2008: 42). For Keller, the brand is conceived not in terms of the company's marketing actions but in terms of the consumer's reactions to these, in a phenomenon referred to as customer-based brand equity (1993). Keller positions the brand in the mind of the consumer, referring to this construct as brand knowledge. Brand knowledge has two parts: 'brand awareness' and 'brand image'. Brand awareness is also divided into two as well. The first aspect is 'brand recognition', which concerns whether the consumer knows the brand based on prior exposure to it. The second aspect is 'brand recall', which entails more exposure to the brand, because the concept denotes that the consumer is able to recall the brand upon the mention of a cue, such as its product category. Brand awareness is a prerequisite for brand image, because if the consumer is not exposed to the brand then no brand image is available.

Brand image responds to the memory model I have explained above. Brand image is the totality of the brand associations (nodes) that are linked to the brand node in the memory. There are three types of brand associations:

1. 'Attributes' are the descriptive properties of the brand.
  - a. 'Product-related' attributes are directly related to the brand's underlying product or service, such as engine size with respect to a car.
  - b. 'Non-product-related' attributes are related to the consumption of the brand. There are four types: price, packaging, user imagery (an impression of a typical user) and usage imagery (an impression of the typical situation of the usage).
2. 'Benefits' are the personal values assigned to the brand.
  - a. 'Functional' benefits reflect what the brand can do for the consumer. The concept appears to be similar to product-related attributes, but functional benefits consist of the subjective associations of an individual.
  - b. 'Experiential' benefits are the perceived sensory experience of consuming the brand, an internal satisfaction of consumption needs.
  - c. 'Symbolic' benefits have to do with the social aspect of the benefit, through which one expresses oneself to others via signalling one's consumption choices.
3. 'Attitudes' respond to the overall understanding of the brand by the consumer and therefore often guide consumer choice.

There are three dimensions of brand associations:

1. 'Favourability' reflects the overall decision of the consumer within the market. Are the brand's associations so favourable that the consumer will consume it instead of competing brands?
2. 'Strength' corresponds to the strength of the associations with the brand. How quickly and accurately do the associations emerge when the user is reminded of the brand?
3. 'Uniqueness' reflects brand associations that are not shared with competing brands.

In addition to the above, Keller mentions 'congruence' and 'leverage' as dimensions of brand association. Congruence refers to the characteristics the brand shares with other brands, and leverage refers to secondary brand associations tied to primary ones.

In short, customer-based brand equity assumes that the marketer can find the brand's components in the mind of the consumer and from there the marketer can control brand communication and exert influence over the consumer's mind. This influence, according to the model, requires continuous marketing communication directed toward the consumer, yet managers are also warned against completely following customers, for fear they may lose their own vision and sense of the corporate brand identity.

Keller assumes that branding is all about the mind of the consumer. In 2003, Keller synthesized then-new approaches with customer-based brand equity, moving and reducing every new finding back to the mind of the consumer (2003). In this work, Keller finds everything in brand knowledge and claims that this approach can reflect all aspects of a brand. However, this approach does not depict the market's macro aspects and their influence on the brand-consumer relationship, and it also presupposes continuous communication for the model to succeed conceptually (Holt, 2004). Moreover, the model contradicts Susan Fournier's phenomenological model for understanding the internal perspective of the consumer. Keller's model ends up representing neither macro nor micro aspects of the brand, but results in an imaginary average consumer who owns the brand. Moreover, the consumer-based approach still assumes linear communication through which marketers can shape consumers' minds.

#### **1.2.4. The Personality Approach**

Working from Joseph Plummer's research, Aaker outlines the various personalities that consumers endow brands with. From this perspective, brands are seen as 'humans', which consumers use to build their own identities via a symbolic value exchange (1997). In this approach, it is believed that consumers endow brands with certain personalities and that these personalities in effect assist both the self-expression and self-construction of the individual via symbolic value. This approach studies the relationship of the brand personality and its consumption. There are three theoretical building blocks for this approach: personality, consumer self, and extended self. The personality concept emerges from studies of human psychology in which researchers strive to categorize individuals according to personality traits. The most common framework for classification is the 'Big Five', which proposes five personality dimensions: extroversion, agreeability, consciousness, emotional stability, and openness. A person is represented in these five overriding dimensions in varying

degrees ranging from recessive personality to dominant personality. Another building block of this approach is the consumer self, which reflects symbolic consumption. The extended self is the conceptualization of the individual in terms of his or her relations and actions, and in this case most importantly in terms of his or her possessions and consumption behaviours. Humans see these extensions (including their possessions) as part of themselves. Therefore the consumption process constitutes the self and also expresses the self to others in the society. The consumer self can be conceptualized in two dimensions: attributes and narratives. The consumer self can also be seen in terms of various layers:

1. Independent internal self: a) actual self b) ideal self c) desired self
2. Interdependent social self: a) out-group b) in-group

The brand carries both self-expressive value and distinctiveness value. Having certain uniqueness might be attractive, but self-expressive value is always more important, and this value depends on 'brand-self congruence'.

Consumers prefer brands with personalities that are closer to their own self images, whether desired or actual, or even closer to their out-group interdependent self. Yet in all cases there is a certain preference and connection between the consumer's self and the brand's personality, and this congruence should be understood and preserved. In some cases, people consume a brand because it reflects them perfectly, while in some cases they may use a certain brand because doing so helps them constitute a desired self. However, it should be noted that consumers also affect the brand, so the interaction between brand and consumers is a cyclical process in which each mutually conditions the other. Brand congruence also evokes loyalty and long-term commitment from consumers.

These theoretical constructs enable an understanding of brand personality which may reflect either the company's intended personality or the consumers' understanding of the brand. These two may not necessarily be the same, and they have to be aligned for successful management of brand personality. Aaker undertakes a comprehensive and extensive study that categorizes brand personality dimensions by investigating the types of personalities people endow brands with (1997). She finds that the 'Big Five' personality dimensions can be adapted to brand management, and she articulates five major brand personality dimensions: sincerity, excitement, competence, sophistication,

and ruggedness. These five categories reflect certain personality traits: competence, for instance, evokes the qualities of 'reliable', 'intelligent', and 'successful'. These categories appear to be valid for Western cultures, but for other cultures there are variations. Aaker argues that these personality traits should be reflected in all aspects of the brand for successful brand management. In addition, brand personality must be consistent, otherwise the brand loses credibility just as a person does. Understanding how consumers use a brand for self-expression and self-constitution is the key in choosing the above personality dimensions to attach to the brand.

#### **1.2.5. The Relational Approach**

Fournier, building on the personality approach, presents the concept of 'brand as a relationship partner' (1998) and emphasizes the importance of understanding consumers' lives holistically. The relational approach assumes a dyadic relationship between brand and consumer and emphasizes the dialogue between the two (Heding et al., 2009: 151-154). The brand is still held to be in the mind of the consumer, but because of the dialogue between brand and consumer, the brand and its equity are understood as the joint products of the marketer and the active consumer. Even though the relationship between marketer and individual consumer remains linear, the relationship is seen as dyadic, with both parties contributing. Yet unlike other approaches, here the brand is fully and autonomously in the minds of consumers, because brand relationship theory is derived from 'the phenomenology of consciousness' which is based on the inner reality of individuals from their own perspective. The inner meaning results not from an objective reality or a linear communication from the environment but from the internal construction of reality which receives stimuli from the environment. Where cultural approaches focus on the collective understanding of a certain brand, the brand relationship approach focuses on individual consumers and their understandings of brands.

This theory has two major theoretical building blocks: animism and relationship theory. Animism denotes endowing other things with human personalities. This idea applies to brands in that consumers see them as sets of personalities. As a result, consumers interact with brands they think help them express themselves better. This idea has been borne out based on the correlation between profits and brands that are firmly connected with certain personalities. Relationship theory supposes that individuals attach to the

outside world via relationships, and thereby maintain their internal understanding through these relationships. These internal meanings can be categorized into three sorts: psychological, socio-cultural, and relational. Psychological meaning corresponds to the identity of the individual in the relationship. The relationships address three aspects of identity: life theme, life project, and current concerns. Life theme is the core of one's self—which is not easy to verbalize given that it is in the subconscious—but it is the essential understanding in the background that steers an individual in the rest of his or her decisions. Life projects are the key life roles of individuals, which are the most important choices they face in life. Current concerns are the practical aspects of one's life and are derived from the more short-term daily tasks with which individuals are faced. Socio-cultural meaning refers to the individual's own context for his or her relationships. It can be defined via five dimensions: age, life cycle, gender, family/social network, and culture. Relational meaning refers to the effect of other relations on this relationship. Finally it is worth remembering that all relationships should be understood and analyzed as processes of interactions rather than as snapshots of a certain values.

Fournier (1998) shows that brands can serve as relationship partners and help individuals create and manage internal meanings, such as psychological meanings. For example, people who are more experimental with others will tend to be more experimental with brands as well. Fournier observes fifteen types of relationship forms that help people address life themes, life projects, and current concerns through the brand and in turn help them constitute themselves and the brand as well. These types are arranged marriages, casual friends/buddies, marriages of convenience, committed partnerships, best friendships, compartmentalized friendships, kinships, childhood friendships, rebounds/avoidance-driven relationships, courtships, dependences, flings, enmities, secret affairs, and enslavements (Fournier, 1998). Like any relationship, a brand relationship can also be a volatile process, and it has to be managed carefully to be kept stable. For this reason, Fournier conceptualizes 'brand relation quality', which is based on six relationship factors: love/passion, self-connection, commitment, interdependence, intimacy, and brand partner quality (1998). These factors influence the durability of the relationship because each factor is a different layer of meaning that guides the relationship. The internal understanding of the brand relationship by the consumer is meaning-based and derived from a dyadic and dynamic interplay between the brand and the consumer. This dyadic relationship is affected by various actions of

both parties, which Fournier details in five groups: accommodation, tolerance/forgiveness, biased partner perceptions, devaluation of alternatives and attribution biases (1998).

Aggarwal (2004), by applying social psychology research to brands, takes brand relationship theory to a new level by categorizing the relationship with brands into two types. 'Exchange relationships' are rooted in economic reasoning, through which people expect a certain return for their input, whereas in 'communal relationships' social factors define and complicate the return, which is no longer rationalized economically. Phenomenology-based brand relationship theory was the first to replace the understanding of information with meaning, emphasizing the construction of reality from the consumer's perspective. The inner reality of each individual is subjective, based on the validity of his or her lived experience. Meaning is also addressed in brand community or brand culture theories, but in those approaches meaning is found in the social interaction of the community and culture respectively, not in the minds of individuals.

#### **1.2.6. The Community Approach**

It has become clear that the conception of a linear communication between brand and consumer is insufficient to explain certain phenomena, such as brand communities, and more emphasis has thus been placed on the broad environment that affects the conceptualization of a brand in the minds of consumers. In this approach, the relationship between brand and consumers is no longer linear, but chaotic, because consumers collectively influence the understanding of a brand, which is socially situated (Muniz and O'Guinn, 2001). This research stream focuses on the social aspect of brands and emphasizes the interaction between consumers in the formation of the brand's meaning. Rather than the dyadic relationship proffered in other approaches, in brand community theory there is a triadic relationship which includes the brand and at least two consumers that interact with each other. Consumers gather around brands to share experiences and passions; the brand community approach emphasizes this fact and calls for leveraging it to increase brand value. There are two theoretical building blocks of this approach: community theory and subcultures of consumption. Community theory defines the three markers of a community that can exist in various sizes or forms: consciousness of kind, shared rituals, and traditions, and sense of moral responsibility.



If a geographically bound group of people satisfies these three criteria either formally or informally, then they are a community. The idea of 'subcultures of consumption' (Schouten and Mc Alexander, 1995) was an attempt at understanding the social interaction between consumers and the brand community which has been influenced by brand community theory, yet has also departed from it. A subculture of consumption is 'a distinctive subgroup of society that self-selects on the basis of a shared commitment to a particular product class, brand, or consumption activity' (Schouten and Mc Alexander, 1995: 43). This concept is broader than brand community and has distinct markers for the recognition of the subculture. Most importantly, these subcultures define themselves in opposition to the prevailing consumer culture, in which brand communities generally embrace the broader culture and utilize it. Each subculture can also contain a brand community, but tends to leverage the brand only for its purposes. However, one may also question whether opposing a broader culture is also a means of attaching to it while using it to define one's counter-subculture. Therefore, it is questionable how these two concepts are substantially different.

A brand community forms when a group of consumers interact with one another and also with market institutions within the context of the brand (Muniz and O'Guinn, 2001). These communities, which transcend geographies, demonstrate certain structured social relations that are derived from a shared identity. With regard to the first of the three markers of a community, consciousness of kind shows itself inasmuch as members of a brand community believe that they 'sort of know each other' (Muniz and O'Guinn, 2001: 418). Members feel they are connected to one another even though they do not know each other directly. There are two aspects of consciousness of kind: 'legitimacy' and 'oppositional brand loyalty'. Legitimacy refers to members questioning other, usually newer, members about how to be a rightful consumer of the brand, expecting certain sanctioned reasons as to why one consumes the brand. Oppositional brand loyalty is a shared dislike for alternative brands or consumption practices. For example, many Mac users claim to hate PCs. Shared rituals and traditions, the second marker, is also present in a brand community as shared consumption practices. It has two visible forms: rituals and storytelling. Rituals are unique practices that originate from and belong to the community, such as Star Trek fans greeting each other with the Vulcan salute. Storytelling is the practice of continuously referring to legendary events within the history of the brand, such as mentioning a very successful past advertisement. The

final marker, sense of moral responsibility, is the idea that one has certain obligations to other members and to the brand. This sense of moral responsibility holds the group together. The moral code is not as complex as that of the larger society, but is highly contextualized according to the brand. The moral system integrates/retains members and also prompts assistance in the use of the brand to new members.

Not all consumers that group around a certain brand are a brand community. In some cases, a proactive marketer can initiate an interactive group around the brand that might turn into a brand community in the future. However, these groups, which still predominantly rely on the subtle skills of the marketer in managing the group, can initially be termed 'brandfests'. In the other extreme, there may never be an organization that manages the brand community, and the community may have complete freedom in defining the brand. In this case, the brand is called a 'community brand', as in the case of Torrent or Wikipedia. In all these cases the markers of a community can be observed, yet they differ from one another.

Since in this approach the socio-cultural aspect of the brand is central, the individualistic perception of the consumer is no longer important. Therefore academics who study brand communities favour ethnographic research methods through which researchers get close to their subjects, study the natural environment of the community, and analyze its interactivity with regard to the brand. Instead of large samples with little variation, small samples are preferred, given that deep analysis is necessary to uncover the complexity of the formation of the brand meaning.

In terms of managerial implications, brand community theorists advise that either the manager should observe the communities closely to derive insights into the brand's evolution within the community or facilitate consumer interaction through a more managed brand community. Yet in both cases the marketers should be discreet in facilitating the sharing of experiences among consumers. High-involvement or iconic brands are more likely to foster brand community because they are associated with a need or passion for sharing experiences. However, for low involvement brands, the community should be fostered not directly around the brand but around a topic in the context of the related consumption (e.g. not around an olive oil product itself but around the benefits of using olive oil in dishes).

Expanding on the brand community concept, Muniz and O'Guinn have recently theorized the brand as a social meaning that results from the interactions of various agents, namely consumers, marketers, institutions, products, and consumer collectives (O'Guinn and Muniz, 2010). Rather than the actors, they concentrate on the space in which they interact and take the interaction as the crucial reality for the brand. However, they leave aside the internal realities of the actors and also argue that they do not need to include culture in their conceptualizations. Muniz and O'Guinn describe the cultural approach as a reductionism of the required complexity of the social construction of the brand (2010: 134). Rather than placing macro changes on the cultural parameter they believe that such changes are already reflected in the actions of actors, especially such institutions as governments, the media, and NGOs. However, this approach may also result in a myopic analysis that ends up being a situated interactionism, in which the researcher can no longer see and acknowledge broader changes in the market.

#### **1.2.7. The Cultural Approach**

In recent years, academics have begun to develop theories cultivating a broader understanding of the brand within the social and cultural context (Holt, 2002, Holt, 2004). The cultural approach may be similar to the community approach in that both position the brand within a group of consumers (Heding et al., 2009: 207-212). However, the cultural approach emphasizes a brand's relationship with the wider discourses of culture, and sees consumers as already tied to the prevalent consumer culture. As a result, the brand is a vessel that carries established cultural meanings and is part of the culture itself. The brand is both fed by and feeds back into the culture. This stream of research is specifically tied to consumer culture theory studies, to which I also hope to attach this particular research (Arnould and Thompson, 2005). In this stream of research, the dialectic between branding and consumer culture is also emphasized. Holt argues that once consumers recognize certain mechanics of branding, the brand will lose its cultural meaning and will be deconstructed; as a result, branding techniques will continue to change along with the consumer culture (2002). Therefore while marketers build new iconic brands by utilizing cultural codes, books such as 'No Logo' deconstruct prevailing branding techniques and open the way for brands with alternative cultural tactics (Klein, 2010).

In pursuing the cultural approach, the researcher does not examine the micro meaning of a brand in an individual's lifeworld or in a particular community, but the macro meaning of the brand in the society. Cultural branding gives primacy to the collective brand creation in the market because all consumers are in the end tied to the discourses of the market through brands (Askegaard, 2006). Therefore, under this approach the brand is perceived as a discursive socio-cultural formation that resonates with individuals' identity projects. Consequently, a hermeneutic methodology is preferred in this approach because researchers do not seek to explore the subjective lifeworlds of consumers but the cultural codes that each consumer uses to build up his or her lifeworld. Therefore, even though phenomenological methods, such as interviews, are used in such research, the findings are traced and elevated to the macro level. For example, Holt reports that he uses micro level data to investigate macro-level constructs (2002).

One of the top contributors to the cultural understanding of the brand has been Douglas B. Holt (2000, 2002, 2004, Holt and Thompson, 2004, 2005, 2006, 2010). In his 2004 book, Holt applies the understanding of cultural icons and myth markets to the conceptualization of brands (2004: 1-2, 39, 56-60). Cultural icons are symbols that strongly represent certain movements or cultural meanings. Individuals use these icons in their self-formation to deal with their identity desires. A cultural icon has an identity myth associated with it, and this coupling renders the icon superior to other cultural artefacts in terms of influence. Cultural understanding of brands is not much different than that of other cultural icons such as movies and artists. Therefore, Holt identifies the culturally active brands as iconic brands. Iconic brands do not compete in product markets but in myth markets, in which various cultural icons, ranging from individuals to brands, compete for the best representation for a particular meaning and therefore for the opportunity to provide the most efficient remedy to the relevant cultural contradiction. Holt explains the myth markets with the help of three building blocks: national ideology, cultural contradiction, and populist worlds.

National ideology is the overarching system of ideas and meanings that are shared by the citizens of a nation. National ideology binds individuals under one roof. Individuals, families and other groups are in constant mediation between national ideologies and their own local ideologies. This mediation brings us to the concept of cultural contradiction. The tension between ideology and individual everyday life requires

identity myths that can be consumed and adapted to individuals' lifeworlds. The myths act as translation devices between structure and agency. Since the cultural discourses and the society are constantly on the move, there is always a need for new identity myths. Populist worlds are the sources of these new identity myths. These worlds are sub-cultures that express an alternative ideology through their members' actions. Over time some of these sub-cultures are embedded into brands or other icons and help individuals resolve contradictions between large scale ideologies and their lifeworlds by providing them an identity myth to be coupled with. There are various myth markets that correspond to various contradictions. In a given myth market various contenders compete to provide the best identity myth to resolve the contradiction. In this regard brands have a particular advantage because they are relatively more material than other cultural icons and by being consumed they become part of everyday life.

To summarize, Holt conceptualizes the brand from the cultural perspective by perceiving it as a tool that addresses 'the collective anxieties and desires of a nation' (2004: 6). Iconic brands do this by enacting identity myths that correspond to certain desires or anxieties. These brands are the vessels for these myths, which are accessed indirectly as the brand is consumed. The source of these identity myths is usually the populist world, which lends credibility to the myth. Most of the time, the iconic brands are cultural activists, leading cultural change in the society. These brands do not need to rely on constant communication but instead create a halo effect via a few groundbreaking performances.

In his 2010 book, Holt extends and revamps his theory especially with regard to terminology. Holt applies the term 'cultural expressions' to refer to brands and other cultural artefacts instead of 'cultural icons' (2010: 173 - 192). Still Holt emphasizes the role of these entities in the dialectic between the social structure and individuals' identity projects. Holt this time divides cultural expressions, formerly cultural icons, into three building blocks: ideology, myth, and cultural codes. These three levels correspond to the macro, meso, and micro levels of meaning making. Ideology is the same concept as the 'national ideology' of the 2004 book, but this time he avoids restraining the idea to the national level. Myths, as before, are the meso-level intermediaries that convey ideologies to the public. However, this time Holt also refers to the micro level interaction and includes the cultural codes that convey myths to consumers. Holt states that for a cultural expression to function, it has to pick the most

apt and relevant elements in all three levels of communication. He again stresses that emotional benefits are the result of effective cultural expression. Holt also asserts that strong cultural value emphasizes functional value. Similarly to his idea of myth markets, Holt again asserts that continuous change in the cultural sphere is accompanied by social disruptions. Following the social disruption, the cultural orthodoxy begins to fail to fulfil its role and thereby provides opportunities for alternative and better ideologies. These alternative ideologies come from three sources: subcultures, media myths, and brand assets. Subcultures are the populist worlds of the previous 2004 book. Media myths are pre-existing myths in the mass media. Brand assets are the existing cultural assets of the business that can foster and support the target myth. Finally, Holt asserts that brands pose three types of value: symbolic, social and functional (2010: 190).

I find the cultural approach to brands and branding most enlightening, and believe that the socio-historical conceptualization of the brand is a powerful and helpful framework for both academia and practice, given that the majority of other frameworks have been limited to deterministic models and cannot move beyond situated interactionism. Therefore, I attach my research to the cultural understanding of the brand, and for the sake of developing it further I problematise it under the three main topics discussed in the next section.

### **1.3. Oversights in the Extant Literature**

#### **1.3.1. Shifting the Theoretical Lens**

There is a common tendency in brand management research to conceptualize brands in two dimensions: the material and the symbolic. Researchers load the functional aspects into the material aspects and the perceived meanings into the symbolic side. The situation is not much different in the cultural understanding of brands. For example, Kornberger asserts that ‘brand = functionality + meaning’ (2010: 47-53). Even Holt ends up categorizing the brand into three types of value: symbolic, social and functional (2010: 190). He especially differentiates between the brand’s technological aspects and its cultural aspects. He mentions that cultural superiority may enhance the perceived functionality of a brand, but he nonetheless attributes a certain objective materiality to the brand by separating it from the cultural marketplace. However, by contrast, science

and technology are also cultural discourses in which ideologies compete. Be that as it may, there is never a technological winner arising only from essential properties; there is always a constant struggle over the meaning surrounding a given technology's superiority and necessity. Thus, scientific and technological aspects are also socially constructed symbolic meanings.

The function and the meaning of a brand can arise only from different theoretical perspectives. Researchers are shifting their theoretical lenses in their conception of the brand when differentiating between its function and meaning. The symbolic meaning of the brand arises when one observes the phenomenon from the perspective of the conscious mind. In the medium of consciousness, meaning is all there is, such that even the functional aspect of a brand is only a meaning. However, when a researcher partially embraces the view of an objective physical world, that researcher assumes undeniable functional traits of a brand exist. The physical world influences symbolic meanings, but humans are no closer for that to having direct access to this physical realm, which may be accessed only via the conscious mind. Therefore, these functional traits can also be conceptualized as symbolic meanings. I assert that having a single theoretical viewpoint in conceptualizing brands would provide a more coherent and useful framework. In that regard, simply taking the side of culture fully and perceiving the brand as precisely a cluster of symbolic meanings would be more beneficial and coherent, because doing otherwise, no researcher can draw a clear line between symbolic and functional aspects, and this blurriness leads to various problems, including with regard to how to calculate brand equity.

Even so, how do the brand's symbolic values arise? Kotler defines 'marketing communications' as 'the means by which firms attempt to inform, persuade and remind customers—directly or indirectly—about the brands they market' (2009: 690). This definition implies that marketing communications build up the brand. Following are the explicit communicative events that shape the brand's meaning in the society (Kotler et al., 2009: 692, Keller, 2008: 274, Lambin et al., 2007: 363, Pelsmacker et al., 2007):

1. Advertising (example: online and offline media, direct response ads, place, point-of-sale, product placement, physical packaging, viral communication, search engine)

2. Sales promotion (example: trade, distributor, network and consumer promotions, trade shows, samples, coupons, rebates, continuity programs, tie-ins, premiums and gifts)
3. Public relations (example: press kits, speeches, patronage, publications, blogs, community relations for word-of-mouth, sponsorship)
4. Sales force and personal communication (example: personal selling, servicing, information gathering, sales meetings and presentations, incentive programs).

If one takes the view that human beings have access only to a socially communicated and constructed reality, and that the physical world is accessible, not directly, but through the medium of meanings, then social reality becomes precisely the available totality of communicative events and their resulting generalized symbolic meanings. Consequently, the brand's socially constructed symbolic meanings result not only from the company's obvious marketing communication efforts, but also from any related social events within the society. What follows are some implicit communicative events:

1. Any corporate communication (example: financial status, social responsibility, workplace conditions)
2. Any communication within the sector or the market (example: competitors' explicit and implicit marketing communications or other activities)
3. Any related third-party media activity (example: product reviews, trend lists, word of mouth, personal blogs)
4. Actual experience of a product or a service by consumers

To summarize, any form of social action that directly or indirectly refers to the brand contributes to the meaning of the brand. The exploration of marketing communications shows that the brand's meaning is the totality of the past communicative events that explicitly or implicitly refer to it.

I propose that the brand is both a set of socially constructed symbolic meanings (culture) and the communicative events (discourse of production, consumption, marketing, distribution etc.) that arise from and foster these meanings. However, in order to conceptualize the brand in terms of communication, I must outline a certain framework for conceptualizing any social phenomenon as a communication-based meaning system. This framework should provide a concise yet non-deterministic



conceptualization of the communication system so that I may conceptualize the brand without relying on the external effects of the communication technologies.

### 1.3.2. Reliance on Reflexive Agents & Deterministic Models

Muniz and O’Guinn describe the cultural approach as a reductionism of the required complexity of the social construction of the brand (2010: 134). They also propose that the strong role of macro culture in a brand’s value is not applicable to the majority of brands with the exception of iconic brands. In their understanding—and that of most other researchers—brands are based on networks of various agents, such as marketers, individuals, and competitors. There has thus been an ongoing drive toward a holistic definition to which new agents are added. For example, recently O’Guinn and Muniz have devised ‘a social construction model of brands’ (Figure 1) (2010).

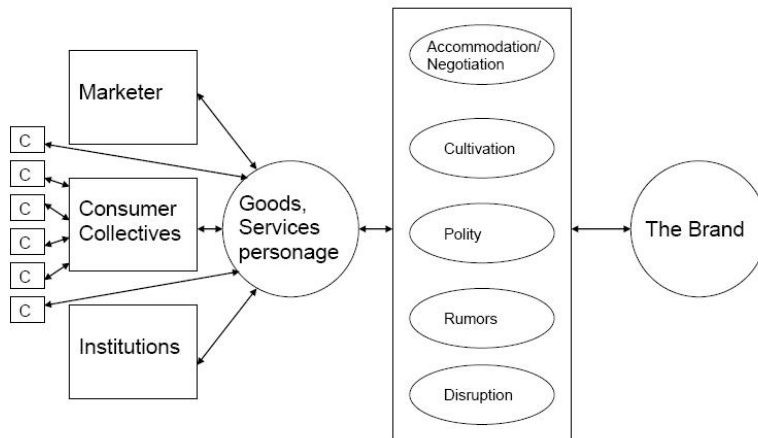


Figure 1 – A social construction model of brands (O’Guinn, T. C. & Muniz, 2010)

O’Guinn and Muniz here include more actors and processes in their existing model of the brand community. However, this and other models still remain deterministic and one-dimensional in that the brand is still viewed as a relational and causal outcome of the activity of certain actors and factors. Marketing scholars aspire to these network-relationship-based deterministic models in the course of efforts to show that certain factors control brands. However, these deterministic models cannot explain the unexpected resistance to control or the ambiguous behaviours of a brand that are derived from its culturally complex nature.

In order to make provision for feedback from the brand, these models must position the brand as an actor in its own social construction, and in practice, they do. However, they never endow this role to the brand in actual research process because these

conceptualizations cannot provide a viable framework by which to approach the mediation between the brand and individuals. If there is no longer a final passive construct (in this case, the brand) to which all practices contribute, then these conceptualizations cannot resolve the mediation; the model and the conceptualization become circular. In any social interchange between parties one can never know who is responsible for the interchange. Does a certain event arise from a consumer's agency or from the brand's (the structure's) agency? This indeterminacy becomes the typical structure and agency problem which gives rise to the circularity of the causal relationship and the resulting impasse of mediation. In response, researchers, in their actual research process, seek to resolve this complex picture by affording individuals strong agency in shaping their social environment. Therefore, these existing conceptualizations of the brand all have one thing in common: they conceptualize the brand from the perspective of subjects by rationalizing the brand's existence as a direct result of the motives and the agency of individuals. Such studies position individuals as fully reflexive with regard to surrounding structures, according them strong agency in shaping not only their own lifeworlds, but also the social systems around them.

The assumed linear traceability from lifeworlds to brand also creates problems for the methodology, in which interviews and other micro data are used to elevate the brand to a macro understanding. For example, Holt proposes using micro level data to investigate macro-level constructs (2002). Micro data is constituted of interviews with consumers who merely state their limited and subjective understanding of the phenomenon. Such data are inadequate because the logic that comes from the individuals' lifeworlds cannot be linearly traced to the existence of the brand; it simply is not reflective of the broader social phenomenon. Meanwhile, macro reasons, such as the discourses that shape the understanding of individuals, are nowhere in the data; instead, the supposed primacy of agency prompts researchers to base the existence of macro reasons within consumers and therefore to collect data from them.

Some qualitative studies have sought to overcome these problems by explaining the existence of the brand via cultural discourses and macro data, but these still end up providing either a vague framework or reverting back to individuals' lifeworlds. This behaviour is not much different in Holt's conceptualization of iconic brands (2004). On the consumption side Holt admits that the existence of iconic brands is not based on the reflexive nature of individuals and their everyday justification of the brands, and that it

is something more than that. The brands on the consumer side fulfil the role of carrying identity myths, and such is their function in the cultural and societal sphere, which is one level up:

All iconic brands enjoy the characteristics of strong brands described by the conventional models: They have distinctive and favorable associations, they generate buzz, and they have core consumers with deep emotional attachments. But these observed characteristics are the *consequence* of successful mythmaking, not the cause. (Holt, 2004: 35)

Holt asserts that successful brands are those that ‘address societal desires, not individual ones’ (2005). However, applying contradictory logic to explain the producer side, Holt traces the development of the brand back to the intuition of marketers and designers in aligning the brand with prevailing cultural discourses:

Cultural branding strategies have lurked primarily in the gut feel of ad-agency creatives and other commercial artists hired by brand managers. Creatives developed powerful identity myths from the practical knowledge they gained after many years of searching for a cultural sweet spot for the brand. (Holt, 2004: xii)

However, if a brand is a social desire that is beyond the reflexivity of individuals, it should not be traced back to individuals’ rationalizations. Holt already admits a certain contradiction by which brand managers conceptualize and manage their brands via models that utilize individuals’ rationalizations, such as rational benefits, emotional benefits and user associations, while their branding activities reflect their intuition for the ‘cultural sweet spot’ (2004: xii). This contradiction that Holt complains of is the natural aspect of any social phenomenon, as the social entity departs from individuals’ lifeworlds (both producer and consumer) and becomes something in its own right. Rather than surprising the non-traceability of these social entities from the actions and lifeworlds of individuals, I hope to find an alternative explanation for their existence, which is rationalized by a macro-function in the societal and cultural level and also provides a certain nature and disposition to the brand.

Søren Askegaard summarized this problem in a 2010 consumer culture workshop: ‘I think there is too much emphasis on reflexive agency. We are reflexive now and then. But most of the time we are not’ (Hermansen, 2010). As Foucault once said in a personal communication: ‘People know what they do; frequently they know why they do what they do; but what they don’t know is what what they do does’(Dreyfus and

Rabinow, 1982: 187). However, human beings want to believe and therefore convince themselves that individuals are in full control of the social structure; but they are not. Slater also explains how culture constitutes the needs of the society (1997: 133). Luhmann explains that needs are external to the economic system, and that they are socially constructed meanings that are produced via society, not by individuals (1989: 51-62). These needs are tied to physical reality, such as organic human bodies and individuals' subjective desires; but the society generates generalized meanings that are beyond the understanding of individuals. Individuals are required for the society to function, but they are external to the society because they are not reflexive of the surrounding social and cultural systems. This does not mean that the society governs individuals, but that both social systems and individuals have their autonomy and function in harmony, while continuously irritating each other. Others also claim that the brand should be conceptualized as something on its own above the producers' and consumers' lifeworlds but they cannot surrender the primacy of individuals in shaping it; therefore they persist in tracing the formation of the brand in a linear fashion, back to social practices, ending up conceiving of the brand as a rational outcome of certain actors. For example, Lury perceives the brand as an interface between producers and consumers, and admits that brands have a certain self-referential existence, but she explains this existence via individuals' presumably rational choices and practices in an economic frame of action (2004). Similarly, Franzen and Moriarty mention the complexity of brand systems, but again seek to explain the environment of the brand system as being based on the actions of managers and consumers (2009). Instead, the core of this research is to detach the brand's existence from individuals, position it as a social desire, and devise a conceptualization of the brand that is not based on external agency, but that comes from within. In order to be observed from its own perspective, the brand needs a certain function in the society and a corresponding internal logic so that it can be captured as a complex, multi-dimensional social phenomenon, as Giesler advises: 'Instead of residing in the ontological realms of brand image, market researchers can now strive for an *ontogenetical* vision of, what I call, brand flow' (2003: 333).

Consequently, I seek a model that departs from the presumed reflexive lifeworlds of individuals and their everyday necessities and instead captures the brand from a discursive and societal perspective. A well-defined socio-cultural framework should

emphasize the function of the brand in the broader society without tracing it to individuals' micro motives. Therefore, the brand should be conceptualized from its own macro perspective instead of from a total exogenous view in which the brand's existence is based on the presumed agency of consumers and producers. Both brands and individuals work in harmony, but brands have a certain disposition to fulfil a macro-function in society, and individuals' rationalizations are thus not necessary to justify the existence of brands. The brand, like an individual, should be able to be conceptualized as an entity of its own with a particular nature.

### **1.3.3. The Brand as a Single Ideology**

In referring to the marketplace of ideologies, Holt explains that a brand realizes a significant advantage when it is coupled with a certain ideology that is on the rise against prevailing ones (2010: 173-201). Holt does not detail the cultural aspect of the brand but reduces it to a single ideology (2010: 173-192, 2004: 6-10). Yet society has a variety of detached cultural discourses, and a brand is always positioned amid various discourses. Reducing the symbolic aspect of the brand to a single populist myth that covers only the consumption side of the brand does not do justice to its complex nature. In addition, Holt emphasizes only the large-scale alternative cultural meanings, but even mundane, unchanging discourses contribute to the brand, which is a complex set of cultural meanings from numerous discourses. Various academics have maintained that brands are multi-dimensional entities (Lury, 2009, Kornberger, 2010, Arvidsson, 2006, de Chernatony and Dall'Olmo Riley, 1998). However, even for these researchers a brand is just an exchange system between producers and consumers. Arvidsson asserts that the brand is a frame of action, in which consumers and producers act (2006, 2005). He applies a Marxist framework and bases all aspects of the brand on an economic framework, in which all actions of agents can be rationalized via the norms and rules of capitalism.

This book wants to make a very simple argument: that brands should be understood as an institutional embodiment of the logic of a new form of informational capital—much like the factory embodied the logic of industrial capital. (Arvidsson, 2006: 59)

Lury positions the brand in a system of relations, but again in a fashion similar to Arvidsson's, she conceptualizes the brand from an economic perspective that views brands as exchange systems between consumers and producers (2004: 5):

[T]he book argues that brands:

- Mediate the supply and demand of products and services in global economy
- Frame the activities of the market by functioning as an interface
- Communicate interactively, selectively promoting and inhibiting communication between producers and consumers
- Operate as a public currency while being protected as private property law (Lury, 2004: 16)

Both Lury and Arvidsson admit the multi-dimensional nature of brands, but they capture it one dimensionally from an economic, market perspective. Similarly, Kornberger states that ‘The brand is the interface between production and consumption that transforms the economy and society’ (2010: 3536)..

However, the brand is something more than an exchange system in which consumption and production meet. The brand is not simply a commercial product or a service that has a single cultural coupling; it is a multi-dimensional socio-cultural entity that takes part in numerous distinct discourses with its diverse meanings. The brand is not essentially an economic entity; economy is just one of the discourses the brand joins. The multi-dimensionality of the brand is the result of being in-between many other diverse discourses. This situation is necessary for brands to exist because their function is harmonizing these diverse discourses. This is one of the main points in which I depart from Holt’s conceptualization of the brand. Holt admits a certain interplay between the functional and the single cultural aspect of the brand by asserting that strong cultural value emphasizes the functional value (2004: 179-181). However, he simply says that this is a complex situation, in which the consumers’ perceptions are highly influenced by superior cultural expression by which they are made to believe that the brand is superior in other terms as well.

Askegaard emphasizes the multi-cultural aspect of the brand and conceptualizes it as a structuration device by applying Appadurai’s ideoscape, in which various diverse ideas are maintained and filtered. Askegaard is right in asserting that brand functions as a translation entity in between:

Branding as a (global) ideoscape thus provides the ideological basis for the establishment of new meaning systems, new practices, and new identity forms for the members of the consumer culture. It provides the logical basis for the whole idea of ‘experience economy’, of new distinctions between social groups, of new types of (brand) communities, new central stories in people’s lives and new identification patterns of both oneself and others. (Askegaard, 2006: 98)

Moor makes similar assertions that support the hub-like nature of the brand:

This book has made a number of claims about brands: that they organize forms of economic activity; that they render a greater array of materials communicative and informational; that they attempt to give concrete physical form to abstract values and concepts; and that they try to influence the perceptions and behaviour of customers and citizens. (Moor, 2007: 143)

Nevertheless, both scholars trace and rationalize the existence of the brand back to the identity projects and meaning making of consumers. Even if there is a reference to multi-dimensionality, it usually arises from the motives of the individuals, and not from the disparate cultural discourses. These conceptualizations do not detail how the brand arises on the cultural level but rather show how it ends up being used. One of the closest descriptions to my understanding of the brand comes from Diamond et al.:

We concur with the notion that brands are represented by a multitude of meanings and that this has profound implications for effective brand management. However, we argue that because all elements of the matrix, or manifold, are in continuous interaction with one another, the collection is best conceptualized as a system, or gestalt, within which the brand resides or from which it emerges. (Diamond et al., 2009: 119)

The brand gestalt embodies the notion that it is not one but a combination of elements, and the reciprocal influences among them, that best explains the power of brands. (Diamond et al., 2009: 131)

Thus Diamond and colleagues emphasize the interplay between disparate elements that give rise to a brand system. However, like the other researchers, Diamond et al. also fail to provide a tangible framework to capture this multi-dimensionality. They do not depict the presumed interplay, but merely state that ‘influences exerted by the components of this system are probabilistic and reciprocal’ (Diamond et al., 2009: 131). I want to provide an analytical framework that dissolves this probabilistic nature of the brand system. In addition, what I claim is much more than simple multi-dimensionality and its resulting power. I assert that the interplay between the coupled discourses is the sole reason for the existence of the brand. The meaning of the brand in one discourse is enabled by the differentiations in other discourses, and this interplay of these meanings enables the brand discourse. For example, a Fair Trade chocolate brand joins the discourse of chocolate products and political systems simultaneously. Being a Fair Trade product, it differentiates itself in the chocolate market, but at the same time it supports and gives body to the Fair Trade idea in the political (and economic) social system. Acting as a translator among various socio-cultural discourses is the main

function of the brand. Thus, one of the aims of this research is to provide a solid framework that explains how the brand embodies this translational function.

#### **1.4. Research Question**

The extant literature on the cultural understanding of the brand is thus both inadequate and incomplete because of the three oversights I have listed above (Golden-Biddle and Locke, 1997: 21-49):

- 1) In brand management research most academics conceptualize brands in two dimensions: material (e.g. function) and symbolic meaning. However, the function and the meaning of a brand can only arise by shifting different theoretical perspectives, and these approaches are incoherent. In the socio-cultural approach, the brand should be conceptualized only from the perspective of a socially constructed society.
- 2) The extant frameworks conceptualize the brand from the perspective of subjects by rationalizing the brand's existence via the motives of individuals. These studies position individuals as fully reflexive of their surrounding structures and conceive of the brand as a causal and rational outcome of these agents.
- 3) The cultural aspect of the brand is generally reduced to a single large-scale ideology. Even if there is a reference to multi-dimensionality, it usually arises from the motives of the individuals, and not from the disparate cultural discourses, because the brand is seen as essentially an economic entity, an exchange system in which producers and consumers meet.

In the consumer culture theory field, the cultural approach to the brand is advocated against the dyadic models that mediate customer and producer relationships:

A cultural approach involves broadening our view from that of established methods. We argue that brands are part of the fabric of popular culture and populate our modern mythology; they must be analyzed as cultural forms, carriers of meaning, and devices structuring thought and experience. This cultural dimension of brands cannot be easily captured by prevailing psychological and economic approaches. The collective significance of brands evades the dyadic models of firm–customer relationships that dominate psychological and economic approaches to branding. (Cayla and Arnould, 2009: 94)



The aim of this research is to join the above debate in the consumer culture theory field and to devise an improved socio-cultural conceptualization of the brand that evades the lifeworlds of individuals fully and provides a more distanced view of the brand that reflects its broader societal function. This cultural understanding of the brand should be able to help brand managers in the way Askegaard and Bengtsson outlines below:

First of all, it implies that the managers must refrain from having too high expectations of the degree of strategic management control that can be exerted. Second, it implies an encouragement for companies to provide themselves with a cultural understanding of what brands and branding are and to engage in cultural readings of their products and brands. (Askegaard and Bengtsson, 2005)

My proposed framework should capture the brand fully from the broader cultural perspective and depict its cultural dispositions that result from its function. Subsequently, applying this alternative framework, marketers can elevate their micro-perspective of the brand in relation to a long-term macro view and thereby better guide the brand by positioning it amid cultural discourses and understanding its resulting cultural dispositions.

Accordingly, I ask the following research question: How can the brand be conceptualized as a discourse of communicative events that interpenetrates various other disparate discourses and develops particular dispositions which result from accommodating these diverse discourses concurrently?

The propositions of this research are listed below in the form of sub-questions:

- 1) What type of analytical framework is needed to conceptualize a social phenomenon as a socially communicated and thereby constructed meaning so that the brand can be perceived as simply a set of socially constructed symbolic meanings?
- 2) How can the brand be conceptualized as an entity in its own right that fulfils a particular higher function in the society rather than basing its existence on the motives of consumers and producers that arise from their lifeworlds?
- 3) In which kind of analytical framework can the brand be positioned as a discursive system that arises while harmonizing the surrounding cultural discourses and develops multi-dimensional cultural dispositions due to the meanings it takes on these coupled discourses?

## **2. Theoretical Perspective and Methodology**

The core theoretical perspective of this research is Niklas Luhmann's 'Social Systems Theory' (SST). The aim of SST is to observe society from the systems perspective, but any attempt to explain social complexity results in a reduction of complexity in an organized illustration. In order to cope with this issue, SST starts simply and gradually increases its theoretical complexity (Luhmann, 1995: xlv-llii). Knodt summarizes SST's poly-centric and poly-contextual nature in reflecting reality:

Systems theory ... *simulates* complexity in order to *explain* complexity, and it does so by creating a flexible network of selectively interrelated concepts that can be recombined in many different ways and thus be used to describe the most diverse social phenomena. (Knodt, 1995: xix)

Thus, there is no single way to apply SST to a particular study. The idea is to show the systemic nature of a social system by applying concepts from the theory as templates by which to amplify complexity. As a result, explaining SST is much more difficult than explaining other philosophical perspectives, because there is no single path to follow; instead, a group of interrelated concepts form the understanding of the theory. Still, prior to a more detailed explanation of the interrelated concepts of SST, here is a brief summary of it:

SST perceives social reality in terms of communicative events and their resulting symbolically generalized meanings. SST asserts that within the social realm, various self-governing social systems can be observed, and that there is no super system that controls all. Human beings have access only to this socially communicated and constructed reality, and the physical world is accessible, not directly, but through the medium of meanings. Individuals are required for the society to function, but they are external to society because they are insufficiently reflexive to be in full control of surrounding social systems. This does not mean that the society governs individuals, but that both social systems and individuals have their autonomy and function in harmony while stimulating each other.

### **2.1. Foundations of Social Systems Theory**

Luhmann devised SST working from the theories of various other scientists. Before detailing SST, I introduce these building blocks of SST, as such a discussion will be helpful in facilitating an understanding of Luhmann's radical approach. Social systems

theory draws heavily on ‘general systems theory’, developed by von Bertalanffy (1969). Von Bertalanffy proposes that a holistic approach to a phenomenon is necessary because the whole is more than the sum of its parts—the non-summativity principle. Focussing only on parts without relating to the whole would be misleading in formulating problems. Von Bertalanffy calls the prevailing approach in scientific research, which studies isolated parts using deductive reasoning, ‘the mechanistic worldview’ (Von Bertalanffy, 1950). Working from such reasoning, researchers believe they can capture the complexity of phenomena by adding more and more elements to their deterministic structures. By contrast, general systems theory strives to capture a phenomenon either as a complex system of its own or nothing.

The concept that is at the heart of SST is ‘autopoiesis’, which comes from Maturana and Varela’s research in biological systems (1992: 43-52). Maturana and Varela constructed the neologism *autopoiesis* from two Greek words, *autós* (self) and *poiesis* (production). A typical living being produces components, and in turn these components produce others, while the whole process produces the living being itself. Maturana and Varela assert that ‘The being and doing of an autopoietic unity are inseparable, and this is their specific mode of operation’ (1992: 49). In other words, living beings exist via the logic of self-reproduction, which endows them their partial autonomy. Maturana and Varela’s concept of autopoiesis contests the crude application of a neo-Darwinian social theory concept of external adaptation, which supposes that living things evolve by adapting progressively to their external environments. Maturana and Varela assert that living beings, because they are autopoietic, are guided internally towards a unity for their existence while the environmental world only stimulates (not guides) this process. Autopoiesis contradicts prevailing creationist thinking, such as that of religion and classical philosophy, in which there is an external creator or reasons for reality. In autopoietic thinking, each living being has its own perspective of reality, which is a self-constructed one that is produced as the living being produces itself.

Luhmann also utilizes autopoiesis in the form of consciousness by referring to Husserl’s pure phenomenology, which assumes that consciousness can only exist if it intends a phenomenon (Husserl, 1970b, 1970a, 1981). Every new intention allows for new intentions or further thought and thereby creates cognition and existence. That is why this view is called ‘transcendental phenomenology’; the phrase means that each subject’s consciousness constructs its own lived world and reality, partly independent of

the shared world out there. Intentionality is the fundamental mode of operation of consciousness. Intentionality of thought in phenomenology is akin to a difference bearing another difference in post-structuralist thought. Consciousness is concerned with itself and also with the phenomena: the ‘noema’ is the phenomenon in the mind and the ‘noesis’ is the reflexive thought, when the consciousness observes itself in its thoughts (Husserl, 1983). Consciousness is not necessarily the result of a Kantian *a priori*, but of the unity of the difference between noema and noesis. Because of the self-referential nature of the thought process via intentionality, consciousness remains internal and thereby enables cognition while constantly differentiating itself from the perceived transcendental ego. If one cannot differentiate oneself from the environment, one can no longer be a separate being or a consciousness in society.

Another very important and fundamental concept in SST is the notion of distinction, which is similar to the understanding of ‘difference’ in the work of post-structuralist philosophers such as Derrida, Deleuze, and Foucault.<sup>1</sup> In this thought the difference continues to create new differences and thus creates the perceived reality. However, Luhmann especially employs Spencer-Brown’s concept of distinction (Luhmann, 2006, Spencer-Brown, 2008). In the book *Laws of Form* Spencer-Brown devises a new framework of operational calculus that is based on a single operator: distinction. Spencer-Brown states that each observation is an operation of distinction, which indicates something by drawing a distinction. Figure 2 illustrates Spencer-Brown’s ‘mark of distinction’, where the vertical line represents the distinction, and the horizontal line denotes indication.



Figure 2 – The mark of distinction

Distinctions have two sides, and each observation involves both the outer side and the inner side, because both sides are needed to indicate the inner side. Therefore, a resulting distinction always carries the two sides, which can’t be referred to

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<sup>1</sup> The concept of difference was even used—in a limited sense—by early Greek philosophers in the notion of *diapherein*. Early semiotics posits that the difference between words and things makes up the language. Later, Ferdinand de Saussure, detaching the problems of reference and reality, explained language as the difference between different words. However, post-structuralist understanding perceives the difference as even broader, as encompassing the building blocks of reality.

simultaneously. Something can't be both 'beautiful' and 'or not' in one instance of observation. Therefore, to observe something, one creates a blind spot of observation and focuses on the marked side (inner side). The blind side (outer side) enables a unity from a distinction. Spencer-Brown terms this unity or the boundary between the two sides of the distinction as 'form'. Form is not an existing thing with attributes, but the understanding of the marked side enabled by a distinction; form is only possible by its quality of carrying the distinction within it.

Finally, we can consider the post-structuralist philosophy of Michel Foucault. Even though Luhmann did not use or refer to Foucault directly, their philosophies have much in common (Andersen, 2003), and Luhmann's SST builds on and advances Foucaultian thinking. Both anti-essentialists, Luhmann and Foucault reject a definitive ontology and agree on the need for a new understanding of epistemology. Both focus on communicative events as the building blocks of society. Most importantly, they both utilize second-order observation and reject a belief in the possibility of criticizing things from a universal position. For Foucault, discourses are all there is; they construct the objects and the subjects they talk about via 'enunciative statements' (Dreyfus and Rabinow, 1982: 61, Foucault, 2002). Foucault is not denouncing a physical world that stimulates discourse, but emphasizing the social construction of meanings in the society. Discourse is not a context in which one can analyze a certain phenomenon; according to Foucault, discourse is the foremost entity to be studied (Kendall and Wickham, 1999). Consequently, discourse is a self-reproductive entity. But what stimulates it, and how can one conceptualize this force? Foucault devised the concept of 'Foucaultian power' to understand discourses (Deleuze, 1999, Dreyfus and Rabinow, 1982: 77-78, 100-103, Foucault, 1977, Foucault, 1984a). Foucaultian power is nonsubjective, not present in the will of an individual or a group. It is also not unintentional; Foucaultian power produces meaningful strategies with specific societal objectives. Foucaultian power is not a negative force but a productive one, which stimulates discourses, and thereby enables society. With this description Foucault aims to position Foucaultian power and its strategies on the level of social structures that transcend individuals' lifeworlds. However, when it comes to explaining how Foucaultian power strategies arise, he reverts to individuals and asserts that at the level of daily practices, the strategies of normal power are reflexive and rational, but that all these local power relations affect each other and form the strategies of Foucaultian power in the background. The local

strategies do not consciously relate themselves to these macro strategies of Foucaultian power, as they are not reflexive of it. Foucault strives to endow discourses with a certain self-governing and self-reproductive nature, but ends up referring to individuals' lifeworlds. SST posits an alternative to this impasse.

[I]t must be noted that theories of social practice stress the *practical* character of the shared understanding on the basis of which we relate to ourselves and get along with our surroundings. In contrast to this, Luhmann rather emphasizes that these patterns of meaning have a *dynamics of their own*, somehow detached from the necessities of everyday life. (Becker, 2005: 223)

This 'dynamics of their own' is the core aspect of SST that provides the alternative perspective in conceptualizing the social structures and cultural phenomena without relying on social practices and the individuals' lifeworlds.

## **2.2. Ontology**

Like Foucault, Luhmann makes no ontological claims, but instead focuses on epistemology. Andersen asserts that by considering epistemology as the starting point, Luhmann chooses to embrace an empty ontology (2003: xi-xiii). The epistemologically over-determined perspective is generally concerned with de-ontologising its target phenomenon. In this thinking, as a second-order observer, the researcher questions how certain systems of meaning are realised. As a result, the nature of the supposed reality is no longer relevant in these studies, but how certain realities come into being.

In his magnum opus, *Social Systems*, Luhmann explores two main types of systems, 'social systems' and 'psychic systems', the latter of which are the conscious minds of individuals (1995: 59-63). According to SST, psychic systems are unified nexuses of conscious states, and social systems are unified nexuses of communication. Psychic and social systems are co-dependent and function solely in the medium of meanings. These meaning systems are stimulated by certain physical or chemical characteristics, but neither social systems nor conscious minds can have access to anything outside their own systems and therefore can only process meanings (Luhmann, 1995: 62-63, 66). Still, SST does not deny the existence of a physical world or of human bodies, and the influence of these on socially constructed meanings, but only insists that these are external to the medium of meanings.

Since individuals are not reflexive of the complex communication in the society, SST perceives society as a collection of social systems. Since these are meaning systems, the society simply becomes a vast collection of meanings, and therefore SST focuses only on epistemology. Consequently, in order to study how meanings are realized, SST aims to understand society in terms of its communicative events, not its members.

### **2.3. Autology, Epistemology, and Methodology**

In Spencer-Brown's logic of distinction, when a distinction is drawn, a form can arise only if it presupposes a distinction within itself, because in order to define itself it should refer both to itself and also to the distinction at the same time (2008: 1-6, 57-63). This behaviour is called 're-entry', and it is the only way a distinction can both differentiate and indicate (Spencer-Brown, 2008: 46). The existence of a form (or an entity) requires constant differentiation: 'the conception of the form lies in the desire to distinguish' (Spencer-Brown, 2008: 57). This requirement has a very important epistemological implication: if a system does not draw distinctions continuously, it and its observed environment will cease to exist. This is true for both individuals and social systems. Luhmann comments on Spencer-Brown's logic as follows: 'this fact assumes the form of an injunction: "Draw a distinction"' (2006: 3, 2008).

Consequently, prior to observation and distinguishing there is neither the observer nor the observer's environment; they are constructed only at the time of observation. Therefore, in terms of epistemology, Luhmann contends that every observation creates its own reality (including even that of the observer) (Luhmann, 1995: 57); this is the case for the social systems out there but also for the researcher. For the researcher, this logic equates epistemology and methodology, because knowledge is defined by how the observer chooses to see it. However, more importantly for the society, it implies that both social systems and individuals lack a shared objective social reality, because social reality is observer (or system) dependent. Since every system is different from the next, the understandings of environments are also different and the essential reality is a plurality of realities that are developed within each system.

Luhmann utilizes the unification of epistemology and methodology in SST to avoid the problem of self-reference in theorising and observation. Most philosophers end up being self-referential because they need to define reality in order to observe it. However, by

perceiving epistemology and methodology to be the same thing, SST avoids being a determinate way of looking at social phenomena. Rather than being self-referential, SST is autological, because the researcher creates herself and her environment in the process, so there are no claims to reality prior to observation (Esposito, 1996, Moeller, 2006: 71-78). By associating methodology with epistemology, every instance of SST research creates its own relative reality. However, this is not a favourable approach according to 'the dogmatics of epistemology', because science cannot easily handle multiple realities (Luhmann, 1995: 56). Nonetheless, the autological approach creates greater heterogeneity and diversity than can be produced by isolated and deterministic studies, and this diversity should be able to better capture social complexity (Luhmann, 1995: 58). Because this sort of methodology does not claim to present an objective reality, it is best if there are parallel studies that create their own competing realities (Luhmann, 1993: 231).

As a result of autology, Luhmann sees no harm in using a theoretical apparatus to explain the non-random character of social structures, as long as the observer reflects on her viewpoint by setting up her autology prior to observation (Luhmann, 1998: 4). Andersen lists three minimums in adhering to Luhmann's principle of autology (2003: 69-70). The first is stating the 'guiding distinction' of the observer, which is the perspective the researcher uses to analyse data and distinguish certain structures in it. The second is 'conditioning', by which one declares the conditions and beliefs that accompany the guiding distinction. The third is the 'systems reference', which involves designating the observation point and broadly defining which specific system the researcher chooses to analyze.

Because it is a social systems theory, the guiding distinction of SST is primarily the system/environment, as the aim is to perceive a social system and its environment in the data (Luhmann, 2006). If it were a different sort of theory, it would have a different starting point. Unlike classic western philosophies, SST does not start with a unity, but observes society as a collection of numerous differences which distinguish systems and their environments. Each social system differentiates itself from others in the society via its function, which derives from its own internal dynamics and perspective of reality. Therefore Luhmann calls his methodology 'functional analysis' (Luhmann, 1995: 52-58). Functional analysis is the practice of looking at data from the SST perspective and discovering and observing a certain social system that is made up of communicative



events and that takes form by constantly differentiating itself from its environment. In functional analysis, using the conceptual tools of SST, such as guiding distinction, form, function, program, and code, the researcher depicts the complex functioning of the target social system by elaborating its internal dynamics (Luhmann, 1995: 52-58). In order to do so, the researcher positions herself as a second-order (meta) observer and rather than joining in the discussion with other academics, treats the extant literature as data. The observer goes above the social system rather than being in it and thereby observes its functioning. The second-order observer does not claim more objective knowledge, but hopes to present a more distanced view that might uncover blind spots of other observers (Luhmann, 1989: 25). Functional analysis can be considered a form of literature review whereby researchers try to uncover blind spots of previous studies and assert theories that more fully capture the phenomena under observation. In every literature review, the researcher already elevates herself from the extant literature so as to observe the ongoing discussion. In functional analysis, the same procedure is simply performed in a more structured fashion and under a particular theory, SST, and with its guiding distinctions in mind.

#### **2.4. Autopoiesis**

Luhmann used the concept of autopoiesis from Maturana and Varela's research to conceptualize social systems as self-reproductive (Luhmann, 2006). However, the operator is different for social systems than for living beings. Communication is the single operator that is needed for the autopoiesis of social systems because it carries connectivity and continuity; a communicative event by introducing a distinction creates further communication. A social system observes itself in the related communicative events and exists by constantly differentiating itself from its environment by referring to itself:

[S]elf-observation is the introduction of the system/environment distinction within the system, which constitutes itself with the help of that distinction; self-observation is thus the operative factor in autopoiesis, because for elements to be reproduced, it must be guaranteed that they are reproduced as elements of the system and not anything else. (Luhmann, 1995: 36-37)

However, this operation requires the re-entry of the system (or form) into itself because the system defines a distinction to define itself (Luhmann, 2006). 'The distinction re-enters the distinguished', and it is simultaneously both the same distinction and not

(Luhmann, 2006: 54). A system differentiates itself from the environment to constitute itself but can only justify this detachment by still being able to see and refer to the distinction in between. A system can enclose itself only by still knowing what is out there. This observational behaviour is a paradox that can be unfolded by the logician switching between meta-level and lower-level observation. On the lower level, the system can observe itself and perform self-reference. Then the observation can be moved to the meta-level to perform external reference.

Consequently, a social system can oscillate between self-reference and external reference, and this duality enables the system to be both closed and open to the environment at the same time. Such is the key source of autopoiesis. Because of self-reference and the re-entry of the system into itself, communication remains internal and the system closes itself. When one draws a boundary at the environment autopoiesis and existence may arise, because otherwise the system would dissolve into its environment (Luhmann, 1988). However, if a system is totally closed, the self-referential reproduction (autopoiesis) can be circular and repetitive, and would thus not produce the system. By performing external reference and being partially open to the environment, the system is stimulated by the environment and fosters autopoiesis. However, this openness should not be understood as a direct communication between the system and its environment. Because external reference happens within the social system, from its own internal perspective, the system builds up its own understanding of the environment; there is no shared operational reality. Therefore, each social system decides what to do with the environmental information according to its internal structure and disposition; like individuals, autopoietic social systems are not input-output mechanisms but self-governing entities that are open to irritation.

## **2.5. Double Contingency and Communication**

In his early writings, like his successors, Luhmann focused on action as the elementary process that constitutes the society, but later declared communication to be the basic process of the social domain for two reasons. First, action is not necessarily social. Actions happen, but for the society the communicative events that arise from them are what counts. Second, action always occurs in a situation because it is the artefact of observing others (Luhmann, 1995: xliii-xliv). Action is neither an ontological nor an epistemological given but is an attribute that is given to human beings. In order to study

how the society emerges, instead of human beings and their actions, a sociologist should focus on the process of attribution: communication.

A communication does not communicate [*mitteilen*] the world, it divides [*einteilen*] it. Like any operation of living or thinking, communication produces a caesura. It says what it says; it does not say what it does not say. It differentiates. (Luhmann, 1994: 25)

According to SST, individuals cannot communicate because their brains and conscious minds cannot be in direct contact:

In the opening scene of *Danton's Death*, the nineteenth-century German playwright Georg Büchner dramatizes what is easily recognized as the primal scene of hermeneutic despair. In response to his lover's attempt to reassure herself of the bond of understanding between them, the protagonist makes a silent gesture toward her forehead and then replies: "—there, there, what lies behind this? Go on, we have crude senses. To understand one another? We would have to break open each other's skulls and pull the thoughts out of the fibres of our brains." (Knodt, 1995: xxiv)

This view holds true even for a single individual, who can never know what she really meant when her communication takes form in the medium of language. Individuals are necessary for communication to happen, but they are external to it, merely an environment. Therefore, Luhmann excludes humans from the view of the society and asserts that social systems and thereby society are made up of communicative events because 'as soon as something is recognized as communication it is included in the system' (Luhmann, 1987: 114).

Before further explaining the understanding of communication in SST, I must introduce the 'problem of double contingency' (Luhmann, 1995: 103-136). This problem emerges because an orderly communication can happen only if both sides' expectations of it are parallel; yet orderly communication is also not possible if a sender knows perfectly how a receiver will respond to his communication. Because both the receiver's and sender's choices are contingent upon each other, there can ensue an infinite recursive deciding phase. Previously, Talcott Parsons postulated that an assumed value consensus such as a code would enable communication. However, this theorizing does not explain how this shared symbolic culture has been formed, because it is based on a code that is already and constantly at hand. Luhmann's approach to this problem is quite novel: he proposes that uncertainty and chance are the key properties in solving the problem of double contingency.

Because each side is not fully transparent to the other, the sender knows neither how the receiver processes a communicative event nor how she is represented in the mind of the receiver. This double improbability creates probability and communication, because in this highly unstable position, each side feels a pressure to act first and thereby starts communicating: 'I do not allow myself to be determined by you, if you do not allow yourself to be determined by me' (Luhmann, 1995: 117). Even though the resulting communication does not necessarily arise from a highly rational and conscious choice, a selection has been made (Luhmann, 1995: 134-136). This is also where the theories of double contingency and self-referential systems converge, because this logic makes autopoietic social systems theoretically possible by conceptualizing communication as subject free; communication has to occur because of this double improbability and the resulting unstable contexts of the individuals, not because of their presumed reflexivity.

In order to conceptualize communication, Luhmann avoids the metaphor of 'transmission' because it supposes the necessity of sender, receiver and most importantly something that has been moved from one side to another (1995: 139). The transmission metaphor captures only the utterance aspect of communication, which is only a part of it. Instead, Luhmann conceptualizes a communicative event as 'a synthesis of three different selections': 'utterance', 'information', and 'understanding or misunderstanding' (Luhmann, 2002: 157). Only when these three selections happen does a communicative event occur. The first is the selection of what to communicate, the second is the selection of how to communicate, and the last is the selection of what to understand about the communication. Understanding is the difference between utterance and information, and it is the means by which all three are synthesized. Understanding always carries both sides of its selection, such that it can accentuate either 'the information itself' or 'the expressive behaviour' (Luhmann, 2002: 157). The understanding belongs neither to an objective single society nor to an individual. Each social system that processes the communicative event builds its own understanding of it. An understanding of a communicative event creates not only constraints but also possibilities for the ensuing communicative event, which is linked to the previous one. This way of conceptualizing communication does not refer to a particular type of further response such as acceptance or rejection; a communicative event refers only to connectivity. A new communicative event connects itself to the previous one, and

thereby the stream of communicative events enables the self-referential reproduction (autopoiesis) of social systems.

## **2.6. Meaning, Symbolic Generalizations, Semantics, and Culture**

Luhmann explains the concept of meaning by applying Husserl's phenomenology (Luhmann, 1995: 60-65). At any moment, when something is actualized as standing in the focal point, there is always a horizon of possibilities. Meaning thus simultaneously refers to both what is actual and what is possible (or impossible) because only this surplus of possible references provides a standpoint for reality. Meaning is the unity of this difference between actuality and potentiality. Since every actualization of meaning carries what is possible, meaning is inherently unstable. Meaning is only possible in 'the continual actualization of potentialities' (Luhmann, 1995: 65). However, because of this requirement, meaning forces selection and continuous self-reference in the coupled psychic and social systems. It is not possible for these systems to perform autopoiesis and exist in a medium of stabilized meanings.

However, psychic and social systems cannot access the medium of meanings directly for two reasons. First, both psychic and social systems lack the capacity to observe the vast complexity of the medium of meanings. For these systems to function, they need to observe certain codes in the communication, and in order to do that they need to operate at a simplified level of meanings above the actualization and virtualization level (Luhmann, 1995: 95-96). Second, because meaning is constantly changing due to its unstable nature, in the course of self-reference social and psychic systems would tend to increase the resolution of the medium of meaning indefinitely without being able to stop at a certain understanding, and would thus enter into an infinite recursive loop. Therefore, meaning has to be condensed and stabilized at least for a certain period of time to make it accessible by the self-referential systems. The social and psychic systems produce consumable 'symbolic generalizations' from the medium of meanings for self-referential meaning systems (Luhmann, 1995: 92-97). The highly rich meaning is symbolized and generalized as a unity to represent the plurality behind it for some time. Symbolically generalized meanings (SGMs) enable communication because unrepeatable and non-transferable meaning becomes attainable and re-available via symbolic generalizations. These generalizations transform meaning into 'expectation' (Luhmann, 1995: 96). The resulting network of symbolic generalizations continuously

re-fabricates itself in the course of communication by moving up or down materials from the underlying complex medium of meanings. SGMs both constrain and enable by making specific selections and thereby make structured complexity possible in meaning systems.

Meaning should not be taken as sign because there is nothing that meaning refers to; (Luhmann, 1995: 71). Yet symbolic generalizations are similar to the understanding of the sign in semiotics. SGMs operate and are self-referentially constructed on the medium of meanings, which are the foundation of society, though they are not directly accessible. In passing, since all meaning systems work only on the SGM level, therefore for both social and psychic systems, ‘meaninglessness’ is impossible (Luhmann, 1995: 62). It is only possible within the domain of SGMs based on the confusion of signs. Moreover, while the underlying medium of meaning is the shared foundation of all systems, the SGMs are system dependent. Every system maintains its operational closure and differentiates itself from the environment by increasing the complexity of internally conditioned SGMs via self-reference (Luhmann, 1995: 61-62, 102). Accordingly, each meaning system has its own understanding of environmental reality that is composed of its internally generated SGMs, which are observer-dependent, and therefore system-dependent.

The SGMs that emerge from psychic and social systems make up social reality because they constitute language. Luhmann terms the collection of all existing SGMs semantics (Luhmann, 1995: 163).

[A]n intervening requirement mediates between language and interaction—a supply of possible themes that is available for quick and readily understandable reception in concrete communicative processes. We would like to call this supply of themes *culture*, and if it is reserved specifically for the purposes of communication, *semantics*. (Luhmann, 1995: 163)

Semantics refers to all generalized and symbolized meanings that systems utilize for producing future communicative events. From the perspective of SST, which perceives society from the perspective of communicative events, semantics equate to culture, which is the set of common social meanings that enable communication.

*Shared symbolic system* ..., with its mutuality of normative orientation, is logically the most elementary form of culture. (Parsons and Shills, 1951:16 cited in Luhmann, 1995: 124)

Indeed, SST is all about analyzing culture because it theorizes the observation of how SGMs arise in the society and build up semantics, which is called culture in other approaches (Becker, 2005: 220-223).

## **2.7. Psychic Systems, Interpenetration, Medium & Form**

Luhmann separates the conscious mind from the organic body and refers to it as the 'psychic system' (1995: 255-277). By combining Husserl's phenomenology of consciousness with SST, Luhmann outlines psychic systems as follows:

[The] basic concept of a closed, self-referential reproduction of the system can be applied directly to psychic systems, that is, to systems that reproduce consciousness by consciousness and thereby must fend for themselves, without receiving consciousness from or giving consciousness away to what is outside. By "consciousness" we do not mean something that exists substantially (as language constantly suggests), but only the specific operational mode of psychic systems. ... They use consciousness only in the context of their own operations, while all contacts with the environment (including contacts with their own bodies) are mediated by the nervous system, and so must use different levels of reality. ... However one wants to define the elemental units of consciousness (we will leave aside the distinction between ideas and sensations and speak of thoughts), only the arrangement of these elements can produce new elements. Thoughts are necessary in order to arrive at thought. (Luhmann, 1995: 262)

We call this circular closure, which contains everything determinate that helps carry out the autopoiesis, individuality, because it is indivisible, like all autopoiesis. ... But it requires at least two additional conditions of operation: difference and limitation. Subsequent thoughts must be able to distinguish themselves from what fills consciousness at any instant, and they must be accessible in a bounded repertoire, because no continuation could be recognized as connection if any instant everything were possible and equally probable. By difference and limitation, consciousness compels itself to take its environment into consideration. It uses friction with the environment to create information that, if it does not impose, then at least suggests the next thought. Its closure forces openness. (Luhmann, 1995: 264-265)

Like social systems, psychic systems (conscious minds) are autopoietic entities that are guided internally and strive to reduce the complexity of their environment to a manageable understanding. In passing, when the environment becomes too complex for the psychic system to process, the emotions take over as an 'immune system' which works to reduce the complexity of the environment while short-circuiting rationalization (Luhmann, 1995: 274). However, even though they work in similar ways, individuals and social systems are different systems:

Psychic and social systems cannot be reduced to each other. They use different media of reproduction: consciousness and communication. Only thus can their respective nexuses of reproduction be conceived as a continuous occurrence that unifies itself. In other words, no autopoietic supersystem could integrate both as a unity: no consciousness revolves around communication and no communication around consciousness. (Luhmann, 1995: 271)

The essential building block is different in each type of system. Psychic systems advance via thoughts and the social systems process communicative events. This difference makes each impossible to fuse with the other, since they are essentially distinct entities. However, the psychic and social systems are also co-dependent, as each cannot exist without the other. These two essentially different systems require a common medium where they can stimulate each other and co-evolve. This special medium is meaning:

Meaning enables psychic and social system formations to interpenetrate, while protecting their autopoiesis; meaning simultaneously enables consciousness to understand itself and continue to affect itself in communication, and enables communication to be referred back to the consciousnesses of the participants. Therefore the concept of meaning supersedes the concept of the *animale sociale*. Not the property of a specific kind of living being, but the referential wealth of meaning enables the formation of societal systems through which human beings can have consciousness and life. (Luhmann, 1995: 219)

With this, one gains access to consciousness's potential for transcending all social experiences and to a typology of the need for meaning that guarantees consciousness its own autopoiesis throughout the change of all specific structures of meaning. (Luhmann, 1995: 221)

Through meaning, psychic and social systems can stimulate each other, and this interaction is necessary because every system has to be coupled with other systems given that each system needs an environment that provides complexity and fosters its autopoiesis. This coupling between systems is called interpenetration in SST:

[I]nterpenetration is the condition of possibility for self-referentially closed autopoiesis. It enables the emergence of autopoietic systems by opening up environmental contact on other levels of reality. Interpenetration makes it possible to keep functional levels of operative information processing separate and yet to combine them, and thus to realize systems that are open and closed to their environment at once. And this combination seems to have opened the possibility of stabilizing the difference in a relative degree of complexity between system and environment with greater complexity on both sides. (Luhmann, 1995: 410)

Interpenetration presupposes the capacity for connecting different kinds of autopoiesis—here, organic life, consciousness, and communication. It prevents



autopoiesis from becoming allopoiesis; it produces relationships of dependency that evolutionarily prove their worth by being compatible with autopoiesis. (Luhmann, 1995: 219)

Consequently, it is not only psychic and social systems which interpenetrate each other; social systems also interpenetrate one another through the medium of meaning. Each autopoietic meaning system is automatically an interpenetration system that sits in-between other systems.

Interpenetration should not be understood as a harmonization of the coupled systems or a merging of the systems into one:

Interpenetration does not fuse different systems into a unity. It is no *unio mystica*. It functions only at the operational level of a reproduction of elements ... (Luhmann, 1998: 174)

More importantly, SST gives no primacy or stronger role to any system in the course of interpenetration. Since all meaning systems are autopoietic; they are guided internally while being open to irritation from the environment. Therefore, no system has an agency on the other system; a system can only irritate or stimulate the other, while the internal logic of the other system decides for it what to do next. This is how SST solves the structure and agency problem in sociology. SST observes society as being comprised of numerous autopoietic social and psychic systems, each of which has its own internal reality and perspective (Luhmann, 2006). Social systems and psychic systems proceed via their own internal natures, dispositions, and particular understandings of their environment, and yet they function harmoniously because they can still irritate and stimulate each other in the course of interpenetration (Figure 3).

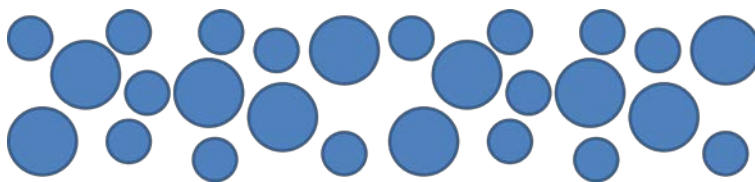


Figure 3 – Society as numerous harmonious autopoietic systems

Society is a collection of numerous harmonious autopoietic systems; there is no big picture. Consequently, SST does not consider the possibility of a single overarching ideological system that dominates the rest of the society. Such a view is an oversimplification of social plurality and its resulting complexity. Instead, each system is coupled with many other surrounding systems and advances according to its internal guiding distinction and also to the perceived dynamics of the interpenetrated systems.

Therefore every communication that is shared by these systems should satisfy all interoperated parties:

[E]ach piece of information which is taken up in this system and processed tests the compatibility of the environments (whereby each participant belongs to the environment of the other and is thus also tested). The system collapses (even if the partners remain 'together') when this ceases to be the common basis that reproduces the system by giving all information the function of reproducing the system. This is the counterpart in system theory to a code which requires that in the course of interaction one tunes oneself in, through one's actions, to the inner experience of the other person. (Luhmann, 1998: 176-177)

Each communicative event should be valid for the internal differentiations of all the interoperated systems, and such an arrangement is the basic source of social complexity; meaning systems are multi-dimensional entities that interpenetrate numerous other systems and handle the resulting plurality successfully. Luhmann states that the 'conceptualization of this situation presupposes the interplay of a plurality of distinctions' (1995: 220).

Nevertheless, in some cases of interpenetration, some systems are more highly pervasive than others, and these systems seem to dominate minor ones. For example, a hedge fund as a social system might be seen as totally guided by the broader encompassing social system of the financial sector. In order to avoid reverting to the causal world view and the resulting structure and agency problem, Luhmann introduces the distinction between 'medium' and 'form' (Luhmann, 2000a: 102-106). Medium is a social system that provides elements in loose coupling that constitute the platform on which forms may appear. A form, which is also a social system, emerges from the strict coupling of the elements of the medium. However, consistently with the epistemology of SST, understanding of the medium and form is relative to each system; each form creates its own understanding of the difference between its medium and its form. The form emerges from the perceived possibilities that its medium provides and therefore emerges still from its own autopoietic nature rather than extending from an objective medium. As a result, there are no causal mechanisms at play in the medium and form relationship.

Each medium is a form in another medium, and all forms can be media for other forms. A form can be associated with more than one medium as well. The combinations of the elements of the medium are limitless, yet existing forms place restrictions on new

forms. Because of being loosely coupled, a medium is quite stable. Form, on the other hand, by virtue of being strictly coupled, is resilient yet instable and thereby short-lived compared to its medium.

## **2.8. Form, Re-Entry, Guiding Distinction, Code, and Programs**

Since a social system is an autopoietic entity that constitutes itself via self-reference, it observes both itself and its environment within related communicative events (Luhmann, 1993: 14). Each social system perceives the environment as a whole, and constantly tries to differentiate itself from it:

The system's environment is a unity (regardless of how this is subdivided) by virtue of the system, whereas the subsystems within the system's environment themselves generate their own respective unity. Everything which the system cannot dispose over in the form of self-referential reproduction belongs to the environment, which, of course, therefore includes all other systems as well. ... For the system 'its environment' is the abstract Other... (Luhmann, 1998: 172-173)

A social system perceives its environment as an abstract other. In order to take form, each social system differentiates itself from this perceived unity of environmental complexity via a certain 'guiding distinction' (self reference/other reference or the system vs. the abstract other) (Luhmann, 2000a: 188).

This guiding distinction cannot be a simple affirmation or negation of the other side because the blind side is necessary for future operations (Luhmann, 2000a: 30). The autopoietic nature of the social system requires continuous re-entry through which the blind side (or the distinction) enters back into the form while distinguishing the form from the blind side. Tautology is a necessity, for self-reference requires modulating between the inner and outer side and draws its distinction from the outer side.

These rules follow the form calculus of George Spencer-Brown, and for this reason we occasionally speak of 'form' when we refer to a distinction separating two sides and requiring operations (and also time)—either for the purpose of recalling the name of one of the sides in order to condense identity, or to cross the boundary in order to take the other side as the point of departure for the next operation. (Luhmann, 1993: 14-15)

For example, Luhmann studied the concept of risk as social system (Luhmann, 1993), and found that 'risk/not risk' would not work as a guiding distinction because it does

not represent a certain unity that can be differentiated from. It also cannot re-enter the form because it contradicts the form in full symmetry: 'risk + not risk' becomes empty.

In order to maintain the form, the guiding distinction of a social system should be asymmetric. Forms can only result from this 'rupture of symmetry' because only through this irresolvable distinction, which carries itself on the form, do continuity of the form and the connectivity of communication become possible. In the 'form analysis' of risk, Luhmann states that the abstract other of risk is danger: risk/danger (Luhmann, 1993). Risk as a concept forms itself when it is differentiated from absolute danger that cannot be calculated or avoided. Once a danger becomes quantifiable it turns into risk. However, every risk still carries the blind side while being formed, such that every risk carries a certain amount of danger in it, which is a paradox. Over time, when an observer moves to the second order, she sees this paradox in the form of a certain amount of danger within risk. Luhmann uses the term 'de-paradoxified' to describe the observer's unfolding of the paradox. Yet, after the observer de-paradoxifies the risk concept by discovering the danger inside it, she will eventually quantify the danger, turning danger into risk again. She will end up building a new paradox. As a result, there is a constant self-referential calculation and formation of the understanding of risk (danger->risk->danger->risk). For example, giving birth at home was the norm in former times—risky but better than giving birth in the street. Over time, the practice began to be seen as dangerous, and eventually the risky yet not dangerous hospital birth was advocated. These days, giving natural birth at a hospital is deemed by certain medical professionals to be dangerous as they claim that doing so does not provide for a controlled environment. Instead they advise C-section, which is again held to be risky but not dangerous. Probably, at some point, C-section will be conceived as dangerous and something else (again natural birth or something new) will be seen as risky, yet better.

The asymmetric guiding distinction enables the continuation of a social system or a form, but this type of re-entry requires that while distinguishing the form of a system from the other side, the other side enters into the social system, which is simply a paradox and a tautology. No meaning systems can knowingly handle tautology, including psychic systems. For example, if the society as a whole realizes that it constantly creates a certain risk self-referentially, that risk system would collapse because no meaning system would buy into this evidently tautological concept of risk.

Therefore, people have to deceive themselves via a simple yet strong negation: ‘system-related/not system-related’. Luhmann calls this binary input/output schema the ‘code’ of the system (Luhmann, 2000b: 10-11). The code decides which communicative events are related to the system so that they may be picked up and processed to foster the advancement of the system (2000a: 188). For example, the economy has payment/non-payment as its code. Any communicative event that either explicitly or implicitly refers to a certain monetary issue automatically becomes part of the economic system and is processed by it. The code hides the tautological and paradoxical nature of the system; it turns the unbearable, paradoxical unity of the system into a simple difference (Luhmann, 1989: 37). Under the strong binary or dichotomy the system no longer questions its own tautological nature. The guiding distinction and the code are orthogonal to each other; the guiding distinction enables autopoiesis via self-reference while the code hides the self-reference to provide a temporary stability and thereby lends the system an identity.

However, the code by itself is not enough to re-enable guiding distinction and thereby self-reference because it cannot hide its tautological nature. For example, a simple claim for truth cannot be justified by simply saying that it is true. A code is insufficient to explain why truth is true because its self-referential and tautological nature becomes apparent in its simple form. Therefore, the social system requires the use of ‘programs’ that blur the self-referential nature of the code (Luhmann, 2004: 194). A program is a set of rules that processes the related communicative event from a particular perspective. When a communicative event is picked up by the code, a relevant program takes it over for further processing. The programs of the system complicate the issue by offering a great number of details regarding the particular topic and hiding the self-referential nature of the claim with a second level of distinctions (Luhmann, 2004: 205). The programs increase the complexity of the code without referring to its simple dichotomous difference (Luhmann, 1989: xiv). With the help of programs the initial difference provided by the code is differentiated into further differences, and paradoxes are hidden and therefore re-enabled (Luhmann, 1989: 41). For example, in the case of the economy, justifying the economic system and money by simply using payment/non-payment is not possible because it becomes apparent that the belief in the use of money is needed to justify the use of money. Instead, the economic system with its various

programs, such as credit cards, banks, and mortgages, complicates the nature of money and economy and hides its own paradoxical nature.

Most important of all, by enabling tautology, the unity of different programs provides the social system its complex guiding distinction (Luhmann, 1989: 45). Thus, there is a circular relationship between the code and programs. Programs provide the guiding distinction that enables asymmetry and autopoiesis; the code hides the paradoxical nature of the guiding distinction and enables stability; the programs increase the complexity of the code to hide its simple and self-referential dichotomy and thereby introduce the guiding distinction back into the system. Hence, the guiding distinction can be deconstructed into various programs. Each program is highly distinct from the others because the system complicates the issue by building disparate sets of rules that operate in different domains of meanings. Therefore, each program ends up handling the interpenetration of a particular social system in the environment as well by sharing and being irritated by the communicative events of the coupled system (Luhmann, 2004: 173-210). Consequently, the programs differentiate from one another via certain internal distinctions and thus continuously evolve; some cease to exist, some arise and some are updated due to changes in the interpenetrated social systems.

## **2.9. Time and Space**

For analyzing various phenomena correctly, a coherent understanding of time and space is crucial. For example, many academics in the media and communications field unfortunately base their major findings on a belief in ‘time-space compression’ (McLuhan, 1994, Poster, 1990, Castells, 2000, Stein, 2006). However, SST makes it clear that there can never be a true time and space compression in a society. Luhmann describes the temporal dimension as follows:

For meaning systems, time is the interpretation of reality in light of the difference between past and future. Therefore the horizon of the past (and likewise of future) is not the beginning (or the end) of time. This idea of a beginning or an end is excluded by the concept of the horizon. Instead, the entire past and the entire future function as the temporal horizon—whether it is presented as chronological, and therefore linear, or not. In any event, it is impossible to experience or to act anywhere in the past or the future, and this cannot become possible because the temporal horizons shift as time progresses. Futures and pasts can only be intended or thematized, not experienced or acted in; in this regard they are entirely alike. (Luhmann, 1995: 78)

The resulting present carries both reversibility and irreversibility within it and the difference between the two enables the flow of time (Luhmann, 1995: 79). On the one hand, irreversibility is achieved by marking certain things (movements, a clock hand, thinking) as changing or as progressing permanently. Irreversibility presents time and also places constraints on it to foster future complexity. On the other hand, reversibility becomes possible by self-reference, in referring to earlier experiences. Consequently a present intention, which has not become irreversible, can alter the finality of previous actions.

As a result, according to SST, time is system-specific, and a ‘very complex system must adapt itself to time—in whatever operatively graspable form this requirement takes for the system’ (Luhmann, 1995: 42). Social systems build up their understanding of time in order to force themselves towards selection and communication. Complex systems need a certain time constraint to force themselves to simplify the complexity in their environment and to create their own understanding of the environment instead. Otherwise, they would feel as if they have an indefinite amount of time, and would choose to adapt to the environment fully rather than simplifying. Simply, time is a meaning that has been constituted within a complex meaning system, be it a social or psychic system; time is relative to each observer system.

Within society, time is generally perceived from the perspective of irreversibility because of the macroscopic order of nature (Luhmann, 1995: 42). The macro-physical world puts certain constraints on systems so that they sense irreversibility. This constraint shows itself as the understanding of ‘space’ for social and psychic systems because space dictates that ‘two things cannot occupy the same place at the same time’ (Luhmann, 1995: 385). Even though space and time are both generated from the distinction between place and object (or in SST terminology, medium and form), they cannot be reduced to a single concept because they handle variety differently and complement each other (Luhmann, 2000a: 112). Luhmann posits that ‘space makes it *possible for objects to leave their places*’ and ‘time makes it *necessary for places to leave their objects*’ (Luhmann, 2000a: 112). Contingency and necessity should exist together for society to emerge and therefore time and space are inseparable.

The coupling of the physical world stimulates social and psychic systems in terms of irreversibility, but always at the same pace, because the nature of certain physical

events, such as the earth's rotation, does not change. Especially, because of the coupling of the physical body, psychic systems revert to their initial feeling of time and space. The internal clock of the human body dictates a zero-sum game in terms of the understanding of space and time. It is true that society constantly increases the amount and the speed of communication. However, this increase is constantly complemented by an increase in expectations regarding time and space in the form of new meanings. Time and space compression is only a temporary glitch or illusion in observing psychic systems, because their anchoring points for irreversibility are changing and they have the sense of accelerated life or compressed space. However, in the long term each psychic system reverts to its inner clock and inner feeling of space through the new meanings in society which are produced by the coupled social systems that have to accommodate the psychic system's organic pace.

## **2.10. Art**

According to Luhmann, art refers to the perceptive aspect of communication:

One might start from the assumption that art uses perceptions and, by doing so, seizes consciousness at the level of its own externalizing activity. The function of art would then consist in integrating what is in principle incommunicable—namely, perception—into the communication network of society. Kant already located the function of art (of the presentation of aesthetic ideas) in its capacity to stimulate thinking in ways that exceed verbal or conceptual comprehension. ... Unlike verbal communication, which all too quickly moves toward a yes/no bifurcation, communication guided by perception relaxes the structural coupling of consciousness and communication (without destroying it, of course). (Luhmann, 2000a: 141)

Communication is enabled by language, which is a schematic representation of meaning via signs that can be used only 'within the limits of intelligible contexts' (Luhmann, 2000a: 173). Because signs cannot transcend the intelligible context, symbols enable perception and thereby art. The symbol is the distinction between the schematic and symbolic representation of meaning (Luhmann, 2000a: 172).

The unity of the distinction between astonishment and recognition also supplies the aesthetic affect of art, an awe in the face of the contradiction between redundancy and richness in understanding.

An independent relation between redundancy and variety characterizes perception. In a manner that is matched neither by thought nor by



communication, perception presents *astonishment and recognition in a single instant*. Art uses, enhances, and in a sense exploits the possibilities of perception in such a way that it can present the unity of distinction. (Luhmann, 2000a: 141)

The alternative way of communication via perception provides an alternative reality to society. The main function of art is to provide this alternative reality to the world via perception so that society can transcend itself in order to criticize its present form.

Because there is a symbolic aspect of all communication, each communicative event also has an aesthetic dimension. Therefore, in each event, in addition to explicit communication, perception occurs via symbolic exchange. Still, the proportion of communication and perception varies for each communicative event, from highly aesthetic to nearly no aesthetic communication. The aesthetic and symbolic aspect of the communicative event usually corresponds to or at least fosters the ‘inference’ (connotation) aspect of the communication, rather than the ‘equivalence’ (denotation) aspect that derives from the sign value of communication. Therefore, in this research, when communication is mentioned, distinctions that result from both its communicative and perceptive aspects will be considered.

Consequently, when compared with communication, perception is a subtler and much more widespread way of disseminating information in society (Luhmann, 1995: 412). Perception via art has various benefits for the society (Luhmann, 1995: 413):

- 1) Perception can transfer information that is approximate or vague yet still meaningful.
- 2) Perception is rapid and can work simultaneously between parties.
- 3) Perception is negated less because it is less explicit.
- 4) Perception eases and thereby enables risky communication by weakening it.

Essentially, all the above benefits derive from how perception resolves ‘the insincerity of communication’ which results from the ever-existing difference between the utterance and the information aspects of a communicative event (Luhmann, 2001, Luhmann, 1995: 150). There is always a certain difference between the intended communication and the uttered communication because the language can never fully reflect the intended information that is in the conscious mind. With this inherent difference in the communicative event, one can never attain sincerity. As Luhmann

says, 'sincerity is incommunicable because it becomes insincere by being communicated' (1995: 150).

This persistent insincerity creates a major problem for both social and psychic systems because they have to be translated and synchronized to function together (Luhmann, 2001). They need to access and process the shared culture and semantics to be a part of the society, but first they need to trust the communicative events emerging from their environments. Psychic systems especially need to believe in the sincerity of communication so that they can take it for granted and instil in themselves new cultural codes. For example, nearly all successful brands have a perceptive level that overcomes the insincerity of communication. GE hospital appliances, by being simple in their design, convey a certain seriousness and functionality. For similar reasons, lifestyles and social statuses are also better fostered through highly aesthetic communication that provides more perceptive than communicative value.

## **2.11. Implications for the Research**

### **2.11.1. Communication Technologies and Media as a Social System**

McLuhan, in declaring that 'the medium is the message', asserts that the communicative medium is the central mediating factor in society (1994: 7-21). McLuhan argues that we can extend ourselves via new communication technologies, which will in turn change the way societal discourses operate. Winograd and Flores also assert that language, with its communication technologies, is not only reflective but is the constitutive medium (1986). Human beings re-create themselves through language, and through the media that carry language. However, while it is true that the medium of communication is where society evolves, it also seems highly deterministic to position technology as strongly establishing the behaviour of subjects and thereby strongly shaping society. A researcher should avoid both technological and social determinism, endowing either technology or individuals with strong agency in shaping society. However, when one includes the communication technologies and individuals in the same analytical framework, then an impasse of mediation emerges. The researcher can never know whether she should link a certain event within the evolution of society to technological advancements or to individuals' decisions.

By employing SST and by removing individuals from the conceptualization, I avoid both social and technological determinism because I no longer need to mediate communication technologies with individuals. Via SST, all media and communication technologies are conceptualized as a single autopoietic social system, which I term 'the communications system' (CS). The CS advances via its own guiding distinction rather than relying on the motives of individuals or other external social systems. This framework not only frees the rationality of the existence of CS from other social systems, but also frees the other social systems from the deterministic affects of the CS. Avoiding mediation between the CS and other social systems is crucial because I position the CS as the enabler of all social phenomena, including the brand, by depicting it as the platform of communicative events that constitute the society. However, because all systems including the CS will be autopoietic, I can conceptualize the brand on top of the CS while still keeping the two separate and avoiding deterministic effects of the communication technologies onto the brand.

#### **2.11.2. Brand as a Social System**

Using SST, I conceptualize the brand as an autopoietic social system that maintains its unity by differentiating itself from its environment via its guiding distinction. The brand resides in and advances the CS by processing the related communicative events. These communicative events can be the marketing communications regarding the brand and other related brands, but they are not limited to the organizations' actions. Consumption, the internal communications of related companies, brand reviews, financial data, discussions of consumers, and even certain macro events related to the brand contribute to the formation of the brand. The brand is simply fostered by all the related communication and in the lack of this communication it would cease to exist.

Luhmann claims that modern functional systems, such as brands, marginalize individuals so much that individuals do not affect the final social formation to any great degree (1999: 270). I would not go this far in according the systems autonomy because even though individuals are not needed in theorizing social systems, they are still coupled with the final social system and constantly irritate the surrounding social systems, in this case brands. Still, this research strongly opposes certain prevalent views, such as that the brand is formed in the minds of consumers or that the brand is derived from the intuition of the marketers. Instead, this study utilizes SST to

conceptualize the brand as a social entity of its own. Consequently, the brand is not something that a company and/or consumers can fully control; if some other system could control the brand system, there would be no operational closure, and without operational closure, the brand would not be a distinct entity within the society. Once a brand system arises in the society, individuals and organizations can, at best, purposefully irritate it, but only by fully understanding its particular nature and disposition.

### **3. Research Design**

In this section, I detail the practical aspects of functional analysis in terms of data collection and analysis and then describe how I utilize this methodology in my research.

#### **3.1. Data Collection**

Luhmann did not detail his functional analysis in terms of data collection and analysis. He primarily analysed sciences because he believed that they were not observing themselves to the degree they should (Luhmann, 1995: 57). In observing the sciences, he used other scholars' scientific observations as data in order to construct social systems. In the sciences, in which there is a well-documented and organized academic literature, it is easy to choose the most significant and representative articles to build up a data set; therefore Luhmann never felt the need to explain how he collected his research data. However, when it comes to analyzing other social systems, the researcher has to delve into real-world data that is not as structured as scientific data. Moreover, in empirical academic research, the procedures of data collection have to be explained in detail in any case. Consequently, for the data collection portion of my research, I received help from the works of Michel Foucault. As I explained in the theoretical perspective chapter, Foucault and Luhmann were both after the same structure, but named it differently—discourse and social system. To analyse discourses, Foucault devised the methodology of archaeology, which he outlined in his book 'The Archaeology of Knowledge' (Foucault, 2002). Differently from his later methodology of genealogy, he avoided any causal explanation or judgement in archaeology, but aimed only to reconstruct discourses. Refraining from judgement makes archaeology a suitable data collection method for functional analysis because I can utilize archaeology as a data collection method only to gather the communicative events that make up a social system and then perform a functional analysis on this data using the conceptual tools of SST.

According to Foucault, 'statements' make up discourses because they delimit the sayable and the visible (Kendall and Wickham, 1999: 24-28). However, there is no structural definition of unity for a statement, because it is a function rather than a unit (Foucault, 2002: 97-98). However, we can describe the field in which statements operate and recognize them by their 'enunciative function' (Foucault, 2002: 119-120). They are material enough to be repeatable and reusable, yet they are still hidden from us

because even though they guide discourses, they disguise themselves within the complexity of the social context. Statements reveal differences, so we must focus on ‘the relations between the statement and the spaces of differentiation’ (Foucault, 2002: 103). Archaeology is the study of general history rather than total history (Kendall and Wickham, 1999: 24-25). Total history sums up the progress of a certain phenomenon in a rational order, while in general history the statements are not organized. Suspending her judgement, the researcher simply gathers statements (or communicative events in Luhmann’s terminology) to reconstruct the discourse (or social system in Luhmann’s terminology). Foucault’s archaeology and the understanding of statements are thus compatible with Luhmann’s SST, as is evident from the below quotation:

Whoever observes forms observes other observers in the rigorous sense that he is not interested in the materiality, the motives, expectations, or utterances of these observers, but strictly and exclusively in their use of distinctions (Luhmann, 2000a: 67).

While gathering statements, we must avoid tracing any object, subject, or concept. Our data should not remain within the text. We must also consider materiality’s communicative function by including materializations, visuals and other formations in our data set (Hook, 2007-134). We have to search for materials that are natural parts of a discourse. Therefore, interviews, participant observations and other interactive data collection methods are not suitable. As long as we can show that our data represents the target discourse fragment, we do not need to process all discursive statements (Jaeger, 2001: 53). The most important issue in archaeology is the regularity of data; we must not focus on single isolated instances but draw upon a series of data from a variety of sources.

Along with archaeology, I have also employed corpus construction, the aim of which is relevance rather than representativeness (Bauer and Aarts, 2000). In qualitative research, corpus construction is a stepwise evidence collection process, wherein we keep adding new social strata, functions, or categories to a data pool until we reach theoretical saturation (Bauer and Aarts, 2000: 31-36). Initially, I used my chosen theoretical perspective and sociological imagination to gather data. Depending on whether I discovered any new characteristics of the observed social system, I continued collecting and analyzing additional materials until I reached saturation.

### **3.2. Data Analysis**

The data collection and the archaeology phase ends when the social system is reconstructed by the gathered communicative events. At this point the researcher can commence functional analysis on the reconstructed social system by declaring her guiding distinction as system/environment and discovering certain social systems within the data. Luhmann does not devise a specific data analysis process which would impose a certain structure on data and ontologise the target phenomenon (Andersen, 2003: XII-XV, 94). Instead, Luhmann conceptualizes the numerous characteristics of social systems in SST, so that the researcher can discover them in her data. With the help of SST's conceptual toolbox, the researcher can detail the functioning of the target social system.

Luhmann stresses the importance of arriving at an understanding that closely fits the social context (Luhmann, 1998: 4-5). According to Luhmann, the researcher must avoid both theorizing according to the mere reflection of the data and forcing SST onto the data. The findings should arise from a deep analysis of the data, while SST only influences the broad outlook. Luhmann performs various functional analysis in his books, and Andersen summarizes some of the major analytical strategies that he has applied in his studies (2003). I have adopted three of these strategies for the data analysis phase (Andersen, 2003: 78-88):

- 1) Form Analysis: This is usually the first step in functional analysis, in which the researcher uses the guiding distinction of unity/difference to uncover the guiding distinction of the observed social system. In form analysis, the researcher looks at the observed system from outside.
- 2) Systems Analysis: Using the guiding distinction that is discovered via form analysis, the researcher observes how a system differentiates between the system and the environment. Here, the researcher's guiding distinction is system/environment. In systems analysis, the researcher observes the system from inside by depicting its programs and other internal dynamics.
- 3) Media Analysis: The researcher analyses data with the guiding distinction of form/medium to observe how a social system behaves as a medium for other social systems.

Neither Luhmann nor Andersen discusses how to apply the above analytical strategies to the empirical data, so I applied the coding techniques of grounded theory (Corbin and Strauss, 2008, Singh, 2009, Goulding, 2002). However, my codes are based on identifying, not social categories, but various differences (Gibson et al., 2005). Luhmann also insists on theorizing strictly from data; therefore certain notation techniques from grounded theory should be consistent with SST. Still, I borrowed only the notation techniques from grounded theory, and my methodology is strictly based on Luhmann's functional analysis, not on grounded theory. I used ATLAS.ti, a computer-assisted qualitative data analysis software (CAQDAS), which is designed to automate most of the clerical tasks that come with manual coding and retrieving data (Muhr, 2008, LSE, 2009).

### **3.3. Research Design in Three Phases**

As Figure 4 shows, my research design is organized into three phases. In the first phase, I analyze the social scientific literature on communication technologies and media and conceptualize them as the communications system (CS). The CS is the medium on which the brand system forms. In the second phase, I analyze the social scientific literature regarding the brand and conceptualize it as a social system by using both the SST and especially the conceptualization of the CS that I devised in the first phase. In the third phase, I analyse a particular brand, the Patek Philippe, with the brand as the social system framework that I devised in phase two. This final phase fine-tunes and confirms the conceptualization of the brand as a social system of interpenetration.



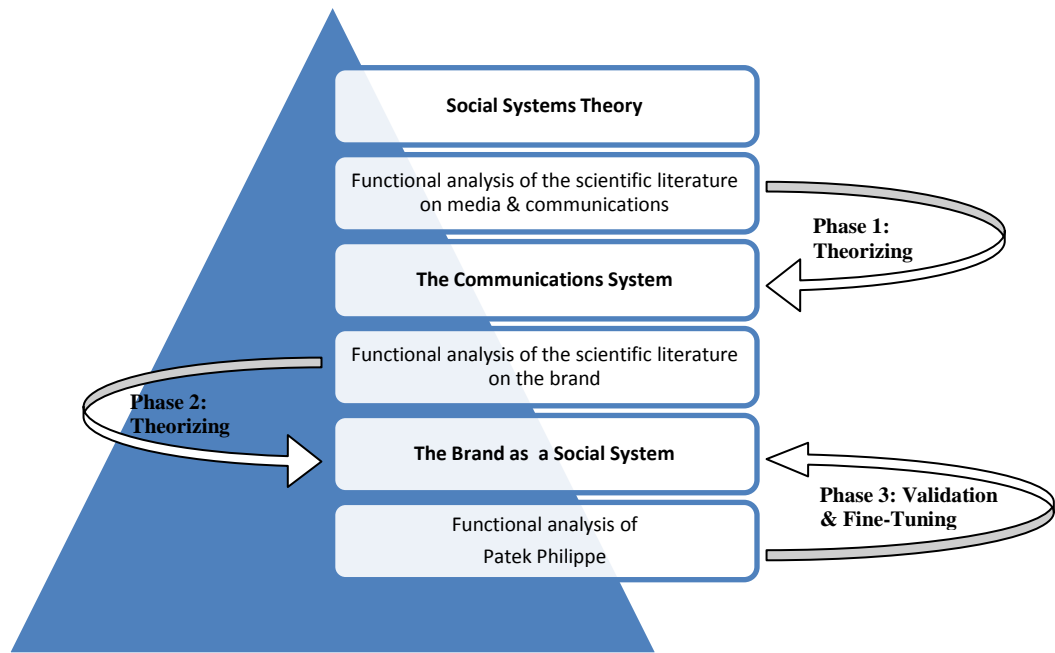


Figure 4 – Functional analysis in two phases

### 3.3.1. Phase One: The Communications System

In this phase, I conceptualize the communication technologies and media as a social system of communications. In this phase, the data source is the academic literature in which previous researchers have come up with empirical findings via other theoretical perspectives, because these are the communicative events that most contribute to, but more importantly reflect upon, the abstract understanding of media and communication technologies. Therefore, adhering to Foucault's archaeology, I reconstruct the recent discourse of the understanding of communications media and technologies by gathering the still relevant and referenced seminal articles and books from the extant academic literature of sociology, information systems, and media and communications. The information society debate among Frank Webster (Webster, 2006), Mark Poster (1990, 1995), Yochai Benkler (2006), and Manuel Castells (2004, 2000) has been most relevant to my research. Influential works in media and communication studies from authors such as Marshall McLuhann (1994, 1967), Roland Barthes (1977, 1972), Gilles Deleuze (1995), Theodor Adorno (1996) and Joshua Meyrowitz (1985) are used. I refer to collections of seminal work such as 'Communications History' (2007), 'The Oxford Handbook of Information and Communication Technologies' (2007) and 'The New Media Theory Reader' (2006), as well as major books that have studied past forms of

communication technologies, such as ‘Dynamics of Modern Communication’ (Flichy, 1995), and ‘A Social History of the Media’ (Briggs and Burke, 2009).

After collecting the academic data, I position myself as a second-order observer and execute a functional analysis of the representative media and communications literature to conceptualize communication technologies and media as a single autopoietic social system of communication and to depict its internal and external functioning. As in a literature review, I problematise the existing theories by uncovering their blind spots. By applying the theoretical lens of SST to the academic literature and becoming a meta-observer, I observe and construct the media and the communication technologies as a social system, namely a communications system. I also conceptualize the communications systems as the medium in which all social phenomena, and thereby the society, take form.

### **3.3.2. Phase Two: The Brand as a Social System**

In phase one, I outline a framework for conceptualizing any social phenomenon as a social system that is made up of communicative events and resides in the communication system. In phase two, with this framework and SST, I theorize the brand as a social system of interpenetration. Phase two is very similar to phase one, and the data is again the academic literature. Employing Foucault’s archaeology, I reconstruct the recent discourse of the understanding of the brand by gathering the seminal articles and books from the brand-related academic literature. For the data, I refer to academic literatures on marketing, brand management and consumer culture theory. I cover the most important academic sources that contribute to the abstract understanding of the commercial brand.

After the archaeology of the academic data, I position myself as a second-order observer and execute a functional analysis of the reconstructed discourse of the abstract understanding of the commercial brand. Subsequently, by applying the theoretical lens of SST and the communications system framework, I conceptualize the brand as a social system of interpenetration and depict its internal and external functioning. In addition, the commercial brand is generally coupled with certain social systems. Therefore, I also consult Luhmann’s books to document and analyse these other

systems, because Luhmann wrote extensively on major functional systems, such as economy, law, politics, mass media, risk, art, science, and education.

### **3.3.3. Phase Three: Patek Philippe as a Social System**

In order to confirm and fine-tune my findings in phase two, I descend one more observational level and apply my new framework, ‘the brand as a social system’, to analyse a specific brand, Patek Philippe (Patek). I consider this brand as a case study to verify whether a particular brand functions as I had theorized based on the academic data. Patek is a prestigious Geneva-based watch company that was founded in 1839. I have chosen Patek as my unit of analysis because the Patek wristwatch is a high-involvement product that carries various meanings for its consumer. In low-involvement brands, the purchase decision is primarily based on recent familiarity and price rather than on the complexity of meanings. Still, this distinction does not imply that ‘the brand as a social system of interpenetration’ framework would not be applicable to low-involvement brands. I do believe that it is possible to depict any brand as a social system of interpenetration. However, via a high-involvement brand like Patek, I am guaranteed to observe a high number of coupled social systems in which Patek takes on explicitly different meanings. Another reason for choosing Patek is its global aspect. Unlike many other global brands that localize and change their marketing communications for different regions, Patek has a unified marketing approach for the whole world. This approach is mostly due to the elite nature of the brand, which targets upper-class consumers who have much in common despite their regional differences. Consequently, the advertisements are the same in every country, and even the discussions regarding the brand are highly centralized with major online forums that are populated diversely with Patek consumers from all over the world. Simply, the global brand of Patek is relatively easy to capture and analyze, because there is no need to deal with different understandings of the brand in different regions.

For data collection, I use Foucault’s archaeology to create a recent snapshot of Patek social system by constructing the Patek discourse. Any communicative event that directly or indirectly refers to Patek and creates a certain distinction within the Patek brand system is considered part of the Patek discourse and thereby part of the data. Interactively generated data, such as interviews or focus groups, are not suitable for this data set because these kinds of communicative events are not natural parts of a

discourse, but only exist because of the researcher's manipulation. Only statements that are already socially shared and communicated can represent the social system. Therefore, data sources such as web sites, product catalogues, advertisements, discussion forums, media articles and other publicly communicated documents are targeted. The Patek-related images and videos, the actual shops and the wristwatches are considered data as well, because the study would be incomplete if it was limited to textual data.

The Patek data set represents a five-year period between the years 2006 and 2010. A shorter time frame would have been inadequate because it would not have allowed me to show the functioning of the social system given the lack of longitudinal data. The aim is to represent the recent discourse of Patek. In addition, the time frame should not be too long given that in the long run the brand system could evolve in major ways such that there would be deep changes in the meaning of Patek. In such a case, I would be unable to capture the particular structure of a given brand system. Change in the short term may not be dramatic, such that the functioning of a brand system such as Patek can be depicted without dealing with major semantic changes in the brand system. If I were to consider a longer timeframe, such as 100 years, then I would be unable to observe a stable social system, because the meanings would change due to morphogenesis and self-adaptation of the target system. For example, even though such is no longer the case, Patek certainly meant precision and cutting-edge technology between the years 1900 and 1940; Patek advertisements from that period constantly refer to the 'precision' keyword, as shown in Figure 5.



Figure 5 – A Patek Philippe postcard from the beginning of 20<sup>th</sup> century

Patek changed little in terms of either the design or the technology of the wristwatch, but the Patek system no longer uses the meaning of precision as part of its functioning and evolution; the brand system even avoids the term.

Within the five-year data set, the last year occupies a bigger space than the others for two reasons. First, for some data sources, such as Patek discussion forums, even in a few months, there has been an abundance of data more than sufficient to show the functioning of the system. Since I am not investigating the evolution of the brand system but its recent structure, I do not require more data from such sources. Second, some data sources have been quite stable over this five-year period such that there is no need to look for past data for these types of sources. For example, Patek watch models and store designs have been nearly unchanged over the last five years. Similarly, in the case of corporate communication, the Patek website has been nearly the same over the last 3 years, and even before, it had the same text with a different visual design. Nevertheless, even though the time frames of the data sources are different from one another, each data source is captured regularly and representatively. In order to maintain regularity, I either represent the data source at regular intervals or capture it fully. For example, when gathering Patek-related articles for the last five years from the New York Times, I did not skip any or deem them unimportant. In cases in which there was no need to analyse all the data from a particular data source, I made sure I used a certain

metric for representativeness. For example, the discussion threads at the Patek forum over the last three months constituted a total of nearly 1000 different topics, and addressing these was not feasible and was probably unnecessary for a full analysis because of the repetition of topics. Therefore, I have collected only threads that had more than 20 posts. In passing, the representativeness I mention here should not be confused with the overall representativeness of a typical quantitative study. In collecting data, I have not focused on the internal communications of the company. These are also communicative events that foster the Patek brand system, but I assumed that these would have been transferred to the overall meaning of the brand through marketing communications such as the Patek web site, Patek advertisements, and the experiences of Patek consumers in the sales or customer service processes.

Since I employed the method of corpus construction, I continued adding new evidence to my research until I reached a theoretical saturation, at which I could no longer discover new characteristics of the Patek system and its couplings. For example, even though I had gathered Patek-related articles from a third newspaper, after analyzing two newspapers, due to theoretical saturation, there was no need to analyze articles from a third newspaper. In the end, I decided on five main categories of data sources shared by a great number of people and which therefore had a major influence in the functioning of the brand system. From these sources, I gathered 332 documents (including text, image, and video) into the qualitative data analysis software, ATLAS.ti. On average, each document had 5 pages, for a total of around 1500 pages of data to analyze. Here are brief descriptions of each data source:

1) News Media: This group includes magazines and newspapers that refer to Patek Philippe in articles. I specifically selected newspapers read by upper and upper-middle-class readers because other newspapers tend to have few references to the Patek brand and therefore contribute little to the functioning of the brand system. I have also included the top Google search results for Patek because these days Google is the foremost starting point for anyone to learn about anything new.

a) The New York Times: I have decided to analyze articles from The New York Times because the paper reaches the upper-class of the U.S. and is even read by a great many upper-class people in other countries. Using the web search engine of the newspaper for 2006 to 2010, I gathered all articles that refer to 'Patek Philippe'.

b) The Telegraph: Similarly to the reasons for choosing The New York Times, The Telegraph is highly representative of the daily reading of the British and other European upper classes. Using the search engine of the newspaper's web site, I gathered all articles that refer to 'Patek Philippe' during the period between 2006 and 2010.

c) The Economist: I chose The Economist because it is one of the most popular weekly magazines, read throughout the world by businesspeople and intellectuals. Because of its weekly publication, there were few references to the 'Patek Philippe' keyword. Therefore, I made an exception for this data source, and in order to represent the data source correctly, I extended the coverage to 10 years. Using the magazine's search engine on the website, I gathered all the articles that refer to 'Patek Philippe' keyword between the years of 2001 and 2010.

d) Google: I performed a web search for both 'Patek Philippe' and 'Patek review'. I gathered the first pages of the top 40 websites returned from both queries.

2) Community: The brand community concept asserts that communicative events between existing and potential consumers have a key influence on the social construction of the brand. Therefore, I included data from the leading Patek discussion board and the top social network site that foster the Patek brand system.

a) WatchProSite: The website [www.watchprosite.com](http://www.watchprosite.com) is the top wristwatch review and discussion website according to Alexa, a leading web analytics firm. It hosts a discussion board dedicated exclusively to Patek. From this forum, I have gathered the last three months of threads having more than 20 posts. These threads fall between the dates of 17 September 2010 and 17 December 2010.

b) Facebook: [www.facebook.com](http://www.facebook.com) is the leading social networking site in the world. On Facebook, there are fan pages that act as discussion areas for popular themes such as famous people, places, and brands. All the web pages from the Patek Philippe Fan Page on Facebook are included in the data set.

3) Advertisements: As I argued in the previous chapter, Patek advertisements do not necessarily reflect the understanding of the Patek organization, but the socially constructed broader meaning of the brand system. Accessed widely, the Patek advertisements represent one of the most frequent communicative events in the brand's formation.

a) Print Advertisements: The Patek firm has maintained the same advertising campaign since 1996. The visual images change in the print ads, but all the text and strategy behind the advertisements remain unchanged. Therefore, I have extended the period of data collection to the last ten years and have gathered the majority of the advertisements within that period, giving weight to those from the last five years.

b) Video Advertisements: Patek has few video advertisements, and these are mostly in the form of short movies or clips that circulate via Internet social networking and video sharing sites. Therefore, I have gathered all of them.

c) Corporate Advertisements: In 2010, Patek started a marketing campaign which promotes not the products, but the firm and its values. I have gathered all such corporate print advertisements.

d) Advertisements in their Context: I wanted to analyze some print advertisements in relation to their contexts. Therefore in December 2010 and January 2011, I acquired those magazines having a Patek advertisement on their back cover, where Patek frequently advertises.

4) Consumption: In order to not be restricted only to textual data, I have also included actual products and other physical entities that join the discourse and produce communicative events for the Patek brand system.

a) Patek Salons and the Shop Catalogue: The experience of a customer in a Patek shop creates a communicative event for the brand system; therefore the appearance of the Patek salons is important for the brand system. There are only three standalone Patek Salons in the world, and inside Tiffany & Co. New York. I have visited the London Patek Salon in Old Bond Street personally but was able to take pictures only from the outside. I gathered pictures of the other three salons from the Internet and collected Patek press releases regarding the salons. I also acquired last year's prestigious Patek Philippe Shop Catalogue.

b) Watches: From friends, I borrowed two Patek watches, which I have analyzed and photographed. I have also analyzed the Patek watches in the London salon.



c) Packaging: For the two watches I borrowed, I also analyzed their packaging and the other items that come with the watches, such as the wooden watch boxes, the catalogues, the certificates of authenticity, and the shrink-wrap packaging.

5) Corporate Communication: In addition to advertisements, I have gathered other documents communicated by the Patek firm to consumers.

a) Patek Website: I have downloaded key documents from the Patek website, such as the company mission and vision statements, Patek's history, press releases, Patek values and its production process. Most importantly, I have obtained all the web pages that explain the new quality control guidelines, namely the 'Patek Philippe Seal'.

b) Patek Library: I have downloaded the web pages that explain the library.

c) Patek Museum: I have acquired the Patek Philippe Museum's introduction magazine and downloaded the online information regarding the museum.

d) Patek Magazine: The prestigious 'Patek Philippe Magazine' is a biannual publication that features articles about excellence in art and the sciences. I have downloaded the online description of the magazine and also purchased 4 past issues of it published over the last 5 years.

Subsequent to the archaeology, I have performed a functional analysis on the reconstructed Patek discourse using 'the brand as a social system of interpenetration' framework in order to confirm my framework in the case of Patek Philippe and to change it if necessary. The main aim in the data analysis section of phase three is to show the internal functioning of the Patek brand system via deconstructing its complex guiding distinction into the programs that handle the interpenetrated systems. Each program interpenetrates a neighbouring social system and shares its Patek-related communicative events. For that reason, even though in the archaeology of the Patek I treat the data as a discourse of a single meaning system, in the analysis phase I deconstruct it into a number of diverse programs that handle distinct meaning systems. None of these programs shows any superiority in guiding the Patek brand system. The interplay and the resulting unity of Patek's distinctions in each of these programs produce the main guiding distinction that enables the Patek brand system.

The articles I have collected can be conceived of and used as secondary data in other studies, but in this research I take them as primary data. I do not engage the inner arguments of the Patek-related articles, but I do look at how those documents affect the discourse of the Patek brand system. Consequently, I have had to make certain changes in traditional coding techniques. Because I am inquiring into the overall effect of the documents and their arguments on the discourse of Patek, I analyse the text and the images always within their broader context, which is both the broad argument of the article and the discourse they are part of. Therefore, I equate the communicative events (or the Foucaultian statements) with the macropropositions that I observe in the text. As a result of this broad perspective, I code paragraphs or sentences rather than words.

Since I cannot observe each particular understanding of a communicative event in which an individual reads an article or a discussion thread, I can never know the exact contribution of a communicative event to the Patek brand system. Therefore, I code the communicative events with their potential meanings afforded by the communicative event. In terms of the signs that refer to the distinctions, I trace the data according to the Patek and Patek Philippe keywords and the pictures of the watches. Each instance of the sign was involved in a particular macroproposition that acted as a communicative event. Each communicative event created various distinctions that I code separately. For example, the below quotation reflects the macropropositions of its related article well:

Mayer did, however, splurge on a Patek Philippe with a Sky Moon Tourbillon. “There’s no real retail for it, because it’s so difficult to get,” he said. “You’re not showing off your material wealth; you’re showing off your knowledge.” (5 March 2009, *The New York Times*, Atlas 321)

In the above-communicated event, by looking at both the article as a whole and also the broader discourse, I can observe and code six distinctions: Elegance, High-culture/Intellectual/Educated Taste, Rare/Limited/Exclusive, Traditional craftsmanship and Artistry, Traditional Values, Upper-class. Table 1 lists all the distinctions that the communicative events of Patek create:

Table 1 – The distinctions within the Patek social system

Artistic/Art	Love/Relationship/Attachment/Part of Family
Beauty/Aesthetic	Luxury
Counterfeit	Mechanical Complexity/Machine
Dynasty/Royalty	Memento/Witness of Your Legend/It Becomes You
Elegance	Modern Classic/Fashion

Eternal Value (Economically) Expensive Extravagant/Unworthy Finest Craftsmanship in Horology Fusing Past and Future Geneva Heritage/Inherently and Emotionally Valuable High-culture/Intellectual/Educated taste Historical/Long-term Existence Holy Grail Hope/Reward/Goal Inaccuracy Independent/Family owned Innovative/First Investment Keepsake Lavish item	Not Mass Produced/Handmade Personality Purity/In-House Production/Self-Sustainable Rare/Limited/Exclusive Rigor and Selectivity in Production Science/Technology Success (also Economically) Swiss Technological Superiority/Complication The Best/Ideal/Absolute/Refined Thin/Sleek/Discreet/Understatement Timeless Top Watch/Jewellery/Accessory Traditional Craftsmanship and Artistry Traditional Values Traditional/Classic Upper-class
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Each distinction contributes to the functioning of a program of Patek and to the internal differentiation of the interpenetrated social system that is coupled with this program. However, a distinction is not necessarily exclusive to a single program. After coding all the possible distinctions I can find in the data, by using the co-occurrence statistics of these distinctions I group the distinctions under eight different programs and their coupled environmental systems. For example, for the distinctions of the sample communicative event I have presented above, I have discovered the programs in Table 2:

Table 2 – Programs that use the distinctions in the sample quotation

<b>Distinctions</b>	<b>Programs</b>
Elegance	Aesthetic, Nation
High-culture/ Intellectual/Educated Taste	Successful Intellectual Lifestyle
Rare/Limited/Exclusive	Aesthetic, Economic, Successful Intellectual Lifestyle
Traditional Craftsmanship and Artistry	Aesthetic, Scientific
Traditional Values	Eternality & Timelessness, Successful Intellectual Lifestyle
Upper-class	Rich upper Class Lifestyle

Next, I briefly depict the social systems that the programs of Patek interpenetrate. Then I portray the programs of Patek that manage these social systems by showing how the programs make sense of these interpenetrated systems and which distinctions they foster within these social systems. Finally, I analyse and show how the programs of Patek foster each other via their distinctions, and how this interplay enables the Patek brand system and also synchronizes the interpenetrated systems.

### **3.4. Quality of the Research**

Campbell and Stanley outline two major criteria of quality in quantitative research: ‘reliability’ and ‘validity’ (1966). Reliability concerns the consistency of measurement and the transparency of research, both of which indicate that other researchers should be able to replicate the research, arriving at the same conclusion. Validity concerns using the right tools and the correct methods for that particular study. In judging the quality of a case study, they suggest four tests: ‘construct validity’, ‘internal validity’, ‘external validity’ and ‘reliability’. However, these criteria are not applicable to qualitative research, in which variety is more important than representativeness. Moreover, qualitative research always features some interpretation on the part of the researcher, and this subjectivity creates the ‘reliability and validity dilemma’, in which validity is associated with low reliability (Gaskell and Bauer, 2000). However, the central issues in the quality criteria of any research are ‘claims making’ and ‘public accountability’ (Gaskell and Bauer, 2000).

In order to make claims in the qualitative research I have provided empirical evidence. For public accountability, which has to do with confidence and relevance, Bauer and Gaskell advise six quality criteria in qualitative research (2000): ‘qualitative triangulation and reflexivity’ (using multiple data sources, methods and/or theories), ‘transparency and procedural clarity’ (documenting empirical work thoroughly and using software for data analysis), ‘corpus construction’ (reporting the rationale for data selection), ‘thick description’ (reporting pieces of original data), ‘local surprise’ (showing how the researchers’ views have changed in the course of the research) and ‘communicative validation’ (communicating the research with sources or peers). I tried to satisfy all six criteria in this study.

## **4. From Communication Technologies to the Communications System**

### **4.1. Introduction**

Influenced by McLuhan's famous 'the medium is the message' declaration (1994: 7-21), and other similar deterministic definitions of communication technologies and media, numerous scholars see false discontinuities in their research because they believe that technology establishes the behaviours of individuals. This determinism stems from a misunderstanding of the role of communications media (CM) in the society. Especially in disciplines in which communications and technology are not the main research focus, technological determinism (be it conscious or unconscious) is prevalent. A recent and quite common view of media in contemporary academic studies is 'mediation', which focuses both on how mediated communication affects society and on how society shapes these mediations (Silverstone, 2005: 203). The concept of mediation aims to soften the determinism in McLuhan's medium theory. However, a typical impasse of causal circularity exists in the understanding of mediation: how much does technology affect society while being affected by society? Therefore, unfortunately mediation studies end up modulating between technological and social determinism.

It is true that any social phenomenon, including the brand, can be captured through the lens of communications, but the conceptualization of the CM should be fully non-deterministic so that marketing scholars can avoid technological determinism while using the medium of communications as a framework in their research. This way, rather than relying on (and being misled by) the external, transformative affects of new media and communication technologies, they can focus on the internal factors and dynamics of their research area. In this chapter, by performing a functional analysis of the communication technologies and media literature, I conceptualize both the CM and other social phenomena as autopoietic social systems. In this framework, all social meanings emerge on the platform of the CM as a social system. However, because CM and the other social systems proceed via their own internal complexity, the mediation of different systems becomes unnecessary and causality disappears from view. This conceptualization shows how the understanding of communication technologies and media advance without referring to presumed causal relations with other systems in the society. As a result, in terms of evolution, the CM detaches itself from other social phenomena and becomes only an enabler, but not a determiner, for the social reality to emerge on top of it.

#### **4.2. Technological Artefacts plus Practices: the Communications System**

Luhmann has performed a functional analysis on the concept of technology (Luhmann, 1993: 83-100). According to him, early views conceptualized technology as something distinct from nature, which is emergent while technology is made. In this reasoning, unlike nature, technology always achieves a state of perfection. In the early modern era, technology is still put against nature but this time as a 'copy of natural causal relations', an imitation of nature (Luhmann, 1993: 85). This traditional view of technology still guides various discussions regarding technology (Luhmann, 1993: 85-87). For example, many favour organic farming instead of the use of genetically altered organisms. They may be correct that consumption of the latter is attended by more risk, but justifying this claim by proposing that one is natural and the other is not is not helpful because nature may have developed a similar genetically altered organism throughout its evolution. Recent constructivist epistemologies accordingly call this unhelpful distinction between technology and nature into question.

Luhmann conceptualizes technology as 'a functioning simplification in the medium of causality' (Luhmann, 1993: 87). By insulating specific causal relations, technicalization provides certain advantages, such as controlling processes, planning resources and locating faults (Luhmann, 1993: 88). With this definition, Luhmann moves technology outside the medium of meanings and proposes that technological installations are external to the society. However, Luhmann then dubs the contemporary complex technologies 'high technology' (Luhmann, 1993: 89). According to him, high technology is different from past or ordinary technology as it complicates itself to an ever higher degree by constantly referring to itself, and ends up becoming an autopoietic entity. The resulting causal combinations are so improbable that society cannot reflect on them, but the 'trivial machine' persists in reconstructing itself (Luhmann, 1993: 89, 93). Simply, Luhmann asserts that high technologies are becoming social systems and are thereby part of the society. There are other researchers who take this claim forward by saying that technology is finally becoming a part of the society as a social system (Marton, 2009, Kallinikos, 2006, Boyden, 2003).

Like Luhmann and his followers, various scholars of technology also emphasize the discontinuity of technologic change. Poster contends that the Marxist definition of society as a 'mode of production' is no longer applicable to the contemporary society

that moved into 'mode of information' (1984). By emphasizing discontinuity rather than the slow and continuous evolution of the past, Poster hopes to show the disruptive potential of information technologies (1990: 20). Castells also asserts that we live in a 'network society' (2000) and argues that, with the new forms of ICT, the social structure is changing. Similarly, the 'networked information economy' concept suggests that networked information environments make culture more transparent and malleable, creating a more self-reflective and participatory culture (Benkler, 2006: 15). Freeman and Louca review the history of ICT within the framework of Kondratiev waves, and assert the emergence of a new ICT model, which they call the 'techno-economic paradigm' (2001).

As Webster rightly points out, the above arguments that favour an 'information society' carry a great deal of technological determinism (2006: 264). According to Webster, these scholars are under the effects of 'presentism', which is the interpretation of the past in terms of present-day values and concepts. Under presentism, people see major changes in society and believe that our time is completely different from the past. As a result, they see discontinuities everywhere and place too much emphasis on technology as the cause of change. Webster leans toward modernist theorists who explain current technological advances in terms of historical continuities (2006: 266). These theorists and he do not claim that nothing has changed; rather, they question claims of a radical change in the nature of society. Instead, they explain current advances as the 'informatisation of established relationships' (Webster, 2006: 6). There is increased information, but that does not imply a change in the nature of the society.

Webster denies the arrival of a novel information society but admits that the term reflects contemporary society. Still, by focusing only on continuity, we might fall into the trap of finalism, which influences researchers to see a rational continuity in the history of humankind. Such a tendency finds researchers taking current facts as a 'march forward', which appears to be the result of a 'finalized necessity of development' (Dreyfus and Rabinow, 1982: 118). Under the effects of finalism, researchers look at present-day social systems in a totalizing way and interpret their findings as the results of the necessary changes that have been introduced by technology without referring to any substantial comparison to past social structures. It is quite easy to be confused by today's technology and to become convinced that we live in a different world. Therefore, supporting a 'we have never been modern' type of approach

is more helpful as it neither favours continuity nor discontinuity but asserts that continuity and discontinuity evolve together, and that one must try to see both in the data (Latour, 1993). Following this logic, I state that technology continues changing on a certain level but that contemporary technology is essentially not that different from the technologies of the recent past. More importantly, one should avoid making strong claims regarding the changes in the essential nature of a social phenomenon.

Luhmann initially perceived technology as epistemologically a different entity than social systems; he conceived early technology as *allopoietic*, which implies something complicated yet predictable (Luhmann, 1993: 83-100). He also argued that the recent 'high technology' became *autopoietic* for the first time. This misunderstanding derives from his shifting the perspective he uses to look at technology and also from his definition of technology. Even if we look at today's technology only in terms of its present day operations and the materializations surrounding it, it may seem to be an installation in a causal medium. Yet, this perspective is not helpful from a sociological point of view. What I am interested in are social systems that are bounded by the limitation of meaning. For society, technology is nothing more than a symbolically generalized meaning, and understandings of numerous causalities are merely more symbolic meanings within the social system.

The external material world is stimulating the limits of the meaning of technology but there is no need to conceptualize it as a separate causal medium that sits between society and the material world as Luhmann did. This approach separates technology from its surrounding social practices. In the information systems (IS) field, this tendency is a well-known problem in conceptualizing technology. In the IS field, early views based on substance ontology, such as the tool, proxy, ensemble, and computational views, were not sufficient to conceptualize technology powerfully (Orlikowski and Iacono, 2001). Orlikowski, influenced by Anthony Giddens' structuration theory, was herself influential in seeing technology as a formation: process ontology (1992). She then elaborated on this idea by seeing technology through a practice lens, whereby it is emergent and enacted, not embodied and appropriated (2000). However, these approaches are limited and bounded by 'situated interactionism' because they fail to question how technology is organized and created in the first place (Kallinikos, 2002). Rather than studying only the current network of objects, one must go beyond the horizon of the present and analyze the discourse of the phenomenon



(Kallinikos, 2004). Scott and Orlikowski also cite the inadequacy of seeing technology and other actors as distinct entities within networks (2008), such as ANT or action-net approaches (Czarniawska, 2004, Latour, 2005). They propose conceptualizing these as inseparable entities, 'the mangle', in which the social and material aspects of the phenomenon become one.

In response to these calls, using SST, I conceive any particular instance of technology as an autopoietic social system that is comprised of the meanings that embody both the artefact and the practices regarding that technology. Unlike Luhmann, I assert that technology was never apart from the society. I contend that technology is no different from any other social phenomena in terms of epistemology and that it has always been a part of meaning systems. Luhmann states that technology is the very opposite of nature (Luhmann, 1993:87). However, I believe that nature and technology are essentially the same thing on the level of meanings; the only difference is the relative newness of technological phenomena for the society.

Luhmann also claims that recently increased self-referential complexity makes technology opaque (Luhmann, 1993: 89). But I ask, was it ever transparent to its end-users? If technology was that transparent and normal, why would it even be considered technology? Technology is always understood as the contemporary formations that may puzzle the society, but not its inventors or designers. For example, a pen or an eraser is no longer conceived as technology, but in the past, the internal designs of these artefacts were also not transparent to many people, and were thus seen as technology. Based on the same decreasing transparency debate, Luhmann asserts that these days the gap between the decision makers and the people who bear the consequences are widening such as in the recent credit crunch (Luhmann, 1993). However, I see no real change when I consider the case of a king who decides to attack another country for subjective reasons while his citizens bear all the consequences.

Following his definition of technology, Luhmann excludes technology of dissemination from the conceptualization of mass media (2000b: 2-3). He sees technology only as a medium in the formation of mass media. However, this separation undermines the totality of the relationship between the development of technology and the usage of technology. The understanding of communication technology is not fixed. Therefore, conceptualizing any technology separately from its social practices would hinder

contemplation of its socially constructed nature. Using the definition of technology that I have asserted previously, I conceptualize technology and in my case the CM as a social system of society that has always been autopoietic and has been around for a very long time. The CM is a social system that is formed on the medium of meanings, which reflects both the perceived material aspects of CM and the social practices that surround this materiality. Because I do not differentiate the artefacts of communication technology from the communication practices that happen via them, I refer to them as a unity: the 'communications system' (CS).

The conceptualization of the CS should not be limited only to recent technologies and practices. Past communication technologies, which were once considered novel, should also be a part of our theorizing. Writing on a piece of paper may seem non-technological now, but doing so was perceived as a technology once. Therefore, for the purposes of this research, I conceive of the CS not only in terms of electronic media (today's ICT) but also in terms of other methods of communication, which were once new as well, such as writing, printed media, street signs, wires, TV, radio, and telephone (Flichy, 1995). Studies of new media generally concentrate on certain tools of communication and the ways in which these take over or cooperate with existing technologies. However, I believe that the CS works as a unity, and to focus on a particular technology can thus be misleading. Instead, I conceptualize all ways of communicating as a single social system. Face-to-face communication, social media, printed mass media and advertisements on the billboards are all one: a single autopoietic social system that enables communication within society.

#### **4.3. Mass Communication plus Interpersonal Communication**

Media and communications research has been preoccupied with mass media since the beginning of twentieth century (Silverstone, 2005: 189). Silverstone considers this a necessary emphasis because of the influence and persuasion of film, radio and television. The overemphasis on mass media was due to the inevitable and irresistible interest in the introduction of new mass communication technologies and their practices. Because early theorists of mass media were quite critical of it, this overemphasis persists. In 1944, Adorno and Horkheimer argued that the mass media, as 'the culture industry', is separate from the base of the society and dictates to consumers what to consume and what to enjoy regardless of their own latent choices or desires

(1996). Adorno asserted the passivity of the consumer in the production of popular culture and decried the culture industry for damaging both popular culture and high art (Jarvis, 1998: 72-89).

Similar views based on critical theory remain prevalent today. Hardt and Negri assert that a new form of power has taken over imperialism, and that this superstructure, which they call 'Empire', governs today's societies (2000). They claim that communication has become the defining medium in society:

Empire takes form when language and communication, or really when immaterial labor and cooperation, become the dominant productive force. The superstructure is put to work, and the universe we live in is a universe of productive linguistic networks. The lines of production and those of representation cross and mix in the same linguistic and productive realm. (Hardt and Negri, 2000: 385)

What is surprising in the above statement is how the authors miss that communication was always the most crucial element in the power dynamics of society. Marx considered the main power strategy in his time to be 'the mode of production', because material aspects of social life are always more apparent and are seen as more real (Poster, 1984). However, one must ask how one group attains the ability to dominate others via the mode of production. How does it come to pass that the mode of production governs the society? Materiality is not and never was important, because the dominant power always derives from the understanding of that presumed materiality that is communicated and agreed on collectively. Poster commits a similar oversight by arguing that new forms of technology are the determinants in the formation of Empire, because he believes that the materiality of these technologies defines the individual's actions (2006: 46-66).

There is nothing immaterial about networked digital information systems. In fact, as I have argued, it is precisely the new form of materiality, its electronic and machine-level language, that enables these systems to work the way they do. Only ignorance about new media allows one to characterize them as 'immaterial'. (Poster, 2006: 56)

Poster also gives an example from Zuboff's book, in which employees working with machines in the industrial era are contrasted with contemporary workers, who work in conjunction with IT systems (Poster, 2006: 57, Zuboff, 1988). However, in all these arguments, again there is confusion between the importance of the materiality and the social aspects of something. Material aspects are only the objectified, common

understandings of what something does. Simply, presumed material aspects are always derived from immaterial concepts, which condition them.

Critical theorists argue that society is no longer reflected in its own culture and that individuals should take part directly in producing their own culture and not give this responsibility to the market (Horkheimer and Adorno, 1996). Holt contends that the mechanisms that such critical theorists seek are already in the market (2002). There is no need to look for revolutionary acts to resist market forces: individuals who 'engage in non-conformist producerly consumption practices' are already shaping the market, which strives for constant differentiation (Holt, 2002). The aggregated consumer is not as passive as critical theorists believe, and culture does not need to be stable or move towards the sentimental targets set by intellectual critical theorists. Culture evolves via the overall contribution of the society, however improbable the outcome is. In the end, the market reflects the society, and there is no other reality. Mass media is a similar case. I might be taking a view that resembles that articulated below:

A ritual view of communication is directed not toward the extension of messages in space but toward the maintenance of society in time; not the act of imparting information but the representation of shared beliefs. (Carey, 1992: 18)

However, the dichotomy that Carey creates between the disruptive aspect of the transmission view of communication and the maintaining aspect of the ritual view of communication is sharp. Every communicative event does a bit of both, and it is important to show that maintaining society in time is not only the responsibility of mass media but of all types of communication.

For many researchers, consumers of mass media seem passive because these researchers believe that certain communication types are only dissemination. John Durham Peters asserts two distinct modes of communication: 'dialogue' and 'dissemination' (1999 cited in Silverstone, 2005). However, I believe that this supposed duality represents only a shift in perspective. Every communication instance can be seen as dissemination; and if one chooses to follow the feedback that comes from every communicative event back to its source, then one can see it as dialogue. Mass media can be seen as a wider and larger dialogue that is situated in the long run. Therefore, mass media is no different from any medium of communication. A similar form of communication was always present in the society, but now that it is institutionalized and materialized, it appears there is a new power that is separate from the society. However, in the long term, the

mass media is merely a reflection of the overall communication dynamics of the society. Today, instead of mass media, everyone is talking about social media, from which everyone expects so much. However, social media will not trigger a change in the nature of the relationship between communication and society either. Be it social media or mass media, it is always the overall society that produces and consumes the communication. Therefore, there is no need to assume that social media or any new medium which overcomes the 'supposed' dominance of mass media will empower individuals more, nor that the collection of individuals will behave differently from the industry. Individuals have always had the power to influence the mass media anyway.

Lievrouw asserts that communication technologies are at work not only in mass communication but also in interpersonal communication (2009). She argues that media researchers should take a converged perspective in studying communications, through which a networked, relational perception of communication is emphasized. She explains the importance of interpersonal interaction via the 'two-step flow' model, which holds that mass communication cannot succeed unless individuals mediate the communication process (Lievrouw, 2009). Studies of two-step flow make it apparent that the mass communication process is governed by the social context or by the meaning making process of society overall.

Luhmann also overemphasizes mass media (2000b). Giving more weight to the technology of dissemination, he concludes that the mass media constructs reality instead of distorting it. He declares that the delineation of mass media and its technologies from other forms of communication might be arbitrary, but he chooses his own systems of reference according to the 'mechanical manufacture of a product, as the bearer of communication' (Luhmann, 2000b: 2). However, this delineation does not do justice to the remaining modes of communication, because it makes mass media seem special and alone in the construction of reality. Instead, I believe that any kind of medium that is used for communication in the society is a part of the communications system, and that this overall system is responsible for the creation of reality, not mass media specifically. I choose to see the CS as the totality of mass and interpersonal communication, including any kind of communicative event in the society, be it explicit or implicit.

#### **4.4. Face-to-Face Interaction plus Mediated Interaction**

In traditional media studies there is a sharp dichotomy between oral and written communication. John B. Thompson's book chapter, 'The Rise of Mediated Interaction' specifically deals with the presumed difference between face-to-face and mediated interaction, which is defined as the communication that is done via a 'technical medium' (Thompson, 1995: 81-118). He defines three types of communication: 'Face-to-face interaction', 'Mediated interaction' and 'Mediated quasi-interaction' (Thompson, 1995: 82). Mediated interaction and mediated quasi-interaction correspond to interpersonal and mass communication respectively. He claims that mediated quasi-communication, which is mass communication, is 'monological' and 'oriented towards an indefinite range of potential recipients' rather than being 'dialogical' and 'oriented towards specific others' as is mediated interaction (Thompson, 1995: 85). I contest both claims. As I explained in the previous section, no mass communication is a monologue or solely a dissemination. Responses or connected communication may take time to evolve but there is still a dialogue in the long run, and this short-run monologue behaviour does not change the dialogical nature of the interaction. I also oppose the idea of communication being not oriented to a specific target. Advertisers put a billboard on a street but it communicates only with a specific group of people, those who like the product and buy it. Putting something on a TV channel does not imply blind communication. There is always an intended group or a stereotype in mass communication, even though its members may not be definite. Therefore, I simply see no difference between the two types of mediated communication on the societal level.

Consequently, the discussion in this section concentrates on the supposed difference between face-to-face (oral) and mediated interaction (Thompson, 1995: 83). My first rejection is of the limited understanding of technical media, of which Thompson gives examples, 'paper, electrical wires, electromagnetic waves, etc.' (Thompson, 1995: 83). However, face-to-face communication is done using a certain technique over a medium as well. The voice is as physical as these examples, and it necessitates the technique of using vocal cords to create specific sound waves in the air. Speaking is fundamentally no different from writing on a stone tablet. Thompson also claims as follows:

Face-to-face interaction takes place in a *context of co-presence*; the participants in the interaction are immediately present to one another and share a common spatial-temporal reference system. (Thompson, 1995: 82)

First, in a face-to-face communication, no one can claim that the context and the spatial-temporal reference are the same for the each party. Each individual is subjective in his or her recognition and understanding of the context, which can only be seen as the same to the outside observer, not to the receiver and the sender. A person may view the surrounding nature as beautiful, while the other sees it as an unpleasant environment. Consequently, this logic affirms that in mediated interaction, which is stretched across space, being in different contexts is not specific to the communication: Context cannot be a differentiation factor for the type of communication.

There is also an assertion that mediated communication is stretched across time, whereas oral communication happens instantaneously. However, nothing ever happens at the same time. Even in oral communication the sound of the voice takes some time to arrive to the intended receiver. In some cases oral communication may be even slower in generating a response. For example, in the stock market trade, one might talk with a broker to purchase a stock, while someone else seeks to buy it online and perhaps gets a quicker response. Still, even if each interaction type has a different extended availability in space and time, that does not make each essentially different from the other.

Thompson claims that mediated communication is more open ended, and that there is a 'two way flow of information and communication' in face-to-face interaction (Thompson, 1995: 83). However, while it is true that some communication types are quicker in forming a communicative event, a quicker response has nothing to do with the communication type. These are not the attributes of the communication but the context of the communication. For example, in online chat rooms people communicate much faster than they would in a physical gathering, because the digital messages can be sent and received quickly, while talking at the same time would not be possible as the transmission of the sound waves is slower and would overlap, resulting in inaudibility. To provide another example, a crazy person in the middle of Hyde Park can speak to a disinterested public, engaging in highly open-ended communication.

There are also assertions regarding the rich environment of face-to-face communication:

A further characteristic of face-to-face interaction is that the participants commonly employ a *multiplicity of symbolic cues* in order to convey messages and to interpret messages conveyed by others. Words can be supplemented by winks and gestures, frowns and smiles, changes in intonation and so on. Participants in face-to-face interaction are constantly and routinely engaged in

comparing the various symbolic cues employed by speakers, using them to reduce ambiguity and to refine their understanding of messages. (Thompson, 1995: 83)

The multiplicity of symbolic cues, which is mentioned above, is present in any communicative situation. For example, while going through a newspaper article, the reader similarly processes numerous symbolic cues, such as the paper quality, the date of the newspaper, the page number, the name of the author, and the length of the article. All these factors contribute to the experience of the reader with the article. The claimed 'narrowing of the range of symbolic cues' in mediated communication may not be necessarily true, or the opposite may even apply, especially in visual communications such as TV ads (Thompson, 1995: 85). While it is true that many feel more adept at face-to-face interaction and more successful in reaching a dialogue thereby, some are also better in both conveying their messages and responding to others via a written or online medium.

I will discuss these matters further in the language section of the analysis, but suffice it to say for now that each medium of communication carries and enforces its own language. The language of each communicative medium may differ in complexity, but the crux of the matter is not the ability of the communication type to provide better information or not. It is the ability of the communicators to be good at this language. Still, even if each medium differs in terms of its complexity of representation, this fact does not necessarily constitute an essential differentiation between oral communication and other forms of communication. Therefore, it is not helpful to use the mediated vs. unmediated dichotomy as the basis for the difference between interaction via a technical medium vs. face-to-face interaction. Many of the attributes that Thompson uses to differentiate mediated or unmediated communication are properties of either both communication types or in some cases, of the context of the communication.

Luhmann also differentiates between oral and written communication by pointing out the difference of the medium of written communication. He asserts that in written communication 'no interaction among those co-present can take place' (Luhmann, 2000b: 2-3). Under this assumed disruption of direct contact, Luhmann claims that 'high levels of freedom of communication' become possible, and that these possibilities can be maintained only within a system (Luhmann, 2000b: 2-3). For media of



dissemination (writing, printing, and other forms of supposedly mediated communication), Luhmann claims that:

In comparison with oral transmission, which is bound to interaction and individual memory, this greatly extends, and at the same time constrains, which communication can serve as the basis for further communication. (Luhmann, 1995: 161)

Esposito, following Luhmann, also claims that in media of dissemination, the observer is detached from the situation (2004). Yet these claims are surprising and contradictory given that SST theory already assumes that individuals cannot communicate and that they do not have an objective understanding of the ongoing communication. Therefore, reflexivity and improbable response should always be possible regardless of the mode of communication.

Luhmann believes that face-to-face oral communication ‘guarantees a communicative attention’ (1995: 158), which is not governed by society but by the social boundaries of the individual participants (Luhmann, 1987). By distinguishing between oral communication and the media of dissemination, Luhmann asserts two types of social systems, namely social systems and interactions (Luhmann, 1987). Interactions are the micro dynamics of the society, and society is the superstructure that results from the interactions. However, I cannot imagine any communication that remains outside the dynamics of a social system, because there would be no further communication without the structural coupling of a surrounding social (meaning) system that triggers communication. I believe the micro and macro links within the society are not based on the binary relationship which Luhmann simply finds in the difference between face-to-face and other types of communication, but it can be captured in the existence of numerous micro and macro social sub-systems that surround individuals. Unlike Luhmann, I state that society was already evolved into function systems before the existence of the recent media of dissemination, because I see face-to-face interaction and media of dissemination behaving similarly. Besides, it would have been a strange claim indeed to assert that earlier societies were non-systemic entities. If the communication was not shared by certain social systems, how could specific tribes and more importantly social meanings have come into existence?

For written communication to be available over time, it is not enough to print a thousand copies and put them aside. People have to read the communication over a

period of time, and each new reading does not mean that the message is conveyed in the same way as in earlier readings. With the evolving context, the communicative event and its effects change. General understanding changes over time, and the communicative event is no longer the same. Similarly, oral communication can also be available over a period of time such as through gossip, an epic, or a legend. It does not necessarily require that the initial sound waves have to be replayed; people may simply repeat the initial oral communication, resulting in its dissemination. This repetition of certain stories is the sole reason for earlier societies' differentiation and evolution. Written media may have accelerated this process because of their obvious durability, but essentially oral communication has the same capabilities. Even oral communication is not necessarily the origin of human civilization:

We have customarily thought of the “evolution” of communication as a progression through a trilogy, from oral through print to electronic cultures. Yet much contemporary anthropological research suggests the possibility of a strong, pre-oral kinesic capacity. It may well be that systems of gesture, posture, movements, and signs antedate formal patterns of speech and language. Could it be that our classical Greek heritage and the long-standing influence of rhetoric in Western academic consciousness have over-privileged the oral tradition in the evolution of the mind and culture? (Rowland, 2007: xiii)

For example, the Incan empire was a civilization that relied heavily on oral communication. Incans used ‘quipu’, which ‘is a collection of cords with knots tied in them’, but only to store bureaucratic data (Ascher and Ascher, 2007:30, 35). All long-distance communication, such as news propagation between different cities, was undertaken via oral messengers, *chaquis*.

Certainly, there are certain differences in the capabilities of different communication types. However, as I have shown in this section, communication types share a much more common basis than many think, and there is no need to create absolute and vital dichotomies. Therefore I see oral communication as merely a part of the communications system. Our communication is not limited to explicit methods of communication. A t-shirt that carries a message, a hairstyle, a street sign or even the color of one's jacket produces communicative events and joins the communicative system. William D. Rowland summarizes this view:

[...] This approach perceives all contemporary media and communication technologies as extensions of basic, innate human communication capacities. It refuses to abstract contemporary forms of media hardware and uses—television

cameras, personal computers, and satellites—seeing them instead as part of a long, complex process by which human beings are continuing to work out their particularly strong skills and instincts for creating systems of meaning and symbolic interaction. In this light, modern media technologies are only the latest, albeit highly significant, forms of ancient human communication technologies that include speech, gesture, drama, and social ritual of all kinds. (Rowland, 2007: xi-xii)

#### **4.5. Language is the Communications System**

Luhmann defines language as the ‘medium that increases the understandability of communication beyond the sphere of perception’ (Luhmann, 1995: 160). He distinguishes language by the use of acoustic or optical signs. However, for him, language is not a sign system, which would designate a separate semantic layer. Human beings cannot access and process meaning due to its sheer complexity; therefore they use language, which is the self-referential medium of symbolically generalized meanings (SGMs) that is created by meaning systems (Luhmann, 1995: 94). Language (as SGMs) reduces the complexity of the medium of meaning. On top of language he positions the media of dissemination and asserts that these media ‘rest on the incongruent decomposition and recombination of linguistic units that cannot be further dissolved’ (Luhmann, 1995: 161). In other words, he claims that language is the medium for the media of dissemination: a very common but mistaken assertion.

There are two main reasons why many conceptualize language as a specific form that is separate from its media. The first one is the narrow definition of language. As in Luhmann’s example, many academic articles refer to language as the explicitly defined acoustic and optical signs for communication. However, if one understands language not as a pre-defined vocabulary but also as all the possible communicable signs within a medium, then it is hard to see it as a separate entity because language becomes the infinite possibilities of a communicative medium, not something finite that can be conceptualized on its own. Only a communicative medium can provide a form for language. Language, as a set of symbolically generalized meanings, cannot have its own existence unless it is disseminated. Consequently, language does not exist and should not be perceived in the absence of a communicative medium. As Marx and Engels wrote in ‘The German Ideology’, language exists only in a material form (1932). This does not necessarily imply a physical materiality but emphasizes the required and therefore inseparable medium for language.

The second reason for Luhmann to claim a special separate position for language is that he thinks language can function in the minds of individuals with no societal communication (Luhmann, 1995: 94). However, he is wrong to suggest that language is accessed by the mind alone. When a conscious mind thinks, so far as the thinker is aware of it, it always does so via a form of communication media. Either a person silently speaks with himself or visualizes things in his mind as if watching a video. Most of the self-reflection in the mind happens as if in a face-to-face interaction, but none of this thinking is done via direct access to language as Luhmann claims.

Therefore, in order to understand the essential nature of the CS one should not differentiate between language and the medium of dissemination, because the two are one. Language cannot and should not be detached from communication media. Every particular communication technology also brings in its own language and requires its use. For example, writing something via instant messenger is very different from writing an email. Not only is a much shorter and simpler distinct written language used, but also symbolic cues are more limited and different. Shoshana Zuboff's description of a computer conferencing system, called DIALOG, and its reception within a company makes the language aspect of communication technologies very clear (1988).

Most of DIALOG's participants viewed the conferencing medium as an opportunity to extend and elaborate the oral culture in which they conducted their professional work. This orientation was reflected in the DIALOG manual, which emphasized the colloquial character of a conference message—messages were described as typically short, informal (spelling or grammatical errors were acceptable), and “more like verbal dialogue than a memo or report.” ... Yet there were other ways in which the experience of communicating through DIALOG seemed to contrast with the fluidity and conviviality of oral culture. ... [A DIALOG user:] In DIALOG, the power lies in the ability to communicate and pass on knowledge rather than through intimidation and style. ... Mastery of these new skills required inventing communicative devices that conveyed some of the same emotions and nuances as oral expression. New textual conventions began to emerge and were quickly adopted by the entire network. ... With practice, people began to “speak electronicese,” which was defined as a “fluency for using the electronic medium for communication.” ... [A DIALOG user:] DIALOG is a conversation. It's like learning a new language. You develop an electronic intonation by the method and format in which you type information. You need an ability to formulate messages extemporaneously—like in a conversation. (Zuboff, 1988: 369-372)

As implicitly stated above by a user of the conferencing systems, it is not ‘like’ learning a new language because it is learning a new language. The DIALOG is simply a new

instance of the CS, and like any communication medium it comes with its own language. The computer conference system requires its own language because of its own internal dynamics of representation of information. New generalized symbolic meanings emerge. Such is what exactly happens in the case of DIALOG. Carpenter also equates communication media to languages and analyses TV with respect to this understanding. He describes TV as a total sign system:

English is a mass medium. All languages are mass media. The new mass media—film, radio, TV—are new languages, their grammars are yet unknown. Each codifies reality differently; each conceals a unique metaphysics. ... Of the new languages, TV comes closest to drama and ritual. It combines music and art, language and gesture, rhetoric and color. It favors simultaneity of visual and auditory images. Cameras focus not on speakers but on persons spoken to or about; the audience *hears* the accuser but *watches* the accused. In a single impression it hears the prosecutor, watches the trembling hands of the big-town crook, and sees the look of moral indignation on Senator Tobey's face. This is real drama, in process, with the outcome uncertain. Print can't do this; it has a different bias. (Carpenter, 2007: 254)

Silverstone claims that natural language is the paradigm of communication (2005: 188). Livingstone, following him, argues that we can draw a strong analogy from language and understand how media mediates (2009: 5):

Paraphrasing Gergen, then, we can claim that, as for language, today's media become meaningful because of coordinated human activity and, at the same time, people understand the world and their position in it through media. Mediation works both ways. On this view, we need media and communication research to understand how media mediate, for the same reason that we need linguistics to understand how language mediates ... (Livingstone, 2009: 5)

However, Livingstone asserts that while media and language evince similar behaviour in terms of mediation, they are different things, but are they? Unfortunately, the language aspect of a particular communication medium is not evident in media studies. Somehow many theorists skip this aspect and relate the properties that come from the medium's essentially being a language to other aspects of the communication medium or to the context. For example, McLuhan distinguishes between hot and cold media and defines hot media as high in definition and low in participation, where there is no need for filling in by the audience (McLuhan, 1994: 22-32). Cold media is simply the opposite. His discussion relates to the representational capacity of media, but because he does not conceptualize it as the language of the medium, his explanation shifts to contextual factors, namely the senders and receivers. Level of participation has nothing

to do with the media. McLuhan claims that a movie is hot, but such an evaluation depends on the viewer. A film critic and a movie-goer watch the same movie with very different participation levels. Therefore, being hot and cold is not an aspect of the communication technology, but it comes from the language aspect of the communication media. The sender's and receiver's ability or aim to use the medium's language defines the hotness or the coldness of the media. For an average reader, perhaps, a Kafka novel is cold, while the Sun newspaper is hot.

Similarly, Joshua Meyrowitz sets out to find the missing link between behaviour and media (Meyrowitz, 1985). He proposes that new media enables the extension of the individual and creates new situations. He then analyses these new situations. However, there is an oversight in his argument: namely, the language aspect of new media. Because he does not take this aspect into account, he overemphasizes the media's property of extending the availability of communication in space. A new language is at play in these new situations, but because he does not perceive it, he attributes all the observed change to the extension of the space. For him, communication technology is only a medium for the totally separate language. Thompson distinguishes face-to-face interaction from mediated interaction because of the use of a wide range of symbolic cues such as winks, gestures, frowns and similes (1995: 83). This is another example of overlooking the language dimension of the CS. What Thompson refers to as 'a multiplicity of symbolic cues' is the complex language of face-to-face interaction, as all types of media have their own languages. Obviously, the attributes and the complexity of the language of each communication medium vary, and it is important to study these capabilities. Nevertheless, failing to notice the language dimension of communication media prompts Thompson to find a structural difference between face-to-face communication and other forms. Therefore it is important that I conceive the CS both as communication media and language.

However, what is language? I have already summarized Luhmann's view of language as the self-referential medium of symbolically generalized meanings (1995: 94). Still, I should depict how I arrived at Luhmann's definition in conceptualizing language. There are various branches of linguistic studies that theorise language. The one that I feel is most relevant to my theoretical perspective and to the conceptualization of the CS originates from semiotic studies. Communication occurs via the use of signs, and semiotics is the study of this signification process (Liebenau and Blackhouse, 1990:13-

15). From the perspective of general semiotics, signs include not only verbal language but also non-verbal language, such as proxemics, chronemics, kinesics, paralanguage and other possible symbolic cues for the signification of meaning (Eco, 1984: 8).

One of the founding fathers of semiotics is Ferdinand de Saussure, a French linguist, who departed from the previous linguistic research that studied how language has formed (Liebenau and Blackhouse, 1990:15, Colebrook, 2005). Before Saussure, linguists looked at words diachronically (ratio, rational, rationalize) but this approach was not helpful in understanding the system of signs. Instead Saussure took a synchronic approach and conceptualized language as made up of differential marks. Signs have two dimensions, namely signifier and signified, which cannot be separated from each other; and the resulting sign system is based not on a hierarchical structure but on a system of differences, where each sign differentiates itself from the other signs (not derives from). Saussure claims that signs compose not only language but the overall meaning system, or in other words 'the very conceptualization of our world' (Colebrook, 2005: 248).

Whether we take the signified or the signifier, language has neither ideas nor sounds that existed before the linguistic system but only conceptual and phonic differences that have issued from the system. (Ferdinand de Saussure cited in Collins and Mayblin, 2005: 68)

Semiotics analyses the properties of signs in three levels, namely syntactics, semantics, and pragmatics (Liebenau and Blackhouse, 1990). Syntactics is the study of how the rules of the system of signs are constructed and how they interrelate (Liebenau and Blackhouse, 1990: 13). Semantics is the study of what signs refer to. Pragmatics is the study of the relation of the surrounding context to the system of signs before and after the communication.

Saussure's conception of language reduces thought to a system of signs and gives more importance to the semantic aspect of signs (Colebrook, 2005: 249). However, this approach implies that individuals' lives are determined by a system of difference. This perspective of semiotics has the tendency to reduce everything back to a linguistic utterance, and most importantly to lead us to forget about the continuity of the situation and exclude the effects of the ongoing communication in analysis (Deleuze, 1995: 65). On the other hand, there is the semiotic tradition of Charles Peirce:

[Semiosis constitutes] an action, of influence, which is, or involves, an operation of *three* subjects, such as a sign, its object, and its interpretant, this tri-relative influence not being in any way resolvable into an action between pairs. (1931: 484 cited in Eco, 1984: 1)

Peirce's formulation of the sign as a tripartite formation suggests that no relationship can be analyzed in the absence of the pragmatic aspect of communication. For him 'the sign is a potential proposition' that triggers interpretation (Eco, 1984: 26). However, Eco does not think that Saussure's and Peirce's approaches are incommensurable (1984: 1-45). Eco observes two types of relationship with signs. The first is inference (extension), through which a sign 'is interpreted as a sign of something'; for example an expensive watch signals that one is wealthy (Morris, 1938: 20 cited in Eco, 1984: 15). The second is equivalence (intention), through which a sign is understood as being equal to something, such as a street sign. Eco argues that both mechanisms (inference and equivalence) are always at play together, being inseparable; and there should be a single system that governs both relationships. Eco divides each signification into two layers. The first layer is inference and the second is equivalence. Sometimes perception and the resulting equivalence of meaning are so effortless that inference disappears, but there is always an initial layer of inference. Eco calls this formulation the 'instructional model', in which 'the semantic type is the description of the contexts in which the term can be expected to occur' (1984: 34-35). The instructional model very closely resembles Luhmann's definition of communication, in which understanding is the selection between utterance and information.

Eco criticizes those who emphasize the dominance of the pragmatics of language in the process of communication because without understanding the nature of the signs and what they represent, it is likewise not possible to analyze the broad process of communication. Eco asserts that all social phenomena can be seen within the framework of a sign system in a way that is very compatible with Luhmann's idea of conceptualizing all social systems as communication systems. Both semantic and pragmatic layers are important, but their relative importance depends on what one wants to study. Later studies have increasingly focused on pragmatics and how understanding is influenced by individuals (Deleuze, 1995: 28). Based on the increased focus on pragmatics, language switched from being a determining structure to a negotiable medium, in which each communication contributes back to it. The move to the pragmatic aspects of language and the importance of the reader may be seen in the work



of Roland Barthes, who started by studying syntactics and semantics but moved on to the pragmatic aspects of language use (Deleuze, 1995: 28). One of the seminal works in understanding this shift to pragmatics is Roland Barthes's well-known essay *The Death of the Author* (1977). In this essay Barthes argues that the meaning of the text or the medium is constructed by the reader:

Classic criticism has never paid any attention to the reader; for it, the writer is the only person in literature. We are now beginning to let ourselves be fooled no longer by the arrogant antiphrastical recriminations of good society in favour of the very thing it sets aside, ignores, smothers, or destroys; we know that to give writing its future, it is necessary to overthrow the myth; the birth of the reader must be at the cost of the death of the Author. (Barthes, 1977: 148)

Similarly, Foucault in his essay, 'What Is an Author?' draws attention to the decreasing importance of the author in understanding communication:

I think that, as our society changes, at the very moment when it is in the process of changing, the author function will disappear, and in such a manner that fiction and its polysemous texts will once again function according to another mode, but still with a system of constraint—one which will no longer be the author, but which will have to be determined or, perhaps, experienced. (Foucault, 1984b: 119)

In this essay Foucault hints at understanding language and communicative events as the result of a systemic process, in which there is no deep hidden meaning, but the meaning is constituted by a systemic process, as Luhmann also suggests. However, he warns that the understanding of communicative events and the resulting discourse should not be based on and formalized by 'the rules of grammar and logic' (Foucault, 1984b: 117). The peculiarities of the discourse define the resulting understanding. Foucault, in defining his concept of 'statement', which broadly defines a communicative event that is free from any structural definition, emphasizes the importance of the pragmatics of language and the indefinite possibilities of signs (Deleuze, 1995: 89, Foucault, 2002). Foucault does not stay in the text, a departure which implies two different meanings. He rejects a sign medium that is reducible to text, and he also does not take the text as it is, but questions why it is constructed as it is in the first place.

Winograd and Flores assert that language is the medium in which the society re-creates itself (1986). Poster also rightfully describes the reality-creating aspect of communication as 'new language formations that alter significantly the network of social relations, that restructure those relations and the subjects they constitute' (1990:

8). These authors are correct that language is a medium in which a certain discursive struggle for meanings happens, but I refuse to equate language with the medium of meanings. Like Luhmann, I position language as a layer atop the deeper medium of meanings. Language is composed of symbolic generalizations, which provide temporally stabilized and reusable meanings for the use of the social systems and individuals, because the meaning of medium is not directly accessible. Consequently, the language is both these generalized symbolic meanings and also the platform for creating these generalized meanings. Language is the only reality that society can access. Certain dichotomies are necessary and useful in analysing and classifying the world, but the 'language vs. the communications media' binary is a highly misleading one for academic purposes. The CS is both the language and the communicative medium because it is not possible to separate symbolically generalized meanings (language) from the communication medium. More importantly, because the meaning systems are made up of communicative events and the resulting SGMs, by being a language and providing a communications platform to all other social systems, the CS simply becomes the society, or in other words the social reality.

#### **4.6. The Guiding Distinction and the Code**

In the previous sections, I have described the constituents and the resulting boundary of the CS. So what is the guiding distinction of the CS? Or in other words, from which abstract other does the CS constantly differentiate itself in order to maintain its form and systemic closure? Most academics conceive communication media as technologies that differentiate themselves from each other via different traits, especially via a certain superiority that the new manifestation introduces. These academics generally believe that today's communication technologies are inherently different from past ones, and that the existing communication media justify their existence based on this difference: 'today's communication media/past communication media'. Because these academics position the previous forms of communication on the other side of the new forms of communication, they look for essential changes in the new forms of communication media. Seeing major discontinuities prompts researchers to renounce neutrality and see either positive or negative effects. On the negative side, academics frequently claim that new forms of communication technologies threaten society and damage culture (Horkheimer and Adorno, 1996, Habermas, 1989):

[O]ne finds the often discussed things generated as self-evident by the cultural industry, the ephemeral results of the relentless publicist barrage and propagandist manipulation by the media to which consumers are exposed, especially during their leisure time. (Habermas, 1989: 245)

On the positive side, academics claim that the new media provides better communications that improve the society:

The shape of civil society, both local and global is being transformed by new forms of communication that increase people's autonomy to retrieve their own sources of information and to develop their own communication channels. (Castells et al., 2006)

The medium, or process, of our time—electric technology—is reshaping and restructuring patterns of social independence and every aspect of our personal life. It is forcing us to reconsider and reevaluate practically every thought, every action, and every institution formerly taken for granted. (McLuhan and Fiore, 1967: 8)

However, these views do not reflect an actual advancement of the CS because according to SST, each social phenomenon is an autopoietic social system that advances via its own perspective and dispositions. Therefore a social system can make use of the new communications media in either positive or negative ways according to how it perceives them. Therefore, any claim based on superiority and advantage can only be a meaningful differentiation criterion from the perspectives of other social systems. A type of communication technology can only be found to be suitable and efficient for a particular system for a specific purpose from its own perspective. Differentiation according to superiority cannot be the internal dynamic of the CS for differentiation because it cannot perceive its own different technologies from the perspectives of others.

Another common claim in media-related studies is that new media increasingly compress time and space. For example, McLuhan and Fiore claim that the new forms of electronic communication technologies make the society more connected:

The invention of type created linear, or sequential, thought, separating thought from action. Now, with TV and folk singing, thought and action are closer and social involvement is greater. We again live in a village. (McLuhan and Fiore, 1967: 157)

Here, McLuhan and Fiore conceive print and contemporary communication technologies as essentially different from previous communication technologies in asserting that the new technologies compress space and time. As I have already

explained in the theoretical perspective section, this sense of time and space compression is observer-dependent and merely a temporary sensation caused by the changes in the anchoring points for measuring time and space. Once social and psychic systems acclimate to the new technologies of communication, this sensation disappears and they revert to their original comprehension of time and space that arises from both their internal bodily dynamics and the rest of the physical world. For example, for human beings physical bodies and natural facts such as day and night dictate the understanding of time by being coupled with the conscious mind. McLuhan's global village argument concentrates only on the rise of the amount of communicable information, not on how much of it is actually consumed. Moreover, even though more information can be communicated, there is also more of it in the society. The amount of information also increases, making the argument that we now have a more connected world questionable. In the present day, one may retrieve more global information than in the past, but today it is also the case that more change is happening, such that if the measure of our connectedness is how much of available current information we can access, it remains an open question as to whether our connectedness has increased at all.

'Mediation' is the most important term in contemporary media and communication studies, as these pursuits focus both on how mediated communication changes society and on how society in turn shapes communication media (Silverstone, 2005: 203). Mediation studies conceive media as the platform in which different social actors fight for meaning and power, because communication media are assumed to distort reality (Livingstone, 2009). Initially, only new forms of communication technologies were believed to have a mediating effect, but a recent trend in media and communications studies has been to conceive of every form of communication as mediated (Livingstone, 2009). Mediatization is another popular term in media studies, coined to denote the idea that '[m]edia have taken over more and more functions for people' (Krotz, 2007: 259). However, to suggest thus is to substantially misunderstand the case, because communication was always the essence of society, and it always transpired through a medium. Yes the media evolves, but such does not constitute a mediatization of communication in the society, because communication always occurs through a medium, be it air (voice) or stone tablets. Mediatization is the repetition of mediation on a higher level, and it does little but to express the hermeneutic despair surrounding our understanding of the relationship between the communication medium and the society.

The concept that supports the understanding of mediation is ‘transmission’, which implies that something has been transferred from one place to another, as if something disappears from one side (Luhmann, 1995: 139). Since individuals are dropped from the conceptualization of the communicative event in SST, the transmission metaphor is no longer helpful. Transmission reflects the utterance aspect of communication, but as I have demonstrated in the communications section, the communicative event happens as the totality of three selections: information, utterance, and understanding. Without understanding, the utterance means nothing in terms of communication; it is just ‘a suggestion’, nothing more than a proposal (Luhmann, 1995: 139). Moreover, because I no longer conceptualize communication as a transmission, there cannot be something that is mediated or distorted, as if it has existed prior to communication. As an example of the contrary view, Baudrillard believes that mass media damages the society:

Now the media are nothing else than a marvelous instrument for destabilizing the real and the true, all historical or political truth ... the addiction we have for the media, the impossibility of doing without them ... is not a result of a desire for culture, communication, and information, but of this perversion of truth and falsehood, of this destruction of meaning in the operation of the medium. (Baudrillard, 1988: 217 cited in Poster, 1995: 16)

However, every communicative event is the reality; there is no essentially real content of communication. In the case of Baudrillard’s lament, there is no essential society that can be damaged anyway. However, in terms of SST, the mediation term means little in terms of understanding communication, because for the SST, every communicative event is a contribution to the reality, not a distorted transfer of existing reality. There is no claim to reality before the communicative event happens. Therefore, I believe that nothing is mediated, as every new communicative event is simply the new reality. There is no other reality unless it has been communicated. When one takes the perspective of the SST, the concept and the term of ‘communicative event’ is simply better than mediation in terms of reflecting the reality-producing nature of the communication, which Barthes articulates as follows:

Hence there is no surprise in the fact that historically, the reign of the Author has also been that of the Critic, nor again in the fact that criticism (be it new) is today undermined, along with the Author. In the multiplicity of writing, everything is to be *disentangled*, nothing *deciphered*; the structure can be followed, ‘run’ (like the thread of a stocking) at every point and at every level, but there is nothing beneath: the space of writing is to be ranged over, not pierced; writing ceaselessly posits meaning ceaselessly to evaporate it, carrying

out a systematic exemption of meaning. In precisely this way literature (it would be better from now on to say *writing*), by refusing to assign a ‘secret’, an ultimate meaning, to the text (and to the world as text), liberates what may be called an anti-theological activity, an activity that is truly revolutionary since to refuse to fix meaning is, in the end to refuse God and his hypostases—reason, science, law. (Barthes, 1977: 147)

Barthes skilfully asserts that the text is not a reference to an objective and stable reality. Every reading of it creates a new meaning and distinction that fosters the society. When a text is read, which means that an understanding (reception of a communication) happens, communicative events contribute back to the social reality.

Some academics have extended the mediation framework to understand the evolution of media. One example is Bolter and Grusin’s book *Remediation: Understanding New Media*, in which they conceptualize new media as the remediation or repurposing of old media (2000). In the book, remediation is based on two urges of society, namely ‘the logic of transparent immediacy’ and ‘the logic of hypermediacy’ (Bolter and Grusin, 2000: 20-51). The logic of transparent immediacy is the presumed ‘transparent presentation of the real’, where the medium disappears and the individuals are in direct relationship with the content (Bolter and Grusin, 2000: 21). The logic of hypermediacy is the other side of the double logic of remediation, and it ‘acknowledges multiple acts of representation and makes them visible’, thereby triggering the desire for immediacy (Bolter and Grusin, 2000: 33-34). Bolter and Grusin claim that ‘the logic of hypermediacy multiplies the signs of mediation and in this way tries to reproduce the rich sensorium of human experience (2000: 34). The opposition between looking at and seeing through is the tension between regarding a medium as real or mediated. Bolter and Grusin assert that through this tension every medium is continuously re-presented in another new medium, an evolutionary process they call remediation. They conceptualize the new media as something that constantly tries to increase the complexity of previous representation while still aiming at transparent immediacy.

Our problem with the remediation idea is that first, it presupposes mediation in explaining remediation. There is a supposed reality and also a supposed rich representation of it, which can be experienced via face-to-face interaction. Subsequently the new media’s overall effort is to reach this immediacy and complexity. Yet, according to SST, there is nothing prior to communication, and the implicit aim is not always towards a richer experience. The claim of hypermediacy, which sounds like a

claim to superiority in terms of complexity, is not evident in certain media such as SMS or Twitter. As a result, immediacy automatically disappears. Bolster and Grusin reject discontinuity of technologies, but what they miss is that when each medium brings its own language and social practices, there is actually a new framework of meaning, which automatically poses a certain degree of discontinuity. Therefore, communication media can also exist in totally new forms and not necessarily remediate previous communication. For example, the Twitter web site does not remediate any previous medium. Prior to Twitter, no individual posted his or her views and daily events to total strangers, with the exception of an occasional taxi ride chat, but now there is an increase in the habit of sharing your life with a much bigger crowd. This phenomenon is thus not the transfer of one's offline social habits to the online medium. It is a new habit that is not remediated but simply communicated. Especially when I take the view that the CS is an overall system in which all communication technologies work together and all have the same essential attributes; it becomes impossible to see a communication medium as something that replaces the previous one because of a supposed superiority. The formation of new media should be detached from the idea of efficiency or superiority.

However different their findings are, Bolter and Grusin offer important observations that imply the language aspect of media. They use the 'mediation' term to refer to the language aspect of the CM and therefore make misleading claims about their observations. For example, they claim that each medium disappears once users get used to it:

Virtual reality is immersive, which means that it is a medium whose purpose is to disappear. The disappearing act, however, is made difficult by the apparatus that virtual reality requires. ... As computer scientists put it, the goal of virtual reality is to foster in the viewer a sense of presence: the viewer should forget that she is in fact wearing a computer interface and accept the graphic image that it offers as her own visual world. (Bolter and Grusin, 2000: 21-22)

However, if one takes the perspective of the language aspect of media, it becomes clear that the medium is not disappearing; communicators are simply getting used to the language. When a new medium arrives, it brings its own language, which is also a set of new symbolically generalized meanings. First, people are confronted with the language (or new meanings), and once they learn the language, these new meanings become their meanings and they stop questioning them. It is the language and thereby the medium

that starts disappearing once users get used to it. McLuhan and Fiore also draw attention to how contexts disappear when individuals are embedded in the meanings that these contexts carry: 'Environments are invisible. Their ground rules, pervasive structure, and overall patterns elude easy perception' (1967: 84-85).

Bolter and Grusin assert that 'our culture wants both to multiply its media and to erase all traces of mediation: ideally, it wants to erase its media in the very act of multiplying them' (2000: 5). I will provide an alternative explanation for the above observation via my understanding of the CS. Every communication technology is initially confronted and understood as a new language, but over time it becomes part of the system. Whenever a new communications medium emerges within the CS, the language aspect of that instance of the CS draws attention because it carries new meanings and possibilities. However, over time this new medium's language and the new meanings it carries become part of the individuals, as if they had not been provided by this new media but have always existed. Consequently, the society and academics concentrate only on the communication aspect of this medium. The CS is perceived as the carrier of language and meaning, rather than being it. Language behaves as the environment of communication, while it is always part of the communication system. Standage explains that when the telegraph was introduced as a new media its language aspect was obvious as people were struggling to use it; however, over time, as people became accustomed to it, it was only a communication technology rather than a new language:

Although the telegraph, unlike later forms of electrical communication, did not require the consumer who was sending or receiving a message to own any special equipment—or understand how to use it—it was still a source of confusion to those unfamiliar with it. (Standage, 2007: 133)

One woman preparing to send a telegram is said to have remarked as she filled out the telegraph form, "I must write this out afresh, as I don't want Mrs. M. to receive this untidy telegram." Another woman, on receiving a telegram from her son asking for money, said she was not so easily taken in; she knew her son's handwriting very well, she said, and the message, transcribed at the receiving office, obviously hadn't come from him. (Standage, 2007: 134)

Sending and receiving messages—which by the early 1850s had been dubbed "telegrams"—soon became part of everyday life for many people around the world. (Standage, 2007: 132)

The introduction of radio within the CS is another example of differentiating between the communication medium and the language. Douglas superbly describes the process



by which radio shifted from being a new language to being merely a communication device, and again the CS maintains its form as a communicative medium not language:

This was an explanatory listening, predicated on technical expertise and patience, in which people listened not for continuity but for change; not for one message or program from New York but for many messages from all over the place; to see how far they could get, not which celebrity they could hear; and to hear the eerie, supernatural mixture of natural static and manmade voices. They listened to get a more immediate sense of their nation as it was living, breathing, and talking right then and there. They were lured by the prospect of witnessing entirely new auditory spectacles, the aural equivalents of lightening and fireworks. Turning to listening for so many hours each night, was an entirely new cognitive, emotional, and cultural experience and one we still have an only rudimentary understanding of today. (Douglas, 2007: 211)

The last example comes from the medium of TV. The introduction of TV required its new language to be understood and adopted by the society. The language, which brought new symbolically generalized meanings, was explicit and was discussed by the society. However, once society became used to the language, its language aspects disappeared and TV became a communication device:

Many commentators on early television suggested that the near-total attention the medium was expected to demand from viewers would preclude viewing periods of more than an hour or two a day, relegating the new medium to a decidedly secondary service to established radio. ... A writer in *Parent's Magazine* in 1948 described her family's successful adjustment of daily routines to accommodate television though she complained of adult neighbors "who insist on conversing" during the evening's television entertainment. (Boddy, 2007: 247)

More surprisingly, however, in the span of roughly four years, television itself became *the* central figure in images of the American home; it became the cultural symbol par excellence of family life. (Spigel, 2007: 262)

It is evident in the above accounts that the CS is also the language, but one which constantly differentiates itself from language and instead positions itself as a communications medium that carries language. Consequently, one can say that the guiding distinction of the CS is 'the CS/language'. However, language is all of the symbolically generalized meanings (SGMs) in the society, and the language (or SGMs or culture) is the only social reality that individuals have access to. In other words, as I have argued before, language is the society. Therefore, the CS can also be seen as differentiating from the society. The CS, by concealing its self-referential aspects, behaves as if it does not produce the society, but is merely a medium of communication that transmits society. However, every communicative event builds up new meanings,

and therefore the CS ends up creating the society. More importantly, because the SGMs reside in the medium of the CS and are part of it, the CS is the society itself. As a result, I propose that the CS is the unity of the distinction between the communication system and the society (or social reality, or epistemology). The guiding distinction of the CS is the communication system/the society.

#### **4.7. The Code, the Programs and Autopoiesis**

The CS is the society as it creates itself while communicating itself, and such is the true self-referential and yet tautological nature of the CS. However, individuals cannot handle tautology and resulting paradoxes and therefore cannot perceive the CS as a reality generating system. If the paradoxical and self-referential nature of the CS becomes apparent, then the belief in an objective reality would fully disappear from society, and individuals would not communicate, and social systems would cease to operate. Therefore, a strong, non-paradoxical difference, which is the code, should represent the CS. The code that hides the tautological nature of the CS is ‘the CS/not the CS’. The society perceives the CS as simply the communications media that transmits information without questioning the other side of the distinction. However, simply saying that the CS is the communicator of the society is not possible because it is a most evident tautology. The simple code of the CS cannot justify itself and has to be accompanied by a set of programs that complicates the issue and introduces complexity and hides the tautology of the code. In turn, the unity of the programs also enables and introduces the guiding distinction back into the CS. This being the case, what are the programs of the CS?

I could have looked at the communication technologies from a different perspective and conceived each communication medium as a social system of its own. A specific technology can always be captured as a particular social system in other studies that are specifically investigating a certain communication medium and its function within the broader CS. However, I wanted to conceptualize a single system that covers all these possible ways of communicating in the society, because I sought to explore the broader function of the communication media in the society. Therefore, in this framework, I perceive and position each instance of communication technology as a program of the CS. Within the CS, I propose that numerous programs exist that correspond to various technologies and types of communication, such as face-to-face interaction, writing,

cinema, Twitter, web pages, SMS, advertisements and designed t-shirts. These programs complicate the simple code and hide the tautological and self-referential operation of the CS. The unity of these programs also provides the guiding distinction (the communication system/the society).

When a communicative event is picked up into the system by the simple code of ‘the CS/not the CS’, the program that is responsible for that particular communication medium processes the communicative event. This communicative event builds up the society, and while there is no essence of it, the society should believe that it represents the transmission of society. The CS cannot simply claim that it is the transmission of reality by simply stating its code. Therefore, the relevant program complicates the understanding of the communicative event by further differentiating and defining it. This way, the program hides and thereby enables tautology. Subsequently, the programs both enable the simple code (the CS/not the CS) on the surface and the complex guiding distinction (the CS/the Society) in the background. The program of mass media offers a good example of this operation. By being part of the CS, mass media also create the society, but justify their existence in the society by characterizing themselves as transmitters of the society. Through the highly detailed and complex inner workings of mass media, the related communicative events are labelled as transmissions of reality; thus, while mass media are the creators of society, they seem to be the transmitters of society.

The CS performs its autopoiesis via constant differentiation from the language or the society, but how does this process happen within the society and also within the CS? Over time, certain parts of the society start seeing through the CS and realize that it does not communicate reality but becomes the reality, and they begin questioning, or more importantly manipulating, particular methods of communication for their own benefit. The account below depicts how the society becomes unsatisfied with existing forms of communication and asks for an alternative and more complex medium:

Most corporations, on the other hand, only know how to talk in the soothing, humorless monotone of the mission statement, marketing brochure, and your-call-is-important-to-us busy signal. Same old tone, same old lies. No wonder networked markets have no respect for companies unable or unwilling to speak as they do. (Levine et al., 2009: xiii)

While many such people already work for companies today, most companies ignore their ability to deliver genuine knowledge, opting instead to crank out

sterile happytalk that insults the intelligence of market literally too smart to buy it. (Levine et al., 2009: xiv)

Once the CS is manipulated, it becomes even more evident that the medium can create certain realities. When psychic and social systems question communication as unreal, not reliable, rhetorical, unfair, and distorted, they cease believing in particular communication technologies and the social reality they create. They no longer see the medium as a transmission technology. Yet this temporary awakening is dangerous for the CS and therefore the society. Consequently, the CS increases its complexity by introducing new ways of communication and complicating its medium of communication so that it can disguise its tautological nature. As the CS advances, the society is tricked and convinced by the introduction of the new communication methods. Social and more importantly psychic systems again believe they are communicating society, rather than creating it.

If one looks at the brief history of communication technologies, it becomes evident that the CS continuously evolves and re-creates itself while introducing and ceasing various methods of communication. For example, because the existing methods of communication are manipulated by certain groups, the CS frequently has to evolve, in a phenomenon which led the way to the introduction of the free press in France:

Printed matter played an important part in the French Revolution, which began with calls for a free press. The Comte de Mirabeau (1749-81) adapted Milton's *Areopagitica* (1788), Marie-Joseph Chenier set out a forceful *Denunciation of the Inquisitors of Thought* (1789) and Jacques-ierre Brissot produced a *Memoir on the need to free the press* (1789). Brissot was thinking especially of newspapers, for, by the time his memoir appeared, events were moving too fast for books or even pamphlets. There was an explosion of new publications, with at least 250 newspapers founded in the last six months of 1789. (Briggs and Burke, 2009: 86)

Over time, however, the free press came to be thought of as the evil corporate mass media, because again it was exploited. Certain power groups used newspapers to create advantageous realities such as by manipulating stock markets. The CS required more complex programs to complicate its reality-producing aspect. Stephens thus presents TV as bringing reliable information, as if the information's speed or richness reflects its reality:

One accomplishment of television seems impossible to overstate: it brings a wealth of news into our homes with astounding speed and immediacy. The

development of television news has capped centuries of improvements in the means of news dissemination and news gathering, centuries in which the perennial shortage of reliable information about current events has been transformed into a surplus. (Stephens, 2007: 281-282)

TV was welcomed by society as a transmitter of reality, but these days it is no longer seen as the most reliable source of information because it has been too obviously manipulated and exploited. Now, the society expects the truth from certain contemporary Internet applications. In the future, it will be realized that these also simply create reality, and the CS will generate new methods to disguise its true nature:

The new technologies ... can potentially enhance lateral communication among citizens, can open access to information by all, and can furnish citizens with communication links across distances that once precluded direct democracy. (Barber, 2006: 198)

Like all systems, the CS should keep up with the increasing complexity in its environment. Because the society's internal complexity is growing, the medium of the CS should grow in complexity as well by providing more space and diversity for the creation of social reality.

#### **4.8. The Function of the Communications System: The Medium of Society**

According to the SST, each social system fulfils a specific function in the society. Otherwise it would receive insufficient stimulation from its environment for its autopoiesis. Luhmann's concept of medium is helpful in defining the function of the CS. No single system governs the society, but some systems are highly pervasive. Subsequently, Luhmann accords a prominent position to the media of distribution in explaining society (Andersen, 2003: 86). Luhmann overemphasizes the mass media among other social systems, asserting that mass media construct reality instead of distorting it (2000b). He acknowledges that the delineation of mass media and their technologies from other forms of communication might be arbitrary, but he chooses his own system's reference according to the 'mechanical manufacture of a product, as the bearer of communication' (Luhmann, 2000b: 2). However, this delineation does not do justice to the remaining modes of communication because it purports that mass media are unique in the construction of reality. Instead, I believe that any kind of communicative medium is a part of the CS, and that essentially they are all the same. Not only the mass media but the overall communications system is responsible for the creation of reality and thereby of society.

Luhmann defines the mass media as the social memory and claims that the mass media not only create their own reality but by being the memory of other social systems, they create certain realities for those systems as well (2000b). Luhmann's definition of social memory is an alternative to the more popular definition of collective memory of the society by Maurice Halbwachs, who defines the collective memory separately from the individual memory as a notion that is developed and shared by the society (1992). Luhmann similarly states that social systems, like psychic systems, need 'a recursively stabilized network of redundancies', which behaves like their memory, to operate (2000b: 86). Luhmann defines memory as follows:

Rather, memory is performing a constantly co-occurring discrimination of forgetting and remembering that accompanies all observations even as they occur. The main part of this activity is the forgetting, whereas only exceptionally is something remembered. For without forgetting, without the freeing up of capacities for new operations, the system would have no future, let alone opportunities for oscillating from one side to the other of the distinctions used in each instance. To put it another way: memory functions as a deletion of traces, as repression and as occasional inhibiting of repression. (Luhmann, 2000b: 101)

The memory provides a framework that enables future communication within the system. However, Luhmann asserts that the mass media not only manage or create their own memory but also manipulate the memory of other social systems. This is a very serious claim that undermines the autonomy not only of other social systems but also of individuals. There are some other system theorists who claim that there have been recent changes in the CS and the mass media. Kallinikos argues that the new communication technologies not only store and transmit but produce information on their own for other social systems (2006). Esposito, in her 2002 book, *Social Forgetting*, claims the same for modern society and even goes further to say that the role of media as social memory has been taken over by organizations in today's society, in which decisions to access information are becoming more dominant in guiding mass communication (Boyden, 2003).

Instead of these radical views of mass media, I would prefer to stick to the essentials of the SST. In his earlier writings Luhmann rejects the notion of memory. A fully stable structure is not possible in the SST in any case. The structure of a social system is unstable because it is based on meanings which are themselves never finalized and are in continuous change. Social systems are structures of expectations, which means that they can only exist in the present (Luhmann, 1995: 293). Not only are they always

evolving, but also there is nothing solid for one to hold on to because social systems are action-events. Their illusion of being in the past and the future only comes from ‘the temporal horizon of the present’ which integrates the supposed past and intended future (Luhmann, 1995: 293). But if a social system exists only in the present, how does it store experience? The answer is simple, in its own structural complexity. The system’s state and structure change with every new information event, and this way the experience is retained without a supposed memory of its own.

This *nexus* of information and changed mode of operation appears as “memory” only to an *observer*. The system reproduces itself only in the present and does not need memory to do so. Under certain circumstances it can observe itself and ascribe a “memory,” or even a “bad memory,” to itself. From self-observation, one can then acquire actually surprising information about one’s own state. But this does not alter the fact that something called memory exists only for an observer. (Luhmann, 1995: 514)

Rather than memory, ‘schema’ is a better term to denote the rules for accomplishing operations (Luhmann, 2000b: 109). The schema should not be understood from a structuralist perspective; it is the structure of a social system only for that given moment, and it continuously changes. I agree with Luhmann that the CS (or in his case mass media) provides all social systems a present, which they can utilize to reflect on their past and decide concerning their future (Luhmann, 2000b: 99). However, I see that the CS, including the mass media, provides not a platform for memory but a place in which all social systems store their present structures and in which they operate. The CS (including the mass media) creates its own reality and itself while being interpenetrated with other systems, and it evolves as a system in its own right while the other social systems have their own freedom in forgetting and remembering. They proceed according to their structures of expectations that are recorded in the CS and they have the full and sole independence to change their own schemata of a structural present within the CS. The mass media and the CS cannot steer other systems but only themselves.

Still, the CS, as the medium of society, enables communication by providing a space that is made up of symbolically generalized meanings, which in turn other systems utilize for increasing their own complexity. It is also the space in which new meanings arise because increased complexity in other systems contributes back to the CS with new SGMs, which in turn act as the new reality. The CS with its language dimension

acts as the storage space of the society by storing all the present social reality (all SGMs). As Luhmann asserts, linguistics provides an adequate conceptualization of reality through language:

Put briefly, it goes like this: resistance to language can only be put up by language itself and as a consequence in so far as language is the point at issue, language itself generates its indicators of reality. (Luhmann, 2000b: 89)

Functionally oriented social systems have their social ‘functions’, which essentially define them (Moeller, 2006: 25). For example the function of a legal system is to create the norms for a particular society. However, these systems also have their ‘efficacy’, which represents the actual effects of the system on the society (Moeller, 2006: 25). Law is used for controlling the conflicts in the society. Science’s function is to produce knowledge, and its efficacy is in supplying this knowledge to the society. Therefore, the CS’s societal function is to enable a platform to create and store the society (the social reality) and thereby become the society, while it is perceived as transmitting the society, which is its efficacy. Efficacy and function result from the guiding distinction which is the main paradox that the system constantly maintains. Efficacy is what the system looks like to daily observers and the function is what the system constantly tries to hide.

As no single system can guide society, while the CS provides space to all social systems (including itself) to increase their complexity, it cannot define where they should go. Even though the CS is an essential medium for other systems, each social system is autopoietic and therefore self-governing. For example, the CS does not determine how economic, political, and religious systems should progress. The CS provides different alternatives for communication, and other social systems choose among these according to their internal mechanisms. They increase their own complexity via their own internal system relations. The CS is a passive system in determining the specific details of economy, science, religion, law, politics, or other topics of the society. Therefore, each social system should be analyzed with regards to its own perspective, and not according to the advancement of the CS and its communication technologies.

#### **4.9. Internal Differentiation vs. External Utilization**

I have depicted how the CS increases its complexity by introducing new programs that provide alternative methods and mediums of communication to the social systems of society. Yet how do these different programs differ from each other internally? In other



words, I must depict the internal criteria for developing a new communication medium. However, these internal criteria should not be confused with the justifications of the external systems which perceive and select the communication technologies according to their internal dispositions and requirements.

Because a communicative event entails three selections (information, utterance, and understanding), if an utterance is not picked up by a remote party, then there is no understanding and there is no communication. Similarly, if an information selection occurs but is not uttered, it does not lead to a communication. Therefore, publishing a web page or merely planning what to publish does not mean that information has been communicated to millions. Only when someone accesses the web page can a communicative event even occur. This is important to acknowledge because many attributes that media scholars assign to the CS derive from the couplings of the CS with psychic and other social systems. The CS has very little to do with the scale of the communication. However, many scholars find the reasons for the scale and the reach of a specific communication medium within the properties of that medium. For example, Thompson lists four interactional characteristics for communication types (1995: 85), and three of them, space-time constitution, dialogical/monological and action orientation, result from the interpenetration of the CS with other systems rather than from the internal dynamics of the CS.

The extended availability in time and space corresponds to the higher possibility of selection of understanding because of the medium's coupling with a higher number of systems. For example, if a marketer advertises via a billboard in front of a tube station, the ad will be seen by many because people pass along that route and because that billboard space is already interpenetrated by many people. On the other hand, an advertisement on a wall inside a house will not be visible to many, because that wall is not interpenetrated with many other psychic and social systems. The high adoption rate of a particular medium by individuals prolongs the use of that medium, but this has nothing to do with the medium's essential characteristics, because the CS merely provides different options; it is incumbent upon the other systems to pick them up.

In certain technologies of the CS, the communication gets a faster response, such as in oral communication, where the next communication is immediate, but for example in printed media, the communication elicits a slower response. Thompson refers to this

difference in terms of the 'dialogical/monological' characteristic of the communication medium. However, the dialogue/monologue aspect of the communication arises from its external couplings and the context. For example, in a chat application, if someone does not want to respond, she does not. In the case of the cinema, someone might quit smoking a day or perhaps a year after watching 'Thank You for Smoking'. The decision as to when to respond does not arise only from the communication type.

Thompson also refers to the action orientation of the communication medium, which suggests that some types of communication are oriented toward specific receivers, while others are oriented towards an indefinite crowd. However, seen through the perspective of the interpenetration of systems, the recipient systems can never be indefinite or undefined because from the perspective of broader society, the existing couplings are already there; the receiver can be uncertain only from the perspective of the sender. Using a medium that has a greater chance of yielding a high rate of understanding results in greater interpenetration (or coupling). Hence, one must be careful in assigning inherent traits to the CS when differentiating various communications media, and must avoid endowing them with traits that arise from the interpenetration of the CS with other social systems, because these characteristics are external to the CS.

The programs' internal differentiation is highly complicated, as there are numerous ways to communicate in a society. Consequently, one cannot conceptualize the full richness of the internal differentiation of the CS via certain distinct aspects of it. Still, I have observed three major criteria for programs and their relevant communication media by which they may be differentiated from one another. The first is the 'durability' of the communication medium. Some media are more durable than others, and this difference arises from the coupling of the particular communication type with the physical world. For example, recently advertisers have found printed media to be more durable than online media (Leslie, 2010). Printed material, because of its physical form, is harder to discard. In contrast, online web pages can be incomplete because of broken links, and they themselves can be erased from the central location and disappear forever leaving no trace. A second internal differentiation criterion is 'the complication of the three selections' of the communicative event. The resulting relative speed of the communication derives from the coupling of the communication medium with the physical world. The process of the communicative event can be divided into three selections: 1) creating 2) transmitting 3) understanding. A communication technology's

speed may differ from that of others according to any of these three aspects. For example, online video is hard to produce (create) but very easy and quick to distribute (transmit) yet still requires the time and attention of an audience to consume it (understand). The third and final aspect of the internal differentiation of the programs is 'the representative capacity' of the communicative medium. Each medium has a different capability for carrying symbolic cues, and therefore the intricacy of the representation becomes a substantial differentiation factor between various communication technologies. While SMS is a very simple medium, face-to-face communication is a very rich one.

A new communication medium arises only if it is different in one of the above three major aspects. For example, SMS is quick to create, send, and receive but is not durable, and the richness of its representation is low. A movie takes a long time to create, distribute, and watch but it is durable and very rich in representation. One can also believe that these differentiation aspects create an efficiency zone, which defines the success of the new technologies, and state that if a new technology is very similar to an existing one in representation but very complicated to create, then it has no chance of being picked up by other social systems. However, efficiency and effectiveness are not internal differentiation factors of the CS. Each medium of communication, as long as it is different from another in one or more of these three aspects, has a chance of being used by other social systems at some point. Evidently, if a program of the CS has no interpenetration from external systems, then it ceases to exist as it is useless for the society.

Most explanations of communication media unconsciously combine both the interpenetration and the internal differentiation aspect of the CS. It is important to distinguish between these two and to point out which properties arise from the CS and which are the choices of the external social and psychic systems. Meyrowitz's book 'No Sense of Place', which studies the extension of humanity into space and time, is a good example of my suggestion (1985). Meyrowitz, following McLuhan, asserts that the new communication technologies make it possible that an individual may exist in many places. This logic is correct, given that with new technologies individuals can be represented in more media. However, the reason for this possibility should not be solely tied to the properties of the new technology. It should be understood that this extension results both from the internal dynamics of the psychic systems and their interpenetration

with the new technology, because it is still the other systems' decision (be the system social or psychic) to be coupled with the new medium and to create communicative events. I have the option to broadcast my daily life at home to the Internet in the manner of a Big Brother TV show, but I choose not to.

#### **4.10. Conclusion**

I conceptualize the 'communications system' (CS) as both the assumed artefacts of communication media and the social practices surrounding these artefacts. The CS is a whole in which every communication medium functions in accord. In order to understand the function of the CS in the society, specific technologies should not be conceived apart from this totality. Moreover, the CS is not necessarily the evident modern forms of communication. From street signs to social networking sites, any medium that produces a social communicative event is a part of the CS. Therefore, the CS involves both mass communication and interpersonal communication (including face-to-face interaction), which are inseparable.

Each medium of communication within the CS brings its own symbolically generalized meanings to communication. In other words, the CS is also the language, because a language cannot take form in the absence of a communicative medium. Therefore, the CS is the medium in which generalized symbolic meanings are not only communicated but also created. However, the CS, constantly covering its language aspects, distinguishes itself from a meaning making system and positions itself as merely the bearer of meanings (or language). Consequently, while the CS seems to be transmitting the society, it is actually creating the social reality and therefore the society. Therefore, its code is 'the CS/not the CS', and its guiding distinction is 'the CS/the society'. Nevertheless, the CS advances according to its internal system dynamics and resulting dispositions, and so with the other social systems, such as economy and science. The CS is essential for the society and provides a platform upon which other social systems and thereby the social reality may develop, but it cannot determine how they progress.

The above description of the CS is the framework with which I may conceptualize any social phenomenon as an autopoietic social system that is made up of communicative events. The CS provides various alternatives for communication with other social systems. Each social system chooses among these media consistently with its own internal dynamics, according to which the system performs autopoiesis. In the next

chapter, using the CS framework, I conceptualize the brand as an autopoietic social system that is solely composed of related communicative events that derive from any type of communication media. Even though the brand utilizes the medium of communication and resides within the CS, this does not mean that the brand is governed by the CS. Therefore, the brand is analyzed with regard to its own perspective, and its own internal autopoietic nature is depicted.

## **5. Brand as a System of Interpenetration**

### **5.1. Introduction**

As explained in the research design chapter, in the second phase of my research, via ‘the communication system as the medium of society’ framework, and the viewpoint of the broader social systems theory (SST), I have performed a functional analysis of the brand-related academic literature of the marketing, sociology, and consumer culture theory fields. The brand, like any other social phenomenon, can be conceptualized as an autopoietic social system which captures the brand’s broader function in the society and its resulting internal cultural dispositions. Consequently, in this chapter, I make a case for the following propositions:

- 1) The brand as a social system: Each social phenomenon can be conceived as a social system that resides in the medium of meanings which is provided by the communications system. The brand is no different. The brand as a social system exists in this medium by continuously differentiating itself from its environment by consuming meanings. The brand system advances via its own self-referential internal dispositions by observing, internalizing, and processing the communicative events that directly or indirectly refer to it. Via this process, the brand’s own symbolically generalized meanings arise in the communications system and thereby in the society.
- 2) The brand as an interpenetration system: Each social system is also an interpenetration system because it requires stimulation from the environment and therefore is coupled with numerous other social systems. Similarly, the brand system is coupled with various social systems, perhaps more so than any other system. These coupled systems provide the brand its necessary environment for differentiation while the brand becomes a part of the environment of these systems, enabling their differentiation. More importantly, while interpenetrating various disparate social systems, the brand as a rich, multi-dimensional medium translates and synchronizes these social systems. The brand continuously differentiates from its environment by juggling the diverse distinctions of these coupled systems, and it arises from the interplay of these distinctions. The brand is not simply a parasite, but a necessary building block of the society that enables cultural synchronization of disparate social systems.

- 3) The major social systems that are interpenetrated with the commercial brand: There are various social systems that influence (but do not govern) the commercial brand. The coupled systems retain their autonomy as well in making sense of their environment, as does the brand system. These coupled systems can be any meaning system in the society, ranging from macro to micro social systems. Still, there are common social systems that are coupled with commercial brands, such as the social systems of economy, politics, law, science, art, marketing, lifestyles, health, safety, and ecology.

## **5.2. The Brand as a Social System**

### **5.2.1. From Consumption to Consumer Culture**

In order to conceptualize the brand, the understanding of consumption must be clarified. However, consumption is a broad term that somehow encompasses various social phenomena. How can the understanding of consumption be delimited? How different is consumption from anti-consumption? How can other non-economic activities, such as religious practices or personal relationships, be distinguished from consumption? How different is hanging out with a celebrity friend from wearing a prestigious watch? Some academics argue that everything should not be reduced to consumption, and that there are spheres outside the market, but then what is the definition of 'market'? In response to these questions, Soren Askegaard suggests that consumption should be seen as a perspective rather than a topic (Hermansen, 2010). The perspective is a good solution because it does not objectify the unit of analysis. Instead, the perspective view suggests that the research and the choice of topic are observer-dependent. Still, in this case, this perspective should be defined according to by which criteria it looks at the phenomenon.

Slater asserts that the modern version of consumer culture emerged in the period between 1880-1930, a period marked by several major developments, including the development of mass manufacture, the widening of markets, and most importantly, the establishment of the norms of exchange (1997: 13-14). This was the period during which consumer culture was coupled with the discourse of modernity. However, as Slater also warns, this pairing does not necessarily mean that the existence of a specific consumer culture is confined to modern times. Consumption may have had different mechanisms and actors, whose terminology may not have corresponded to

contemporary definitions, but it has always been there. Still, modern discussions regarding consumer culture and consumption tend to relate to the last hundred years or so. Within this period, academic discussions regarding consumption can be categorized into three approaches: 1) the liberal view 2) the critical view and 3) the cultural view.

#### **5.2.1.1.The Liberal View**

The liberal view of consumption is the earliest conceptualization of consumption in modern times, yet it still prevails by virtue of being perfectly complementary to the well-established capitalist economic system. The liberal view conceives the consumer as a modern man, a much-lauded concept in the past. Before the cultural enlightenment, an individual's identity and position in the society were primarily given and fixed at birth based on his or her family's social class or role in the community. Being able to determine one's own social status and forge one's own identity amounted to a social revolution. Increased consumption was welcomed because it enabled social mobility.

Whether as a producer or consumer, then, the enterprise culture heroizes the same 'active self-motivated individual, accepting responsibility for its own fate, keen to identify clearly its aims and desires, to remove barriers to its fulfilment, to monitor its success in realizing them ...' (Keat and Abercrombie 1911:11 cited in Slater, 1997: 38)

As Keat and Abercrombie point out here, the individual's liberation from existing social structures and increased subjectivity through consumption are the main propositions of the liberal view of consumption. The success of the liberal view of consumption should not be surprising given that it is supported by a formidable ideology: the modern economic system.

The ideal of liberalism has been supported by various philosophers. For example, both Hobbes and Locke assert that social institutions and formations should arise only from the needs and interests of individuals. However, Adam Smith laid out liberal thinking specifically in terms of markets and the economy. Smith theorized the 'invisible hand' that automatically augments human welfare through the aggregation of the selfish yet intentional actions of individuals, and it is this invisible hand that fosters liberal views of consumption:

But the annual revenue of every society is always precisely equal to the exchangeable value of the whole annual produce of its industry, or rather is precisely the same thing with that exchangeable value. As every individual,



therefore, endeavours as much as he can both to employ his capital in the support of domestic industry, and so to direct that industry that its produce may be of the greatest value; every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good. It is an affectation, indeed, not very common among merchants, and very few words need be employed in dissuading them from it. (Smith, 1904 (1776))

In the liberal view of consumption, then, a major problem is economic amorality (Slater, 1997: 46-50). Prevailing economic theories see consumption only as a transaction and fail to question either the consequences or the rationale of the consumption. This failure is not to be considered a problem for liberal thought itself, but a requirement; however, a significant illusion stems from economic amorality. Because of the transactional nature of this perspective, many researchers do not see beyond immediate consumption and fail to realize that consumption activities are already deeply influenced by the structure of the market and society, and constantly contribute back to these structures. The myopic viewpoint which focuses only on the transaction fosters the illusion of liberation from the governing structures, as if individuals' actions arise solely from their free will. Yet as Foucault explains in various of his writings, agency and liberation are not easy to demonstrate, because for a given action it is always possible to argue that even though individuals may feel liberated, and feel as if they are defining themselves through various actions, they may in reality simply be governed by the mechanisms of a particular discourse (1978, 1982). In summary, the liberal view is powerful in accepting consumption as it is and not problematizing any version of it, because consumption is indeed an essential, natural aspect of society. However, the liberal view defines and justifies consumption by means of a flawed reasoning, which naively portrays consumption as a method of liberation that increases human subjectivity, while having no awareness of the broader context of cultural discourses that govern or at least influence consumption.

#### **5.2.1.2. The Critical View**

In 1944, Adorno and Horkheimer insisted that the mass media as ‘the culture industry’ is separated from the base of the society and dictates to consumers what to consume and what to enjoy irrespective of their own latent choices or desires (1996). Adorno asserts the passivity of the consumer in the production of popular culture and assails the culture industry for damaging both popular culture and high art (Jarvis, 1998: 72-89). Horkheimer and Adorno argue that society is no longer reflected in its own culture, and that individuals should directly take part in producing their own culture (1996). Adorno and Horkheimer’s assertions are typical examples of the critical view of consumption, a view in which cultural elitism and nostalgia prevail. Critical theorists typically assume a normative and elitist perspective, from which they grant themselves the right to impose an ideal culture on society.

Critical theorists are correct in arguing that the liberal view of consumption fails to take into account the cultural context that shapes consumption, and that consumers are not as reflexive as they are believed to be. Yet the critical theorists of the mid 20<sup>th</sup> century offer these propositions as if they are something new. The reason behind this supposed change in reflexivity is the introduction of new mass communication technologies and practices emerging in the beginning of the twentieth century. Silverstone sees the overemphasis on mass media in research as inevitable because of the increased influence of film, radio, and television in those years (2005: 189). The new form of mass communication that found a body and materiality in new communication technologies is easily perceived as a self-governing system of information that is detached from the individual. Nevertheless, the mass media are not essentially very different from past modes of public communication. If one views matters through the lens of the critical view, one finds the same autonomous structure and lack of agency in every social phenomenon, because individuals are never fully aware of the consequences of their actions.

Following upon the critical view of mass media, the critical view of consumption views marketing as a dominant system which is detached from the base of the society yet governs consumers. However, Scot asserts that advertisements are merely reflections of prevailing culture (1994). Like consumers, marketers are also influenced by the governing cultural trends, and they simply respond to a practical situation via dominant

ideologies without really knowing they are doing so. Similarly, Olsen argues that advertisers ‘as cultural intermediaries encode brands while promoting values and sentiments they deem important’ (2009: 78). Advertisement and marketing intermediaries do not possess the supposed influential agency to shape consumer culture and thereby society, because they are also part of the same culture and are governed by it to a certain degree. The successful marketers are the ones that interpret prevailing cultural trends successfully, not the ones that promote unrealistic cultural codes that are detached from the base of the society.

Holt analyses the issue of the dominance of marketing from the perspective of consumers and asserts that the mechanisms that critical theorists are asking for are already in the market (2002). There is no need to look for revolutionary acts to resist market forces, because individuals, who ‘engage in non-conformist producerly consumption practices’, are already thus shaping the market (Holt, 2002: 88). The aggregated consumer is not as passive as critical theorists would suggest. Culture can neither be stable nor reflect the romanticized ideals of a few intellectuals. Culture evolves via the overall contributions of the society. However improbable the outcome may be, in the long term, the broad culture reflects the desires of the society.

One of the main counterarguments to the critical view is ‘false consciousness’ (Marx, 2000b), which supposedly derives from alienation and commodity fetishism. Marx argues that capitalism has altered the nature of society, such that in the modern political economy the ‘realization of labour appears as *loss of and bondage to the object*, and appropriation as *estrangement, as alienation*’ (2000a: 4).

*Political economy conceals the estrangement in the nature of labour by ignoring the **direct relationship between the worker (labour) and production**. It is true that labour produces marvels for the rich, but it produces privation for the worker. (Marx, 2000a: 6)*

The concept of ‘alienation’ is similar to Hegel’s ‘unhappy consciousness’ argument, which proposes that human beings need to feel that they forge their own world, otherwise they would feel alien in the world outside (Slater, 1997: 104). While the human requirement of a close world is valid, the opposite is also necessary. An individual’s need for meaning can be conceptualized in three dimensions: self-identity, close world, and distant world. Yet all these understandings reside within the mind.

Individual persons have to find affirmation at the level of their respective personality *systems*, i.e. in the difference between themselves and their *environment* and in the manner in which they deal with this difference—as opposed to the way others do. At the same time, society and the possible worlds it can constitute become much more complex and impenetrable. The need for a world that is still understandable, intimate and close ... stems from this, a world which one can, furthermore, learn to make one's own.

An individualization of the person and the need for a close world are not necessarily parallel processes; indeed, they tend to contradict one another, for the close world leaves the individual less room for development than do the impersonal macro-mechanisms fixed in terms of legal or monetary, political or scientific principles. Thus, a concept of increasing personal individualization does not adequately pinpoint the problems which individuals have to overcome in the modern world, for they cannot simply fall back on their autonomy and the resulting adaptability this entails. What is more, the individual person needs the *difference* between a close world and a distant, impersonal one, i.e. the *difference* between only personally valid experiences, assessments and reactions and the anonymous, universally accepted world—in order to be shielded from the immense complexity and contingency of all the things which could be deemed possible. (Luhmann, 1998: 15-16)

Every person has to build an understanding of a distant world to understand and appreciate the closer world (Luhmann, 1995: 219-223). Both the distant and the closer environments are within the mind, and they are fostered by various social practices that either alienate and distance certain meanings from the individual or attach and internalize other meanings to the individual. A person is in constant modulation with reference to the environment and has to continually differentiate between a distant and closer world. Therefore, as Soren Askegaard commented in a recent workshop, people actually 'live tolerable lives in their alienated experiences' (Hermansen, 2010).

Building upon the alienation argument, Marx asserts that 'commodity fetishism' is an artificial discourse that hides the alienation of labour (2000b). Commodities are detached from consumers because of the rupture between production and consumption; therefore any unreal use-value can be loaded onto the commodity. Baudrillard takes this theory further, claiming that this artificial endowment is becoming more and more symbolic, and that tyranny thus emerges at the level of sign-value (2000). Critical theorists connect this tyranny back to 'false consciousness', which refers to people's false assessment of 'their real material interests' (Slater, 1997: 113). For example, Williamson asserts regarding advertisements that the ads in consumer culture have 'a false materiality' and 'distort the real world' (1978).

Nonetheless, false consciousness is the most significant failure of the critical view. Critical theory supposes an objective world which is better or truer, and that somehow this reality is not correctly communicated to individuals. Critical theorists romanticize a period in which meanings were more real and natural, but in point of fact no such period ever existed. There were always various discourses that defined meanings and also human beings; nothing comes naturally, as the thing itself. Things acquire value only when they are communicated about. As I have already argued, this value-loading process, which is the marketing aspect of consumption, is not under the control of a certain group, but corresponds to the surfacing of social desires. Consumer culture and the other modern discourses, such as advertisement, marketing, and capitalism, are no less real than other public discourses that define the social understanding of nature, life, society, religion, and so on. Scott asserts a view similar to mine:

When considered in light of the real limitations imposed by Western rules of representation, and with regard to the larger scope of object properties and uses, the notion of realism propounded in this literature [critical theory] becomes a thoroughly theoretical construct, something closer to an imaginary number than a snapshot. The end result of this theoretical stance is to put forward a narrowly political viewpoint, one that insists on the primacy of one historical group's experience over all others. ... Adding insult to injury, these critics use theories designed to explain ordinary language acts in the service of a rhetoric intended to convince readers that the most everyday, disposable texts of today's culture—advertisements—work upon them in mysterious ways. This body of criticism, while asserting the cause of liberation, instead establishes the critic's view as the last, indeed the only, word on what is real. As such, this work is itself inherently arrogant and imperialistic. (Scott, 2009)

I believe that the critical view of consumption has successfully challenged the liberal view by demonstrating its weak points, and has contributed immensely to contemporary consumer culture theory. For example, Veblen's 'conspicuous consumption' argument asserts that the higher class earns its status by consuming socially useless things and by shunning productive labour or mundane tasks. Despite its critical voice, Veblen's work was among the first to draw attention to the role of consumption in shaping the culture (2000). Yet, researchers would do well to avoid the conspiratorial arguments and elitist agendas of the critical view.

#### **5.2.1.3. The Cultural View**

Towards the end of the twentieth century, in line with developments in sociology and philosophy, the theoretical lens through which researchers view consumption has

changed. The cultural view conceives of consumption as neither emancipating (liberal theory) nor as false consciousness (critical theory) but simply as a value-neutral yet necessary societal practice. Michel de Certeau is one of the first to conceptualize certain resistance mechanisms for consumers and to position consumers as active stakeholders in the market instead of as passive zombies (1984). De Certeau proposes that against the 'strategies' of the powerful producers, consumers have their own 'tactics' which are used to subvert the prevailing market mechanisms that do not favour consumers. Fiske, following de Certeau, summarizes this line of thought:

If a particular commodity is to be made part of popular culture, it must offer opportunities for resisting or evasive uses or readings, and these opportunities must be accepted. The production of these is beyond the control of the producers of the financial commodity: it lies instead in the popular creativity of the users of that commodity in the cultural economy. (1989: 32)

Douglas and Isherwood's influential book is one of the first to conceptualize consumption at the level of meaning and communication (1979). Douglas and Isherwood argue against the material and utilitarian understanding of consumption and assert that consumption is a practice of exchanging meanings. Goods help human beings to communicate, signify, visualize, and stabilize culture. Consumed objects are seen as vessels that are 'needed for making visible and stable the categories of culture' (Douglas and Isherwood, 1979: 59). Moreover, postmodern philosophy has emphasized that there is no single cultural system, but a heterogeneous marketplace with diverse cultural spheres, in which each consumption practice should be understood in its own context. Slater outlines four characteristics of the cultural view (1997: 132). First, consumption always involves meaning because every desire has to pass from the conscious mind. Second, meanings in consumption are shared meanings because individuals, by virtue of being part of the society, are influenced by the shared culture. Third, individuals still maintain their own particular meanings, arising from their own life experiences. Finally, by consuming, individuals not only consume meanings but take part in the creation of shared meanings, and thus of culture and society.

Bourdieu's highly acclaimed analysis of taste is an excellent example of contemporary consumer culture research that reflects the major characteristics of the cultural understanding of consumption (1984). Bourdieu shows that tastes are not simply subjective individual choices but socially constructed meanings. He asserts that distinction works in two ways: individuals, by distinguishing between things, also

distinguish themselves. Taste conditions individuals, who define taste. Bourdieu rejects an ontological dualism of structure and agency (1977). Instead he proposes the concept of the 'field' and the 'habitus'. The field refers to the autonomous structures that impose objective social interactions between individuals. Habitus refers to the cultural frameworks that are disposed within the society and merge the objective field and subjective individuals via embodied social practices.

The conditionings associated with a particular class of conditions of existence produce *habitus*, systems of durable, transposable dispositions, structured structures predisposed to function as structuring structures, that is, as principles which generate and organize practices and representation. (Bourdieu, 1990)

Habitus both structures and is structured by individuals. Yet Bourdieu grants primacy to social practice by endowing strong agency to individuals in structuring culture via his argument that humans have 'a sense of the game' and therefore they are 'virtuous' (1977: 79). Because humans embody habitus into their bodies and actions, their use of it is more habitual and customary rather than structuring. Therefore individuals have a certain degree of freedom to reflect on habitus. According to Bourdieu, the habitus is that in which the subjective experiences of individuals and the objective interactions of the society melt together.

Nevertheless, how objective fields and subjective individuals are harmonized in habitus is not made explicit in Bourdieu's work. His argument demonstrates how culture conditions and is conditioned in social fields, but it cannot quite explain and rationalize the harmonization process for a particular case. The concept of habitus resembles Giddens's double structuration (Orlikowski, 1992), and it certainly cannot escape the ontological dualism that it opposes, the irresolvable mediation of structure and agency in defining society (King, 2004: 41-42). By dropping organizations and individuals from view and concentrating on social practices, Bourdieu's theory resembles Luhmann's social systems theory. However, Bourdieu strives to explain objective social structures via the reflexive agency of individuals. This is a common practice in the cultural view, which corrects various errors of other approaches but also endows strong reflexivity and agency to individuals in shaping their social environments. This is the core of my argument that there needn't be a linear deterministic flow from individuals to the social systems (or structures) that surround them. Both social systems and individuals can be captured as self-reproductive entities that structure themselves while

operating in harmony. The autopoietic nature of individuals and of social structures does not imply that each entity can go beyond itself and dominate another, or that any entity is not open to external stimulation.

Some cultural theorists have a tendency to look for certain discontinuities in the patterns of consumer culture. One common discontinuity of this sort is a presumed increase in the consumption of symbolic meanings. However, the question of how to differentiate between material value and symbolic value is at the core of this problem. Human beings, as conscious minds, lack direct access to the material world, such that everything is consumed and produced in the medium of symbolic meanings. Thus, proposing a change in the weight of these consumption values is a mistake that arises from viewing a phenomenon from two distinct theoretical perspectives. From the perspective of the consciousness that is the mind, all meanings are symbolic anyway.

Another major discontinuity that is presumed by the cultural view is the increase of consumption:

Much of this testifies to the fact that more of the social world, including social relations and experiences, can be made in the form of a saleable commodity for consumption. (Slater, 1997: 193)

However, this increase can be explained simply as the increasing interpenetration of the economic system with other systems. It might be that now more of the symbolic consumption goes through the economic system, but this increased coupling does not necessarily imply that the function and the amount of consumption (relative to other social practices) in the society has changed drastically. Unfortunately, the belief in increased consumption prompts researchers to look for two major essential discontinuities. First, the anxiety of increased consumption produces various studies on the supposed dangers of increased consumerism. Yet the current amount of consumption does not necessarily lead to a worse society:

But our most careful studies of consumption—inside and outside of sociology—challenge the idea that consumers in general are increasingly leading impoverished lives as a consequence of growth in consumption. (Zelizer, 2005: 349)

Second and more importantly, a belief in the increase of consumption prompts researchers to look for essential changes in the workings of the social order. For example, Cova proposes that in the past, personal identity and community were a given, but now they must be constituted via consumption (Cova, 1996). The concept of neo-



tribalism is based on the condition that modern socioeconomic transformations destroyed the traditional bases of sociality, and now postmodern individuals have to construct their identities and their freedom via consumption (Bauman, 1990). Yet, they also have to belong to the society. Therefore these alienating conditions compel individuals to join in collective and ritualistic modes of consumption (Schouten and Mc Alexander, 1995).

These arguments are only partly valid, because to claim that these behaviours are recent is incorrect. The modulation between being an individual and belonging to the society has always been present and has always necessitated communication with the society. The pace of change in the past may have been slower, and the number of meanings available for consumption may have been fewer, but nonetheless, no identity or status can be accorded any individual in the absence of the consumption of the necessary symbolic meanings. Perhaps formerly this consumption did not always occur through the economic system or commercial products; however, the consumption of meanings was always necessary in identity construction and always occurred through other social systems in which the individual could communicate his or her choices and desires to the rest of society.

In order to avoid presentism in the conceptualization of consumption and consumer culture, sharp discontinuities should be avoided in research, and consumption practices should be partly aligned with the social practices of the past. Modernity, post-modernity and various other grand theories of social change are not helpful frameworks for exploring society, because they compel researchers to observe specific changes in social phenomena, changes which could be matters of semantics and terminology, and not necessarily an alteration in the essential nature of individuals or social systems. In this case, I choose to take the perspective of Bruno Latour, and maintain that 'we have never been modern' while avoiding claims to major discontinuities or perfect continuity (1993).

Perhaps the pace of society has simply accelerated such that for any given matter, there is a greater volume of communication, and the ratio of consumption practices to the overall social practices remains the same. Or, it could be that the consumption of symbolic meanings is now increasingly quantified via its coupling with the economic system, and is therefore easier to capture and measure. This quantification renders

consumption more visible. Or perhaps, even given that the ratio of economic consumption remains constant, we simply cannot comprehend past our terminology in our attempts to understand and distinguish past consumption. In any case, the increase of consumption or even the pervasiveness of the economic system in modern times is highly questionable, given how many other social systems are no longer always directly coupled with the economic system, such as religion and politics:

Today neither salvation nor the special providence of transcendent powers, neither political offices nor tax-rates, neither government assessments nor similar sources of income can be purchased with money. (Luhmann, 1989: 51)

Therefore, I choose to utilize the cultural approach to consumption in the conceptualization of the brand, but I avoid comparing today's understanding of consumption to the understandings of the past and refrain from claiming either discontinuity or continuity. It is not easy and perhaps not even possible to fully compare consumption of different eras and assert essential changes in its nature. I choose to focus on consumption and the brand within the present day context and under contemporary values.

## **5.2.2. From Consumer Culture to the Brand System**

### **5.2.2.1. Combining Production and Consumption under the Exchange System**

Pauline Maclaran states that consumption should be conceptualized together with production because an individual must be involved in production to be a consumer in the first place (Hermansen, 2010). Similarly, Zelizer stresses the need for an approach that merges the production, the acquisition and the use of goods and services (2005). As explained in the section on the critical view of consumption, production and consumption are linked because producers are influenced by the same cultural discourses that affect consumers. Therefore focusing exclusively on the consumption side of the equation is insufficient and apt to produce biased research.

One solution for capturing production and consumption together is to focus on the exchange medium between producers and consumers. However, a common mistake in this regard is to aggregate and conceptualize this exchange medium as a single market culture. Slater and Tonkiss advise that there is no single market culture or market society that governs all exchange; markets should be understood as heterogeneous, complex social systems (2001). This heterogeneity is also emphasized in CCT:

This CCT is not a unified, grand theory, nor does it aspire to such nomothetic claims. Rather, it refers to a family of theoretical perspectives that address the dynamic relationships between consumer actions, the marketplace, and cultural meanings. ... Thus, consumer culture denotes a social arrangement in which the relations between lived culture and social resources, and between meaningful ways of life and the symbolic and material resources on which they depend, are mediated through markets. (Arnould and Thompson, 2005: 868-869)

Exchanges take place within a broader socio-historic context, in which certain major discourses influence—but do not control—production and consumption practices. Rather than striving for a unifying grand theory of exchange, one must acknowledge the existence of numerous, disparate exchange systems and their subjective realities (Kozinets, 2001, Firat and Venkatesh, 1995). Hannerz calls this heterogeneity the ‘distributed view of cultural meaning’ (1993: 16).

In many of the studies that use the cultural approach, the particular realities contemplated are the lived experiences of individuals or groups. However, rather than focusing on the individuals surrounding the exchange entity, researchers should focus on the medium of exchange at the centre. One could still maintain heterogeneity by conceiving every product or service as an exchange system, which is the medium in which consumers and providers meet. From such an exchange system perspective, the market can be conceptualized as the unity of various exchange systems that overlap or interfere with one another.

#### **5.2.2.2. From the Economic Exchange System to the Neutral Brand System**

Combining production and consumption under an exchange system is helpful, yet the exchange medium in-between should not essentially be an economic one that is influenced by cultural discourses or vice versa. Frequently, academics conceive consumption in terms of either an economic or a cultural process, avoiding the other. Zelizer warns against this dichotomy between ‘markets and rationality’ and ‘sentiment and meaning,’ labelling it the ‘Hostile-Worlds framework’ (2005: 336).

Reification of the boundary between culture and consumption encourages three incorrect and equally reductionist positions: (1) consumption is “really” rational maximizing behavior that acquires a carapace of culture after the fact; (2) consumption is essentially expressive behavior that does not conform at all to economic rationality; (3) consumption divides between a hard-nosed region of rational maximizing behavior and a soft-hearted region of cultural expression. In fact, all consumption (like all economic life) builds on culture in the sense of shared understandings and their representations. The secret to understanding

consumption lies in careful observation of how culture, social relations, and economic processes interact (Zelizer, 2005: 332)

On the one hand, all consumption is seen as rational economic transactions within the market, and on the other hand, it is seen as self-expressive, sentimental, and irrational behaviour. Because each of these views may contaminate the other, a dialectic is usually avoided, and this simplification results in the ‘nothing but reductionist’ approach (Zelizer, 2005: 336). Instead, Zelizer advises maintaining a view that captures the complex relationship between economic and social processes.

With the development of economic sociology, it has become evident that the economic system cannot be contrasted with the cultural system because both are instances of culture that arises from social practices. Recent postmodernist research emphasizes that there is no single cultural system, and each social phenomenon should be analyzed in its own context with all its interfering discourses and systems. However, doing so is not as easy as it may seem. Conceiving the exchange system at the nexus as a product or service already results in a business perspective that conceptualizes the exchange system primarily as an economic sub-system and thereby introduces a certain bias into the conceptualization of the exchange. The conceptual construct that captures the exchange system has to be a rich and multi-dimensional one, comprising but not determining the relations with all the influencing discourses. Consequently, I assert that the brand is an ideal construct for capturing the unity of production and consumption and most importantly the influences of various social systems. The brand is not a narrow terminology, such as that of the product and the service, which fail to reflect the symbolic nature of consumption and production. The brand also does not automatically reduce the medium to an economic exchange system. Instead, the brand implies the multi-dimensional aspect of the exchange medium, in which many different levels and perspectives of meaning (including economic meaning) converge via consumption, production and other brand-related social practices.

#### **5.2.2.3. The Brand as a Set of Symbolically Generalized Meanings**

A major oversight in the existing conceptualizations of the brand is not to have a single coherent perspective, but instead combining various incommensurable theoretical perspectives in terms of ontology and epistemology. Many academics in brand management research have a tendency to separate a brand’s physical traits from its

symbolic ones. For example, Kornberger equates the brand to functionality plus meaning (2010: 47-53). Holt claims that the technical aspects of the brand represent not a cultural dimension but an objective one (2010). Holt approaches functional benefits from a different perspective, positioning them from the perspective of physical reality and the superiority of technology (2010: 8-9). Such researchers do not realize to what extent they are shifting their theoretical lenses while differentiating between the functional and the meaning aspects of the brand. The function and the meaning of a brand can arise only from different theoretical perspectives. Considering the two together is the core problem in the many conceptualizations of the brand. When a researcher proceeds from a belief in an objective, physical world, that researcher assumes that there are undeniable functional traits of a brand. The physical world influences symbolic meanings, but humans have no direct access to this physical realm, which is accessed only via the conscious mind. In the medium of consciousness, meaning is all there is, such that even the functional aspects of a brand are simply meanings. Therefore, functional traits are also meanings, and thus the brand is simply a cluster of symbolic meanings ranging from emotional to functional benefits.

So if the physical world is to be left aside in the conceptualization of the brand, how is a brand constituted by symbolic meanings? The answer is, via communicative events in the society. Production, consumption, marketing, and distribution can be seen as communicative events that contribute to the formation of the generalized meaning of the brand. Any form of communicative event that somehow directly or indirectly refers to the brand is picked up and processed by the brand system, and then forms and fosters the understanding of the brand in the social realm. With each related communicative event, the brand system forms and its symbolic meanings emerge. A brand system acts as a medium of communication, in which all communicative events are picked up by it and are used for the differentiation of the brand system from its environment. Meanwhile, the brand system develops its own symbolically generalized meaning in the society through this process. To summarize, the self-referential brand system can be understood as both the set of symbolically generalized meanings and the communicative events that arise from and foster these symbolic meanings (Figure 6):

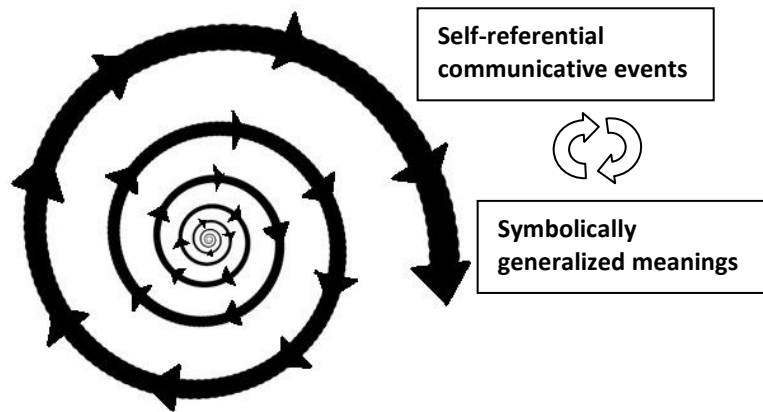


Figure 6 – The brand system

### 5.2.3. The Brand as a Social System of Interpenetration

#### 5.2.3.1. Detaching Consumers and Producers: The Autopoietic Brand System

Human beings in general want to convince themselves that they are in control of society. Similar thinking prevails in marketing and brand research as well. Current studies of consumer culture and the brand strive to find a linear relationship between individuals' lifeworlds and the social phenomena around them. Such studies position individuals as fully reflexive with regard to surrounding structures, according them strong agency in shaping not only their own lifeworlds, but also the social systems around them. Therefore, most of the existing conceptualizations of the brand have one thing in common: they capture the brand as the direct result of the motives and agencies of individuals, as in the simplified diagram in Figure 7.

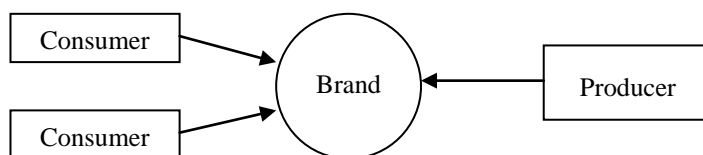


Figure 7 – A typical conceptualization of the brand

These frameworks, in which the conceptualization of the brand has been forced onto external agents, are inevitable in general academic practice because the alternative is unimaginable and unmanageable in the scope of the classic theoretical perspectives at hand.

If a researcher wishes to endow a brand with a certain agency in developing itself, then he or she has to adhere to a framework, such that, as shown in Figure 8, the brand has to be considered an actor.

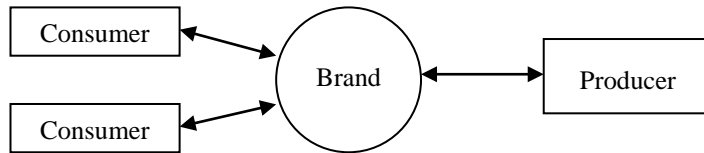


Figure 8 – The impasse of mediation in the conceptualization of the brand

Figure 8 is much closer to real-life situations, because consumers' and producers' social practices are influenced by their existing understanding of the brand. Consequently, there are conceptualizations that admit the brand's agency in shaping itself. However, these cannot provide a solid framework suitable to explain and justify the social construction of the brand, because they cannot resolve the mediation between various actors: if there is no longer a final passive construct (in this case the brand) to which all practices contribute, the model and the conceptualization become circular. In any social interchange between parties one can never know who is responsible for the interchange. Does a certain communicative event (a social practice) arise from the consumer's agency or from the brand's agency (structure)? This indeterminacy becomes the typical structure and agency problem which gives rise to the circularity of the causal relationship and the resulting impasse of mediation. Therefore, many conceptualizations deproblematised this complex picture in the actual research process by affording some individuals strong agency in shaping their social environments and simplifying Figure 8 back into Figure 7 in the actual study. The researchers who admit that the brand demonstrates a degree of autonomy cannot surrender the primacy of individuals in shaping the brand system and persist in tracing the formation of the brand in a linear fashion, back to social practices. For example, Lury admits that the brand has a certain self-referential nature, but she ends up explaining its existence via individuals' choices and practices (2004). Franzen and Moriarty assert the complexity of brand systems, but again seek to explain the environment of the brand system in terms of the actions of producers and consumers (2009). Holt detaches the brand from consumers by positioning it as social desire, but ends up appealing to the gut feeling of the marketer in creating the brand because Holt needs a starting point to conceptualize the brand.

However, the brand system is beyond the reflexivity of individuals. Via the alternative and radical conceptual tools of SST, the brand can be conceptualized as an autopoietic social system without relying on the causal effects from external psychic and other social systems. When individuals are removed from the conceptualization of the brand, which is positioned as an observer of itself and its environment, the issues arising from the structure and agency impasse automatically disappear. There is no longer a need for a deterministic framework whereby explanation is based on a presumed chain of cause-and-effect relationships. Instead, as shown in Figure 9, the brand can be perceived from its own internal perspective, just as consumers and producers are understood via their own lifeworlds.

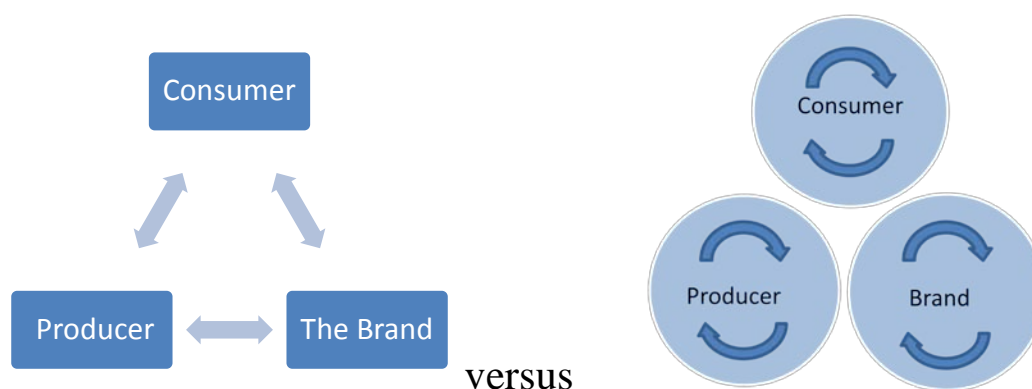


Figure 9 – The causal understanding of the brand vs. the SST understanding

By according the brand a certain nature that arises from its broader social function, its existence no longer needs to be traced back to and justified by individuals' presumably rational and reflexive practices. A brand system is a highly complex social phenomenon for individuals because social systems work at a different meaning level that transcends the lifeworlds of human beings. Therefore, rather than forcing a mediation of individuals' lifeworlds with the brand system, I drop subjects from the picture so as to concentrate on the brand itself as an autopoietic social system. In passing, this way of dividing markets into various autopoietic brands and lending freedom to each of them in governing their own reproduction creates a perfectly heterogeneous and complex conceptualization, in which the market becomes the unity of the distinctions between various autopoietic brand systems. This alternative conceptualization of the market reflects the complexity of markets better than classic descriptions such as the organizational field, to which competing agents contribute in a rational way (Swedberg, 2005, Bourdieu, 2005).



In my approach, producers and consumers interpenetrate the self-reproductive brand system; however, this state of affairs does not hinder individuals' autonomy and their potential to irritate the brand. Still free, producers and consumers live in harmony with the brand system, while retaining and managing their own understanding of the coupled brand. The heterogeneity that is proposed here is very much concurrent with the marketplace ideology that CCT currently emphasizes, proposing neither structure nor agency but the harmonious working of the two (Kozinets, 2002, Holt, 1997, Thompson and Hirschman, 1995, Bourdieu, 1984). Yet I avoid mediation in attaining harmony. For example, Kozinets shows how the utopian desires of Star Trek fans meet the desires of the corporation and the media (2001). While I recognize the existence of this sort of harmony, I assert that it should be explained by the existence of a social system between producers and consumers, or indeed between all stake-holders. Individuals can never communicate directly because minds are distinct, and each communicative event must leave one mind to enter the other. Therefore, there is always a social system between minds in which the communicative events reside. This is actually the only way to allow for the autonomy of individuals, because if the individuals could communicate perfectly, eventually they would harmonize fully and dissolve into one another by virtue of sharing the same lifeworld. Instead, the social systems that interpenetrate human beings act as translation systems that enable the autonomy of participating conscious minds. The brand as a social system resembles a typical healthy marriage, in which the couple gets along and forms the objective and self-reproductive system of marriage between them while maintaining their autonomies and their subjective understandings of the relationship (Luhmann, 1998). The social system between individuals cannot be under the control of certain individuals because otherwise it would be impossible to maintain the autonomy of others. Therefore in order to maintain the autonomy of individuals, sovereignty should be endowed to the social system (space) in-between, as illustrated in Figure 10:

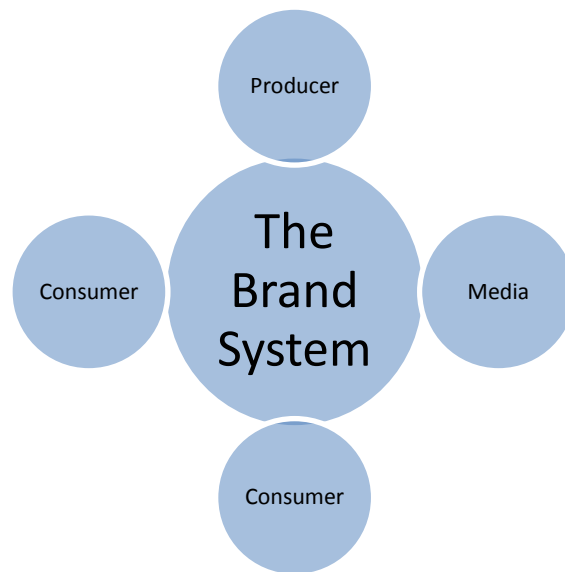


Figure 10 – The autopoietic brand system coupled with other sovereign systems

Each stakeholder has its own particular desire, which is different from that of the brand system. Individuals have their own worldviews, and with their autonomy, they evolve towards their own understanding of the brand, while the brand evolves via its own logic and produces its generalized meaning in the society. However, the brand is not simply the aggregation of consumers' and other stakeholders' desires. Its micro functions in the individuals' lives are simply its translation into their lifeworlds. The brand is an autopoietic social system that is at a different level of meaning that is too highly complex for individuals to be reflexive of it. Therefore the brand has to be understood and explained via its internal guiding distinction that results from the brand's place and function in the broader cultural discourses.

#### **5.2.3.2. The Guiding Distinction of the Brand**

If the brand is to be conceptualized as a social system via SST then it is necessary to describe the guiding distinction of the brand system and how it is used in the differentiation of the brand from the environment. The society conceives the brand superficially via its simple, dichotomous code: the brand/not the brand; subsequently, the brand system picks up any communicative event that directly or indirectly refers to it. However, the brand observes itself in these events by building a particular understanding of the environment as the abstract other. Consequently, the brand system constantly strives to differentiate itself from this environment via the guiding distinction

of ‘the brand/the abstract other’, which is presented in Figure 11 with Spencer-Brown’s mark of distinction:



Figure 11 – The guiding distinction of the brand

This guiding distinction brings the irresolvable paradox that enables the brand system as expected. The brand can never detach itself from the abstract other because the brand is always partly the abstract other that it tries to differentiate itself from. This asymmetry enables the brand’s continuous differentiation from the environment and its existence: the abstract other->the brand->the abstract other->the brand.

For example, let’s assume for now that Pepsi Cola’s abstract other is the generic cola drink and the guiding distinction is ‘Pepsi Cola/cola drink’. Pepsi Cola as a brand strives to avoid being merely a cola drink, but it is inherently a cola drink. Therefore, Pepsi Cola’s not being a cola drink is paradoxical. Yet with the help of detailed sets of rules (programs) Pepsi Cola hides this paradox and justifies its difference from the generic cola drink. For instance, Pepsi Cola was the first brand to introduce the diet option. However, because of competition in the market, the mechanisms of the internal differentiation are generally copied by other brands, and over time those mechanisms also become the aspects of the generic product in the market, as now all cola drinks have diet options. This development renders the brand, in this case Pepsi Cola, to be undifferentiated from the market in that respect and forces the brand to find other sources of differentiation in order to survive. The concept of guiding distinction perfectly explains the modulation of commonalities with the competition and differentiations from it. On the one hand, if a brand becomes extremely differentiated from the abstract other, then it detaches itself from the environment and loses the system/environment distinction which enables its existence in and relevance to the social world. On the other hand, if a brand system does not differentiate itself sufficiently from its environment then it cannot maintain its form as a separate entity and dissolves into its environment, disappearing from the society.

I proposed the generic cola drink as the abstract other for Pepsi Cola only to offer an example for depicting the guiding distinction of the brand and its continuous differentiation from the environment. The abstract other of the brand is much more

complex than a generic product or a service because the brand is a multi-dimensional construct that joins numerous disparate discourses. Even commercial brands are not simply products or services, and therefore their abstract others cannot also be generic products or services. The abstract other of the brand reflects the other side of the multi-dimensional, complex brand system and therefore it is too rich to be captured via certain adjectives. The guiding distinction is what keeps the brand system functioning; therefore a simple one dimensional abstract other would not represent the complexities and the multi-dimensionality of the brand system. As a result, I need to open up and detail this abstract guiding distinction by showing the underlying diverse dynamics that lead to its formation.

#### **5.2.3.3. The Brand as the Plurality and the Interplay of Its Programs**

Many academics have maintained that the brand is a multi-dimensional entity (Lury, 2009, Kornberger, 2010, Arvidsson, 2006, de Chernatony and Dall'Olmo Riley, 1998); this multi-dimensionality is the result of the brand system interpenetrating multiple disparate social systems, which is a necessary situation for the brand to exist, given that every social system has to be coupled with other social systems in order to have an environment that stimulates its internal autopoiesis.

However, there are certain social systems the function of which is primarily to enable translation and synchronization between otherwise detached systems. For instance, Luhmann describes love as a social system of interpenetration that enables the coupling of two separate individuals (1998). I propose that like love, the brand is also primarily a social system of interpenetration that translates and synchronizes disparate social systems, as shown in Figure 12.



Figure 12 – The Brand as a social system of interpenetration

The coupled systems in Figure 12 are only examples, given that the social systems that the brand interpenetrates are different for each brand, so that they thus differentiate themselves from one another. Some of these interpenetrated social systems are very broad, such as the economic system, which influences brand systems in terms of general economic understandings. Others are highly specific systems such as the surf culture in Southern California that influences particular brands attached to its discourse. The guiding distinction of the multi-dimensional brand should reflect the plurality that arises from the coupled social systems. However, how does the brand system handle the complexity of interpenetrating diverse social systems internally?

The brand system interpenetrates each social system in its environment via a particular program. The brand system perceives a multidimensional environment from the perspective of these programs because each program sees the environment differently based on the particular social system which the program interpenetrates. Any communicative event that refers to the brand is picked up by the brand system and is then taken over by the related programs and processed according to their subjective understandings of the environment. For example, when the social system of the Mercedes-Benz brand picks up communicative events, such as car reviews, these are processed at least by two programs: the scientific and the aesthetic. The scientific program interprets the communicative events from the perspective of a specific social system of science which it interpenetrates in the environment. Subsequently, the scientific program produces distinctions regarding the mechanical and electronic superiority of the Mercedes brand. The aesthetic program decodes the same communicative events from the perspective of a particular understanding of aesthetics

because this program handles the Mercedes brand system's interpenetration with a certain social system of aesthetics that defines the meaning of a stylish and luxurious upper-class car. The aesthetic program produces distinctions regarding the aesthetic aspect of the Mercedes brand.

However the program's responsibility is not only to handle the corresponding interpenetrated social system. Because programs are confined within the same brand system they are aware of each other's operations and their resulting distinctions. Therefore each program also has to accommodate all the other programs either by utilizing the other program's distinctions in its own differentiation from its perceived external environment or by being neutral to the others' distinctions. However, one program cannot contradict another, as doing so would damage the harmony within the brand system. In the Mercedes example, because the scientific and the aesthetic program share their distinctions within the brand system, they utilize each other in their particular differentiations from their environments. In the scientific program, the Mercedes brand differentiates itself from other mechanical objects by also being highly aesthetic. Similarly, in the aesthetic program, the well-designed Mercedes differentiates itself from other stylish objects by also aspiring to mechanical perfection. Furthermore, the failure of any program's interpenetration and the resulting decoupling from the external social system affects the overall unity of the brand system. For example, if Mercedes is no longer superior in mechanical terms then the coupling with the aesthetic system is also affected because Mercedes will not be so easily able to differentiate itself from other stylish items.

Each program of the brand system has to interpenetrate an external social system and couple with its discourse, but at the same time each program has to accommodate the other programs within the brand system. The program's dilemma is between dealing with the external distinctions and accommodating the internal distinctions of the other programs. This complex responsibility and the resulting continuous interplay enable the autopoietic brand system. The brand system is the unity of the interplay between disparate programs that maintain not only the external interpenetrated social systems but also one another. Figure 13 represents the internal dynamics and the dilemma of the programs that give rise to the brand system (the particular programs in the figure are only examples for illustrating the dynamics of the brand).

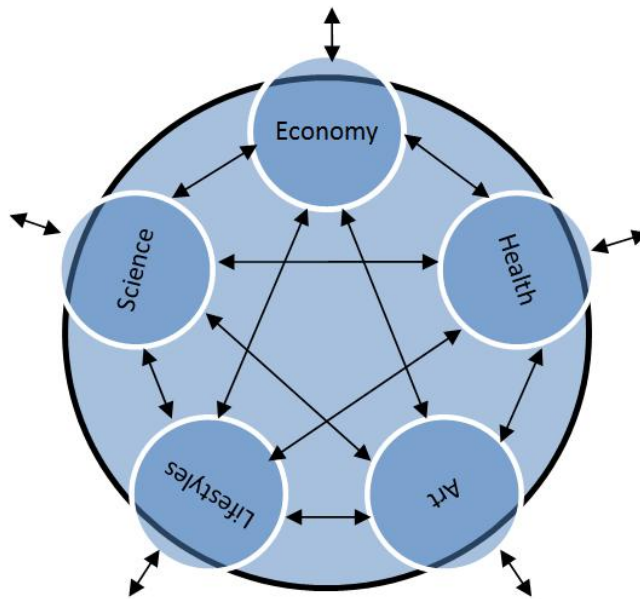


Figure 13 –The brand system as the interplay of its disparate programs

Instead of conceptualizing the brand according to its presumed essential properties or devising a simple, single dimensional guiding distinction, I assert that the brand is a social system of interpenetration that differentiates itself from its complex environment via its programs that are coupled with disparate social systems.

This conceptualization also reflects the brand's macro function in the society. Each program brings particular distinctions that arise from its interpenetration with a specific social system. Since these distinctions are shared within the brand system, the other programs end up utilizing them in their own differentiations. The otherwise detached social systems in the environment start sharing their distinctions with one another through the brand system that sits in the centre. They become each other's environment indirectly, yet they start stimulating one another. By interpenetrating these disparate social systems, the brand system ends up translating and synchronizing them. Since every social system needs stimulation from the environment, the brand fills a necessary gap in-between social systems by connecting these systems to the rest of the society and thereby enabling their existence.

### **5.3. Commonly Interpenetrated Social Systems**

In order to narrow the conceptualization of the brand to a commercial one, I briefly outline the common social systems that interpenetrate products and services. I have devised this list of the major social systems from well-known marketing and branding books (de Chernatony, 2006, Elliott and Percy, 2007, Kapferer, 2008, Kotler et al., 2009, Keller, 2008). This list is a guideline for conceptualizing commercial brands; however, the list is in no way comprehensive and defining for any particular brand. Each brand has to be analyzed in its own context, and these couplings must change for each brand due to numerous factors, such as sector (B2B, B2C, Non-profit), reach (local, national, multinational), being part of a brand portfolio, brand extension, co-branding, product or service brand and the coupled cultural codes. I should also point out once again that I do not list the psychic system as a potential coupling. According to the SST, contemplation of a single individual's lifeworld is not necessary in conceptualizing the brand because the lifeworlds of individuals are already represented in the broader social systems such as the social systems of lifestyles, economy, science and art.

#### **5.3.1. Economy as a Social System: Detaching the Brand from the Economy**

I begin analyzing the coupled systems from the economic one because most of the existing conceptualizations of the brand are based primarily on an economic understanding. I assert that the brand and its coupled needs or desires (either a product or a service) are external to the economic system. The social system of an economy is like all other discourses in the society: it is self-governed and stimulates other social systems but does not dominate them. The prevailing economic system, such as capitalism in most nations, is not the context for other systems or for modern society.

In general, economists perceive the economy as governed by the collective self interest of people rather than endogenously (Dobbin, 2005). They assume that this exogenous self interest emanates from human nature. Therefore, traditional economists rely on conceptualizations that position the individual as rational, economic man with ever-existing interests. These frameworks are also much easier to address via existing mathematical models. However, even though the physical world and the human body constitute certain constraints, economic behaviour is contextual, and it is defined by the discursive dynamics of the social world, and is not based on individuals' presumed



essential needs and rationality. Economic sociology is a discipline that emphasizes the social dynamics in the understanding of the economy. Karl Marx was one of the first to employ a socio-historical approach in analyzing and understanding the economy (Dobbin, 2005). Marx agreed with neoclassical economists that self-interest shapes the economy, but he also showed that certain individuals try to alter the economic rules according to their advantage. The prevailing economic system is not natural or a given, but a result of a highly complex power and class struggle. Max Weber argued that even though people are subjective, broader norms and customs guide them and thereby guide social institutions (Dobbin, 2005). Accordingly, the institutions embody the shared meanings in the society and eventually these meanings drive economic behaviour. According to Weber, a broader framework was needed to capture the economic reality in which various institutions and the economy work in accord and each influences the other. According to Emile Durkheim, economic behaviour is determined by the social role of the individuals, such as their occupation (Dobbin, 2005). These different perspectives give rise to the present-day institutional economics, a discipline which integrates Weber's and Durkheim's approaches into a single framework in which institutions and individuals are in constant mediation, thereby forming the prevailing economic norms (Nee, 2005). However, all the prevailing approaches to the economy are still seeking an external cause that triggers the economy. Self-interest and human nature are still the starting points for most frameworks that capture the economic system.

In contrast, Luhmann, using the SST, conceptualizes the economic system from within and analyzes it extensively from a self-referential perspective. Luhmann positions the economy as one of the major function systems in the society (1989: 51). Still, as the SST dictates, this does not mean that the economic system has any superiority over other systems in determining their progress. Each system still retains its autonomy in making sense of the environment. The economic system is highly pervasive, because it is coupled with many other systems and stimulates them by being part of their environment.

Luhmann defines economy as the totality of all the communicative events that refer to money either explicitly or implicitly (1989: 51-62). According to Luhmann, the modern economy has restricted itself from politics, religion, and other systems by not being involved directly within their internal operations. For example, one can no longer

purchase a political office or salvation as one could in the past. These restrictions provide the economy its distinction from other systems, which enables 'its *autonomous closure* as a self-governing, operative function-system of society' (Luhmann, 1989: 51). The economy is partly a closed, self-referential system because it presupposes having money:

Today, because of its monetary centralization, the economy is a rigorously closed, circular, self-referentially constituted system because it effects payments that presuppose the capacity for making payments (thus the acquisition of money) and manages this capacity. (Luhmann, 1989: 52)

Money is a symbolic concept that cannot be conceived as either input or output. It only makes sense within the economic system. For Luhmann, it is the symbolically generalized communication medium of the economic system that carries the code (schemata): 'paying/not paying' (1989: 61). This code filters the communication in the society and takes the communicative events that involve payment into the economic system. However, contemplating this code, the paradoxical nature of the economic system becomes apparent: one has to have money to provide money to others. Simply requiring payments for the sake of enabling the economy is not meaningful or possible. Thus, the concept of money has to be introduced to complicate the code and to reveal payments as essential. At this point, most economists utilize needs as a solution to the justification of payments, but as I have argued, needs are external to the economic system. Needs are the internal conditions of other social systems, and they cannot be programmed and used by the economic system. Needs constitute the environment of the economic system but they cannot enable the existence of the economic system.

The code of any system has to be justified by an internal logic, which is the 'price mechanism' for the economic system. Simply, by deeming the price just, the system blurs the code and the payment comes to seem meaningful, logical, and natural. But how does the price mechanism work to make the price just? Luhmann states that prices 'are determined by what people will be willing to pay in the market and this is determined by the money supply available', all of which is the job of the market (1989: 53). However, Luhmann asserts that the market is a poorly theorized concept and attempts to make sense of it by differentiating between competition, exchange, and co-operation:

At present, co-operation and exchange normally do not occur among those who are in competition. This makes it possible to keep the competition of interaction and communication open among the competitors and to reduce it to a mere calculation of the social dimension of everyone's respective behaviour. As long as the system determines itself through competition it can spare itself the difficulties and ramifications of the conjunction of interactions. (1989: 54)

[T]he market makes "impersonal" relations possible: it neutralizes the relevance of the other roles of the participants, and it removes the mutually binding moral controls that evaluate persons and thus moral engagement as well. (1984: 199)

Programs that justify the price and quantify it require competition within the market. Since needs are external to the economic system and cannot affect it, how does the competition thrive within the economic system? This problem is solved by building another program on top of the price mechanism program, which is the 'profit' program (or acquiring money).

Profit is justified by defining the ability to stay within the economic system. Every payment requires that the payer loses capacity to make future payments and takes the risk of no longer being in the economic system, a conflict which mediates the majority of the individuals' needs. Therefore, an individual has to make money, such as through paid labour, to stay within the system of the economy to consume his or her needs because these needs are coupled with the economic system. The economic system requires that to consume one has to be in it, and thereby justifies competition and profit. This self-referential logic, not needs, maintains the economic system and makes money 'a sort of catalyst in the process of societal differentiation' (Ganßmann, 1988: 312). Luhmann summarizes the internal logic for the economic system below:

For the economy, the question will always be with which prices will the capacity to make payments be passed on and how can the incapacity to make further payments be transferred. This is the only mechanism that combines autopoiesis, resonance to the environment, continuation of production and the inclusion of an unintelligible, noisy environment in this process. (Luhmann, 1989: 62)

Hence, economy is not a natural phenomenon but an evolutionary achievement, and it does not rely on natural concepts such as the satisfaction of human needs (Luhmann, 1984). It is a self-referential system that grows in complexity by constantly simplifying everything in its environment via the price mechanism. Yet each system must have a function in the overall society; otherwise it cannot be coupled with other social systems and cannot exist. An operationally closed autopoietic system does not function towards an output but its function becomes the output. The 'function' of a social system is

usually the reduction of a certain complexity in the society. A function of a system should not be confused with its 'efficacy', which the general population sees as the practical purpose of a social system in daily life. The efficacy of the economic system is fulfilling the satisfaction of needs. So, what is the function of the social system of the economy?

Luhmann asserts that the societal function of the economic system is to resolve the paradox of scarcity, which Luhmann characterizes in terms of how 'the elimination of scarcity through the appropriation of scarce goods increases scarcity' (1989: 60). Individuals want to secure future access to scarce goods and thus find a solution in storing these scarce goods beforehand. Yet, this precautionary ownership creates further scarcity. This paradox is partly disguised by the successful expansion of the economic system and by the non-monetization of external costs, such as the depletion of natural resources. Still these solutions are not enough to maintain the paradox; therefore, the economic system manages the paradox of scarcity by bringing the time element into the exchange:

[Economy as a social system] has to do with the possibility of deferring a decision about the satisfaction of needs while providing a guarantee that they will be satisfied and so utilizing the time thus acquired. (Luhmann, 1984: 194)

Money brings reflexivity into the exchange: an outcome of an exchange can be exchanged in the future for something else, and one does not need to decide on such matters at the time of the exchange, and therefore can utilize the time in-between. By delaying their decisions regarding the outcome of their exchanges, individuals defer scarcity, and such is the societal function of the economic system.

### **5.3.1.1. Religion as a Social System: Economy Taking Over Religion**

Meaning creates redundancy by implying a surplus of further possibilities which nobody will be able to follow up all at once. In view of this redundancy which is continuously reproduced by meaning-based communication, every next step has to be a *selection* out of other possibilities. Within the world created by the operations of this system every concrete item appears as *contingent*, as something which could be different. Societies, therefore, operate within a *paradox world*, there paradox being the *necessity of contingency*. (Luhmann, 1985: 7)

The society, which individuals experience as meanings, is self-referential and based on tautology, empty of meaning (Wittgenstein, 1961 [1921]). The society generates

increased complexity to conceal explicit self-reference (paradoxify) so individuals can take these forms for granted and not negate them.

Forms convince by implicit self-reference. They propose themselves. They can be “taken for granted in everyday life” because they resist further decomposition. They enforce a “take it or leave it” decision. They reject development. In this sense they have a ritualistic quality (Rappaport, 1971: 1971a). The ritual represents religion because it corks up self-reference. The ghost has to stay in the bottle. (Luhmann, 1985: 8)

Society can exist only as a self-referential system, it can operate reproduce communications only within a Gödelian world. This general condition makes “religion” (whatever this means) unavoidable. Social life, therefore, has a religious quality—Georg Simmel (1898;1906) would say: a “religioid” quality. The paradoxical constitution of self-reference pervades all social life. (Luhmann, 1985: 8)

This ritualistic quality that Luhmann highlights derives from the social systems’ programs which increase complexity to mystify their self-referential nature. For example, the economic system justifies its self-referential nature via the complex dynamics of price mechanism and profit. The communications system complicates and disguises its paradoxical code by excessively detailing how the complex communication technologies transmit reality. Thus, each social system hides the paradox of its own operations successfully, but the overall society, which is the totality of all social systems, remains indeterminate and paradoxical because something much broader is needed to limit the society and create an environment (perceived as external) for it; this is where religion comes in (Cipriani, 2000: 225-227). With its schemata as God, the religious system perceives the reality as the unity of the distinction between ‘immanence’ and ‘transcendence’. Here, transcendence is not another reality but a more complete version of the perceived present reality that no longer requires transcendence because it is not based on self-reference or complexity but on other reference and implexity (Luhmann, 1989: 95). By differentiating the accessible present-reality from the inaccessible extended-reality, the reality at hand becomes determinable. The present-reality and especially its future become accessible. As a result, social systems and individual minds can operate with this guarantee of a God which resolves the indeterminable logic of the existence of reality.

Religion also works to eliminate the paradox of morality by defining good and evil (Luhmann, 1989: 94-99). However, over the last century or so, the religious system has been unable to complicate its programs sufficiently to avoid being labelled dogmatic.

For example, the scientific system's ascendancy was a considerable challenge to religion because it took over the explanation of nature. These days, each social system defines what is moral or not from its own perspective in its realm rather than relying on the religious system. The same may be said for the economic system. However, the economic system even takes over religion's main function:

From the individual's viewpoint money allows him to make provisions for the future. Basically we only need to worry about money in order to meet the future within the framework of what is technically and socially possible. In this regard money supersedes religious guarantees. It becomes a "god term" (Burke 1961, p. 355f.) in the economic realm. (Luhmann, 1984: 206)

Because of the failure of religion in creating successful programs, economy invades various other social systems and in a sense transforms their communicative events from religioid operations to economic transactions, because it is able to guarantee and determine the future of these systems. This ability is the main reason why economy (and consumption) seems to continue to grow, because individuals can increasingly secure their future through monetary relations instead of religious ones.

#### **5.3.1.2. The Brand and the Economic System**

The economic system is autopoietic, and it advances according to its internal guiding distinction. Still, a symbiotic mechanism in the environment is necessary for the stimulation of the economic system (Chernilo, 2002). Instead of needs, I position the brand system as one of the major couplings of the economic system, because it reflects the social desires that the economic system utilizes in its internal differentiation. In addition, the brand system interpenetrates psychic systems which are already coupled with the physical world through bodies. Therefore, the brand also inherits the understandings of individuals' essential needs, such as food and sleep.

However, economy should not be the primary framework for understanding brands. Regardless of the economic system, communication happens in other social systems because they lack price. Luhmann asserts that the economic system processes everything in 'the language of prices' so that it can defer the satisfaction of the social desires via the money medium (1989: 62).

[T]he economy obeys not an immanent logic of needs, but instead the need for an immanent logic; that to the extent that the economy specializes in the function of deferring decisions, it is itself dependent upon a multiplicity of social

processes and thus draws behind it highly complex presuppositions (if this paradoxical formulation is permitted); and that in this whole context there is expressed a primacy of the problematic of time in human existence which the social processes obey. (Luhmann, 1984: 196)

We are going to presuppose that the necessary conditions in the whole society (e.g., conceptual, linguistic, political, and technical conditions) for a secure deferral of the satisfaction of needs are realized and exist as utilizable givens in the environment of the system. (Luhmann, 1984: 196)

Not all social systems necessarily require deferral, so these systems can avoid using price in their communicative events. There are brand systems that do not interpenetrate the economic system directly. These non-economic brand systems can guarantee their future via other systems, such as religion, and they can choose not to be quantified via price. Also some systems do not require the coupling of the economic system because in these social systems time deferral is unimportant. For example, in modern romantic relationships one has to provide love to another in order to be loved in return, and more importantly that love has to be consumed while one is in the relationship. It is against the nature of modern relationships for a partner to ask to be compensated by means of something else, and even to defer this compensation to a future date. Therefore the barter of love is still non-monetary, at least in explicit terms.

Nevertheless, even if the economic system invades a brand system (or any other system), this does not mean that the internal dynamics of the newly interpenetrated system are altered dramatically or that they are now being guided by the economic system:

Scholars, social critics, and ordinary people often assume that monetizing goods, services, and social relations strips away their culturally grounded personal meanings: paid personal care, for example, necessarily lacks the intimacy and power of unpaid care. Closely observed, however, intimate social relations turn out to incorporate monetary flows quite productively over a wide range of circumstances. (Zelizer, 2005: 348)

Zelizer adds that this oversight 'results from overestimating the capacity of the media', which is money. The economic system becomes only a part of the environment of the newly interpenetrated system and provides external stimuli for the internal differentiation of that system. Each social system still evolves via its own internal dynamics while strengthening its existence via the guarantees of economy.

While there are brand systems such as political parties or places that are not directly interpenetrated by the social system of economy, nearly all commercial brands are coupled with the economic system. Today's commercial brand system interpenetrates the economy to guarantee its future for further differentiation because the economic system justifies and supports the existence of the brand in terms of profitability. By deeming the brand system an efficiently produced social desire, the economic system guarantees to every other system and also the brand system itself the brand's existence in the future. Moreover, by quantifying the brand's values via price, economy helps the brand to differentiate itself from its environment more efficiently.

Interpenetration between systems is reciprocal; therefore, not only does the economy help the brand system's existence but also the coupled brand helps the particular subsystem of economy in its internal differentiation. By providing the coupled subsystem of economy a particular type of business logic that requires its profitability to be calculated, the brand system increases the complexity of the economic system. The brand system helps the economic sub-system by providing a social desire that is structured differently from others in terms of economics. Via the coupled brand, the economic sub-system differentiates itself from the broader economic system by using the brand system as a distinction of a particular business model.

### **5.3.2. Brands Coupled with the Political and Legal Systems**

Like the economy, the political social system is highly pervasive, because in defining how to govern and oppose, it has the potential to stimulate numerous other social systems that embody ongoing political struggles. The medium and the code of the political system is power, which is the reason for its interpenetration with a vast number of social systems, given that power is at the core of all social relationships (Moeller, 2006: 29). Politics does not control the evolution of other systems, but since every communication between individuals needs to carry aspects of authority and power, it provides the required mechanisms and meanings for the discourses to happen. In turn, the related communicative events contribute back to the political system and its autopoiesis (Luhmann, 1989: 84-85). With every new argument in any coupled social system, the political system has a chance to observe itself in the discussions within the discourse. Not merely apparent arguments about governing and opposing, but any communicative event that is derived from a particular ideology of authority and power,



allows the political system to evolve. The commercial brand systems generally interpenetrate the political system. Each brand system is coupled with a certain political ideology that provides the coupled brand a particular differentiation factor. At the same time, the coupled brand system provides a vessel to that ideology by transforming the ideology into everyday consumable meaning. In this way the political subsystem of that ideology can embody self-referential differentiation and evolve via being used and communicated in the form of a brand. For example, for each globally targeted brand, globalization is supported. With each Coca Cola product sold, the American mode of politics, including democracy, capitalism, and free trade, is supported and differentiated from others. Any chocolate bar that is branded 'Fair Trade' assists in the differentiation and formation of a less capitalist and a more humanist political sub-system, while differentiating its brand from others in the market.

The legal system's coupling with the brand is much simpler. The law defines what is legal or illegal in order to eliminate future uncertainties about norms and thereby regulate possible conflicts (Luhmann, 2004). From the perspective of the legal system, the brand system can be either legal or illegal, but it is still coupled with the brand because in order to be deemed illegal, a system should still be interpenetrated with law. However, since nearly all commercial businesses want to operate legally, their brands are coupled with the legal system and are generally deemed legal in the long run. As always, the coupled brand also enables the differentiation of the legal system. For example, by being a legal cigarette brand, Marlboro joins in the differentiation of the legal system and provides a vessel and a reason to define what is considered legal activity in the cigarette market.

In some cases, certain new types of commercial brands may avoid coupling with the legal system because the law may not cover these, and therefore does not understand the brand. Since the legal system is highly pervasive and overlapping vis à vis the economic system, the legal system structures itself accordingly and uses this new brand in its environment to increase its own complexity. For example, PartyPoker.com was an offshore gaming company that served U.S. citizens until 2006 without being regulated or banned, because the legal system was incapable of interpenetrating it. However, over time, PartyPoker-related communicative events continued irritating the legal system and thus helped form the legal understanding of online gaming in the U.S. Eventually, this

new brand was fully coupled with the U.S. legal system and deemed illegal by the Unlawful Internet Gambling Enforcement Act of 2006.

### **5.3.3. Science as a Social System: Social Construction of Facts**

The function of the scientific system is to structure truth and facts. Like all social systems, science is coupled with the physical world via psychic systems and bodies. There is no essence of scientific knowledge because scientific facts are simply symbolically generalized meanings that derive from the scientific system (Luhmann, 1989: 76-83). Science provides the factual and therefore stable context in which the rational man operates. Science produces and provides knowledge to the society via the mechanism of true and false, concepts which are enabled by the use of theories and methods (Moeller, 2006: 29). Nearly every brand system has a certain scientific interpenetration, through which it joins a particular scientific social sub-system and gives body to the distinction of a particular truth to foster that scientific system. Concurrently, the scientific system provides a specific difference to the brand system to differentiate itself from its environment. For example, Google as a brand system heavily interpenetrates the social system of science because the brand's core strength for differentiation comes from being technologically superior (simply being very different). In turn, Google provides a case to the scientific sub-system in which certain scientific ideas can be applied and become differentiable from the others. Even the supposedly non-scientific brands use science as a differentiation factor. For example, a Hermes bag, which needs to convince its consumers that it is a luxurious object, has to justify its superiority via certain scientific facts such as being made from the most durable leather.

### **5.3.4. Health and Safety as Social Systems: Risk vs. Danger**

Luhmann analyzes and conceptualizes the understanding of risk as a self-referential social system (1993). However, Luhmann conceptualizes the abstract notion of risk only as a broad social system. There are numerous social sub-systems of risk. Two risk systems that are generally coupled with the commercial brand system are the social systems of health and safety which define what is unhealthy and dangerous for human beings (Kotler and Lee, 2008: 18-19). Health as a social system hosts various arguments that are joined by brands, such as tobacco use, heavy drinking, diabetes, oral health, and high cholesterol. For example, a non-alcoholic beer brand, by being coupled with the health system, supports the differentiation of a particular health subsystem via

supporting the less-alcohol-is-better ideology. Concurrently, the same beer brand differentiates itself from others by being non-alcoholic and healthy. Similarly, safety, as a social system, differentiates itself via producing various ideas for a safer society, such as no drunk driving, using seatbelts, and not owning a gun. For example, a car brand may differentiate itself via a particular idea of safety such as an automatic speed reducer. At the same time, this car brand would foster the social system of safety by utilizing the idea of the necessity of a speed-reducing feature.

### **5.3.5. Environmentalism and Social Responsibility as Social Systems**

Psychic systems attach themselves to two different perceptions of the environment: the closer world and the distant world. The responsibilities in the closer world are defined by the meanings that arise from such social systems as family, friends, colleagues, and the workplace. For the contemporary individual, there exist two important social systems that define his or her responsibilities for the distant world, or the society. Environmentalism as a social system defines essential responsibilities in preserving the natural world, such as energy conservation, waste reduction, preventing forest destruction, protecting wildlife habitat and air pollution awareness (Kotler and Lee, 2008: 20). Social responsibility as a social system defines the essential aspects of being a responsible modern citizen or community member, such as organ donation, blood donation, charity work and animal adoption (Kotler and Lee, 2008: 21). Commercial brands are usually coupled with these two social systems because as everyday consumable entities they are inevitably related to ecological and societal topics. These topics help the brand to differentiate itself from others and maintain its balance of distinctions by being successfully coupled with either the environmentalism system or the social responsibility system. At the same time, the brand helps these social systems to function by making their meanings and topics accessible and consumable by the broader public in daily life.

### **5.3.6. The Social Understanding of Emotions**

Holt posits that emotions are idiosyncratic and have little relevance for managerial decisions, because they are only the subjective responses of individuals to cultural codes (2010: 179). While this is true for the lifeworlds of individuals, the social understandings of emotions are not simply a given; they are also socially discussed and generalized symbolic meanings, such as love and sexuality, which individuals draw on

for their own internalised emotions (Luhmann, 1998, Foucault, 1978). There is a specific physiological nature of emotions for human beings, but the society defines what is funny, scary, or convenient for each era. Like all social systems, emotions need to interpenetrate other social systems to perceive an environment for their differentiation and existence. Some of these coupled social systems, such as the brand, act as vessels, in which emotions take form and become consumable by individuals. For example, Belk et al. show how the discursive understanding of desire is socially constructed and consumed through consumption objects (2003).

The brand is one of the interpenetration systems of society that bridges and synchronizes emotional discourses with psychic systems. Certain brands are directly and explicitly coupled with emotion systems. For example, some brands solely rely on the emotion of nostalgia to differentiate themselves from others (Elliott and Percy, 2007: 139). These brands perform such differentiation via the coupled emotion and also help the emotional discourse evolve by making the meaning of nostalgia consumable. Still, not all brand systems are necessarily coupled with emotion systems directly. There is no need to trace every social system to certain emotional responses of individuals, as most marketing professionals relate each brand to a particular emotional benefit. There may be an emotional response in the consumption of the brand but this emotion can simply be the effect of the social system with which the brand is coupled; the brand may have no direct relationship with that emotion system. For example, the Diesel Jeans brand is coupled with generation Y and its lifestyle. Consequently, researchers may measure certain emotional responses to the Diesel brand such as happiness, joy and passion, but these emotions arise from the coupling of the lifestyle with these emotions. Diesel does not necessarily interpenetrate these emotion systems because its related communicative events are not directly feeding these emotions.

### **5.3.7. Lifestyles as Social Systems**

Like emotions, lifestyles are also collective and discursive socio-historical constructs that individuals utilize in their self-formation (Holt, 1997). Lifestyles are socially desired collective templates that individuals attach to in defining themselves; still each individual customizes the coupled lifestyle via individual preferences and internalized meanings (Holt, 2005). From the SST perspective, the lifestyle is also an autopoietic social system that interpenetrates and is stimulated by various other social systems.

Individuals that are coupled with these lifestyle systems, feel certain needs to comply with these lifestyles, or in other words, to maintain a harmonious and successful interpenetration. Therefore, lifestyle systems are one of the major social system types that impose certain needs upon psychic systems. For example, Escobar shows in his book how the needs of the citizens of developing countries arise from particular discourses rather than being essential and natural (Escobar, 1995). Certainly, there is always a physical world that is coupled with social systems, including lifestyles, and this physical world places certain constraints on the social determination of needs (Holt, 2000); still, in this case, the understanding of needs is finalized at the level of symbolically generalized meanings that arise from the social systems of lifestyles.

There are numerous lifestyle systems that create their own internal meanings, needs, and requirements. These systems also stimulate one another, either through the interpenetrating systems or directly. No individual is defined by or attached to a single lifestyle system; there are numerous lifestyles that influence each individual. Accordingly, there is never an essential order of society, such as upper class, middle class, and lower class. Only through the plurality and totality of the differentiations between the various lifestyle systems that an individual is attached to can the individual's complex and multidimensional status in the society arise. Holt refers to this process as the interrelation of numerous symbolic boundaries (1997). Brand systems are not the only vessels that embody lifestyles; jobs, hobbies and various other meaning systems are coupled with lifestyles. However, the commercial brand system is one of the most common and strongest carriers of lifestyles, because as an everyday accessible meaning system it can easily mediate lifestyles and individuals. For example, a niche messenger bag brand, Crumpler, is coupled with the lifestyles of urban, generation Y members, bikers, and adventurers. The Crumpler brand provides a body to these lifestyles so that they can be accessed and differentiated from other lifestyles, while Crumpler differentiates itself from other bag brands via these lifestyles.

#### **5.3.8. Art as a Social System**

There is an essential understanding of the aesthetic that comes from the physical nature of the human brain, as with the golden ratio. Still the aesthetic understanding is finalized in the social realm as symbolic meaning via the contribution of various discourses. For example, Bourdieu demonstrates in detail that taste is both a socially

constructed concept and also a structuring one (1984). Every particular artistic style can be conceptualized as a social system and therefore each brand that has a certain aesthetic dimension interpenetrates a particular artistic sub-system. Generally, the commercial brand is coupled with a relevant aesthetic system in order to differentiate itself via a particular artistic trait. In turn, the brand assists the artistic sub-system's internal differentiation by supplying a vessel in which its distinct style can take form and can be contrasted with that of others. For example, a luxuriously designed camera becomes different from others in the market. At the same time, this camera, by being consumed and used, contributes back to the relevant artistic sub-system as the representation of a particular luxurious style that differs from other artistic styles.

### **5.3.9. Marketing Communications and Marketing as Social Systems**

As I demonstrated in the previous chapter, the communications system (CS) is one of the most pervasive and fundamental social systems because it provides a medium for the formation of other systems. Consequently, the CS is a medium of formation for the brand as well. For the brand, the CS supplies new technologies of communication that the brand system can take advantage of in its differentiation; the usage of the CS as a medium means that the brand is always coupled with the CS, and this coupling is performed especially through the social system of marketing communications, which defines the possible means of communicating commercial brands to customers. Each commercial brand system interpenetrates the marketing communications system, and this coupling is generally significant in the overall meaning of the brand. For example, most banks use TV for advertisement and the ability to afford that expensive medium implies that banks are large, powerful organizations. In the case of Red Bull, organizing an annual flying day (Flugtag) to promote the brand is a radical method of marketing communications which resonates well with the meaning of the Red Bull brand. Therefore, the means of communication can be an important differentiation aspect for the brand system. For example, despite the advantages of the digital medium, some luxury brands still produce and distribute high-quality print catalogues because this traditional medium fosters their classic and timeless image. In turn, the printed media technology lives by being used.

While marketing communications and the CS define the technologies of marketing, there is a separate marketing discourse that provides the techniques and ethics of

marketing. Holt summarizes the changes in modern marketing culture under three major paradigms and shows the evolution of the mechanics of marketing from scientific branding to citizen artists (2002). Holt asserts that if consumers recognize certain mechanisms of marketing and branding, brands decouple from their cultural meanings; therefore, marketing techniques should continue to evolve to keep up with the prevalent consumer culture (2002). Holt is careful to not accord any influential agency or power to marketers in controlling the choices of consumers in any era. However the brand is successfully marketed, it equates to a social desire (a culturally necessary social system), and it is no less real than a non-commercial meaning. The mechanisms of marketing and communicating the brand must change so that society does not see the self-referential nature of the socially constructed meanings of the brand system, as is the case for any meaning system in the society. Therefore, when a new paradigm of marketing arises with its techniques, the brand systems take advantage of it by interpenetrating it; in turn the brand systems become vessels that provide body to this new ideology of marketing.

#### **5.4. Conclusion**

In this chapter, I have performed a functional analysis of the brand-related academic literature using social systems theory and the communications system framework I devised in the previous chapter, and I have constructed ‘the brand as a social system of interpenetration’ framework, which is summarized below:

- 1) By means of the communicative events that directly or indirectly refer to the brand, the social system of the brand advances, and its symbolically generalized meanings arise in the society.
- 2) The society superficially conceives the brand via a simple dichotomous code: the brand/not the brand. However, the autopoietic brand system forms in the communications system by continuously differentiating itself from the environment via its asymmetric and irresolvable guiding distinction: the brand/the abstract other.
- 3) This multi-dimensional guiding distinction derives from the brand system interpenetrating various disparate social systems via its diverse programs. Each program perceives the environment according to its interpenetrated system and handles the distinctions that arise from this coupling. However, each program is also aware of the functioning of other programs internally. Therefore, the brand’s

guiding distinction arises from the unity of each program's dilemma between maintaining the external distinctions of the interpenetrated system and accommodating the internal distinctions of the other programs of the brand. While the brand results from the interplay of its programs, the interpenetrated systems stimulate each other through the brand. The macro-cultural function of the brand is to translate and synchronize these otherwise detached systems.

- 4) The interpenetrated social systems change for each commercial brand and can be any macro or micro meaning system within the society. Still, there are common social systems that are usually coupled with the commercial brand, such as the social systems of economy, politics, law, science, art, marketing, lifestyles, health, safety, and social responsibility.

In order to confirm my findings in this section, I need to go one level down in the analysis, phase three of the research, and use 'the brand as a social system of interpenetration' framework to analyze an actual commercial brand. Therefore, in the next chapter I analyze and conceptualize the Patek Philippe watch brand as an interpenetration system in order to determine whether an actual brand functions in the same way as I have theorized via analyzing the academic articles.



## **6. Patek Philippe as a Social System of Interpenetration**

### **6.1. Introduction**

In the previous chapter I have performed a functional analysis of the brand-related academic literature and have theorized the brand as a social system of interpenetration. I would like to validate this framework in the case of an actual brand. Therefore, in this chapter I move one step down in my research funnel and test my proposed framework by analyzing the Patek Philippe (Patek) watch brand. My methodology is again Luhmann's functional analysis, which I employ as described in the phase 3 section of the research design chapter. This time, however, I observe the communicative events of Patek through the perspective of 'the brand as a social system of interpenetration' rather than through the broader social systems theory (SST). Through my analysis, I conceptualize Patek as an autopoietic social system. In order to show the multidimensional nature of Patek, I deconstruct the guiding distinction of Patek into various programs that are coupled with surrounding social systems. I position Patek as an interpenetration system that sits in-between eight disparate social systems. I depict the programs of Patek and then their interpenetrated systems from the perspectives of these programs. Finally, I depict the interplay between the eight programs that enable the multi-dimensional brand system of Patek. In this way, I confirm the validity of the brand as a social system of interpenetration framework for the case of Patek and also present the analytical technique of utilizing the framework for an actual brand.

### **6.2. Broad Findings and Weakly Coupled Social Systems**

Like all other social systems, Patek interpenetrates a vast number of other social systems. Hence, it is not feasible to list all the coupled systems for Patek. However, for any social system, the strengths of the couplings with other systems vary, and Patek is no different. Therefore, I detail the major couplings that heavily contribute to Patek's rich meaning in the society. In the next section, I will illustrate these eight interpenetrated social systems and the corresponding programs of Patek, but first I will offer some broad observations about the Patek brand system and briefly illustrate some weakly coupled secondary social systems that do not necessarily contribute much to Patek's meaning.

As expected, the Patek brand system is a highly global one. All corporate communications, such as advertisements and the website, offer the same content in different regions. The brand community members are from all over the world, France, the U.S., the U.K., Germany, China, Singapore and the Middle East. Consequently, the understanding of the brand does not seem to change across different regions. However, in the analysis, I have discovered that Patek's meaning varies in different data sources. The Patek brand system is empowered by these diverse and disparate references, and there are different groups of distinctions in each data source; however, in the case of lifestyle, there was a very clear distinction between the meanings of Patek in two different sources. The communicative events at the WatchProSite.com are used by the program that handles the social system of 'Lifestyle—Successful Intellectuals' by referring to relevant distinctions such as 'educated taste' and 'tradition'. Meanwhile, the Patek-related communicative events in the broader public media, such as the New York Times or the Telegraph, are processed by the program that is coupled with the social system of 'Lifestyle—Rich' by emphasizing the high-class lifestyle marked by extravagant and lavish spending. It is not surprising but still interesting to clearly see via the data that the perception of the watch is highly different between the broader public and enthusiasts.

As a commercial brand, Patek is coupled with the broad marketing discourse that I have mentioned in the previous chapter. The marketing and the advertising techniques the Patek firm uses contribute to the overall meaning of the brand. Yet I will not emphasize the role of the marketing discourse in the functioning of the Patek system because the brand system simply requires the right marketing mechanisms from the marketing system to complement the meanings that arise from other discourses. The marketing of Patek does not necessarily contribute much to its meaning and differentiation; it simply matches it. For example, the Patek brand system strives to refer to 'the best'; therefore the print ads of Patek are found only on the prestigious back cover of magazines, very rarely inside their ordinary pages. The Patek brand system implies 'limited' and 'rare' as well. That is why, for the last year, Patek has been marketing a watch for which the waiting list for the next three years has been closed. While the social system of marketing helps the Patek brand system convey its meanings via its own particular techniques, the social system of Patek gives body to these techniques and enables their existence and differentiation from other strategies via its marketing program. The social

systems of marketing and Patek are coupled and help each other's self-referential functioning by providing an environment, but they are not crucial in defining each other's meaning.

The most surprising broad finding is the weak coupling of Patek with the social system of the wristwatch, which is a very broad discourse on the necessity and the meaning of wearing a wristwatch for timekeeping purposes. These days, the younger generation does not really need a separate timekeeping device, given that mobile phones have watch functionality. Studies show that today's teenagers do not wear wristwatches.

My \$400 Blackberry tells me the time, wakes me up, and tells me where to go at any given particular time of the day, why do I need a \$10,000 used watch? (4 May 2009, GearDiary.com, Atlas 347)

Evidently, there is a constant struggle for survival among various timekeeping alternatives. However, Patek does not play a significant role in this discourse. As a wristwatch, the brand might be expected to support the use of wristwatches for timekeeping purpose, but it does not, because references to timekeeping in the Patek discourse are incredibly rare. The 'wristwatch' term is abundant within the discourse, but it rarely refers to a timekeeping device. In most cases, the Patek wristwatch is discussed in terms of an artistic and scientific perfection that really has no practical use other than being a high-class status symbol. In some cases, it is contrasted with other wristwatches, but even in those situations it is conceived primarily as jewellery or a luxury accessory. Patek is many things, coupled with various interpenetrating social systems, but it does not seem to be a typical wristwatch used for timekeeping.

### **6.3. Major Interpenetrated Social Systems and the Corresponding Programs**

#### **6.3.1. Mechanical Engineering and Horology**

As I explained in the brand chapter, the social system of science is generally responsible for the formation of facts and truth. Although science is strongly coupled with the physical world, which puts certain limits on scientific knowledge, facts are the results of scientific discourses that are contingent, fully self-referential, and thereby tautological. Yet, for society to function, it requires stabilized and condensed meanings. The scientific system produces and provides this knowledge to the rest of society and to its social systems via its schemata of 'true and false'. Like most commercial brands, Patek has a scientific coupling, through which it interpenetrates a specific scientific social

system, which provides the Patek brand system a particular rationality for its claims and thereby enables its existence based on the provided facts. In turn, Patek enables this specific scientific system by providing a body to its scientific claims via its corresponding program. Nevertheless, science in general is a very broad social system that encompasses many different operationally closed sub-systems of science; it is thus necessary to outline the particular scientific system that is coupled with Patek.

Using the coding methodology I have described in the theoretical perspective section, I observed from the data that 9 distinctions frequently occur together, referring to the presumed factual nature of Patek in a similar fashion (Figure 14):

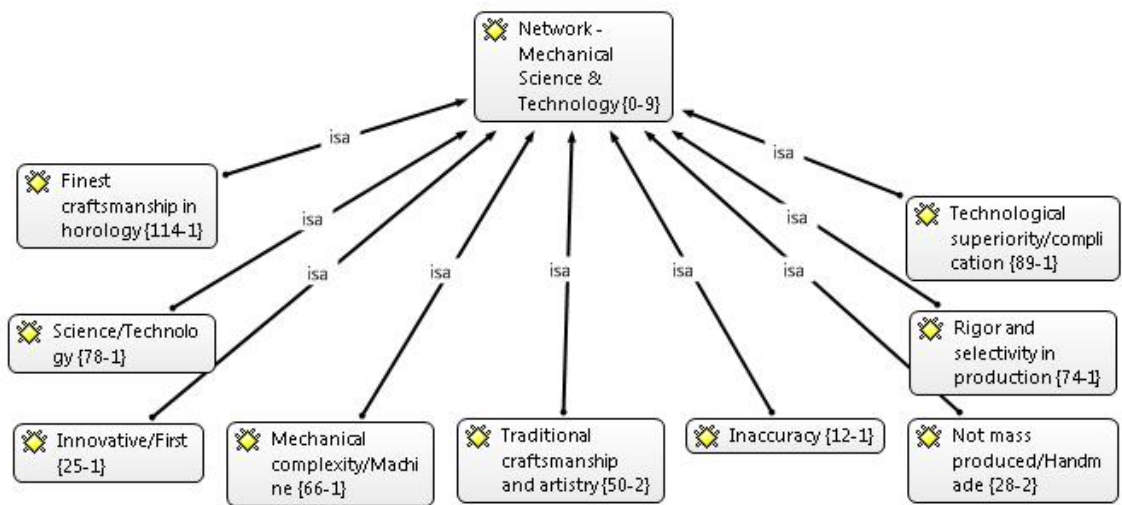


Figure 14 – The distinctions of the program of mechanical engineering

Looking at the codes and the definition of mechanical engineering below, I realized that the above codes and their underlying distinctions belong to the same program and its coupled discourse, which is the outcome of a social system of mechanical science and technology:

Mechanical engineering is a discipline of engineering that applies the principles of physics and materials science for analysis, design, manufacturing, and maintenance of mechanical systems. It is the branch of engineering that involves the production and usage of heat and mechanical power for the design, production, and operation of machines and tools. It is one of the oldest and broadest engineering disciplines. (Wikipedia, 2011)

By producing mechanical watches, Patek has a strong coupling with the mechanical engineering social system via its scientific program, and this coupling is apparent in the communicative events in which the above distinctions are found:

The Spiromax balance spring unveiled last month addresses several weaknesses of conventional metal spirals...A special treatment of the silicon, which Patek Philippe is keeping secret for the moment, ensures that the material is insensitive to temperature changes. (4 February 2006, The Economist, Atlas 245)

Among collectors, its maze of levers, bridges and wheels passes for “watch porn,” as watch enthusiasts sometimes refer to the kick they get from looking at a watch’s insides. (26 November 2009, The New York Times, Atlas 324)

The scientific program of Patek joins the mechanical engineering discourse, not passively, but enabling new distinctions by being an innovative brand and giving body to new possibilities (distinctions) in the mechanical science system:

In 1845 Patek joined with the French watchmaker Adrien Philippe, inventor of the keyless winding mechanism. ... They have also pioneered the perpetual calendar, split-seconds hand, chronograph, and minute repeater in watches. (15 December 2010, Wikipedia, Atlas 244)

The aim of the mechanical engineering social system, with which Patek’s scientific program engages, is not necessarily differentiated from electronics, but supports any distinction that separates mechanical engineering from any other types of engineering or science, such as social systems of chemistry, electronics, and civil engineering. Simply, the abstract other of the mechanical engineering system is the broader engineering or scientific system, from which it constantly tries to detach and therefore exist as a system of its own. Hence, the social system of mechanical engineering or mechanical science continuously requires new communicative events and their resulting self-referential distinctions that enable the differentiation of mechanical engineering from other systems. In order for this to happen, certain vessels or products have to provide a body to carry the meanings of the mechanical engineering social system so that it can function; the mechanical wristwatch is one of these carriers. This embodiment is also the reason there are obvious parallels between Patek and other mechanical consumer products that also interpenetrate and enable the social system of mechanical science:

‘I would associate PP more with Mercedes than Porsche’ (01 September 2010, WatchProSite, Atlas 412)

‘Patek Philippe Nautilus 5711/1A: the Rolls-Royce of the tool watches’ (27 May 2010, WatchProSite, Atlas 410)

In another example, one may see that Patek and other makers of high-end mechanical jewellery advertise frequently in automotive magazines, such as the one whose pages are shown in Figure 15, on which Patek is on the prestigious back cover:

*This image, the contents of the Octane Magazine, has been removed as the copyright is owned by another organisation.*

Figure 15 – Octane Magazine, January 2011 (Atlas 433)

For the Patek side, mechanical engineering and mechanical science provide Patek watches and the overall brand a factual basis for existence, such as mechanical complexity and perfection. By being coupled with mechanical science, the Patek mechanical watches are differentiated from other types of jewellery and watches. Patek becomes a brand system that is supported by the facts of the mechanical engineering system:

Mechanical watches represent for some the last bastion of fine craftsmanship in a dreary world of mass-produced microelectronics. (4 February 2006, The Economist, Atlas 245)

The mechanical engineering system loads specific meanings to the Patek brand system through the coupled program so that Patek can differentiate itself from other competing meanings in the other coupled social systems, such as economy or jewellery. However, the mechanical engineering system is not a single broad social system. There are many other sub-systems under it with diverse meanings. Patek is especially coupled with a traditional one, which is horology. Traditional horology differentiates itself from other mechanical engineering discourses by emphasizing limited and hand-made mechanical production of watches instead of mass production. By interpenetrating the social sub-system of horology, Patek not only becomes mechanical but takes on many other distinctions that differentiate the brand system in other discourses. To begin with, the time-consuming aspect of production in traditional horology guarantees the value of the coupled brand systems such as Patek:

That being said, I think the 5140P is definitely the long-term watch to own. This is a perpetual calendar that is part of the grand complication collection. This timepiece goes through double assembly by one master craftsman at the Grand Complication workshops at Patek Philippe. (22 October 2010, WatchProSite, Atlas 383)

Similarly, not adopting every new method and being conservative in the engineering process also differentiates this watchmaking discourse. Extreme rigor and selectivity in production maintain the traditional aspect and enable this traditional social sub-system of mechanical engineering that is specific to mechanical jewellery:

With typical Swiss caution, Patek Philippe is studying the performance of the silicon before deciding how widely it will use the new technology. (4 February 2006, *The Economist*, Atlas 245)

This particular horology discourse also assigns a technological superiority and perfection to Patek, but it must be understood that this superiority is not against the quartz watches that are coupled with a different scientific social sub-system, namely electronics. In terms of time-keeping, mechanical science accords no superiority to Patek:

And just as a Patek Philippe doesn't tell a different time to a Swatch, so the most expensive mobile phones don't do anything more than a regular Nokia. (Some of them, it should be pointed out, do rather less.) (15 May 2010, *The Telegraph*, Atlas 273)

This superiority and perfection in the world of mechanical science helps another program of Patek to define the brand among other mechanical jewellery, mostly high-end watches:

Top of its class! A perfect watch for the connoisseur or aristocrat—so refined and masterful in its presentation. Major complications in a simple looking timepiece. Isn't this the pinnacle of good taste? (19 October 2010, *WatchProSite*, Atlas 416)

There are certain traits that provide superiority in this discourse. For example, being thin yet complex is a defining factor in superiority, because rather than aiming at utility or efficiency in the use of the product, traditional horology strives to fit an increasing number of complications into the space limited by the wrist:

It is also one of the thinnest perpetual calendars and arguably one of the finest perpetual calendars on the market. The watch also features the 240 caliber, one of my favorite calibers (I just had to mention this) because it has the best of both worlds, being an automatic but still allowing you to view all the wonders of the very good movement finishing. (22 October 2010, *WatchProSite*, Atlas 383)

The more mechanical complications fit in the same space, the better the final object is. This mechanical science fetish is so extreme that the time-keeping aspect of the watch is not even considered in most cases. Because its perfection is aimed at elsewhere, its not being accurate even empowers the differentiation of this unique social sub-system of mechanical science from others:

The final rate accuracy measurement of the cased watch is performed with kinetic simulators and must comply with the following in-house precision standards:

- for calibers with diameters of 20 mm or more, the rate accuracy must lie within the range of -3 and +2 seconds per 24 hours.
- for calibers with diameters of less than 20 mm, the rate accuracy must lie within the range of -5 and +4 seconds per 24 hours. (March 2009, Patek Press Release, Atlas 199)

Likewise, being fragile and more demanding to look after also assists the differentiation of this sub-system of mechanical science and its coupled brands such as Patek:

Swimming is perfectly ok with the Nautilus be it in seawater or swimming pool. but please always rinse your watch with fresh water afterwards in order not to deteriorate the joint. ... To swim with the Nautilus is o.k., as it is water resistant enough, but shocks can break the very delicate pivots of the wheels really easily. (11 November 2010, WatchProSite, Atlas 405)

Finally, this traditional scientific program of the Patek brand system loads the brand with facts that are considered relevant knowledge. The brand begins to carry an elite scientific know-how which complements certain lifestyles and consumer preferences:

Mayer did, however, splurge on a Patek Philippe with a Sky Moon Tourbillon. "There's no real retail for it, because it's so difficult to get," he said. "You're not showing off your material wealth; you're showing off your knowledge." (5 March 2009, The New York Times, Atlas 321)

In short, on one hand, the horology program of Patek helps the social sub-system of mechanical engineering, namely horology, to evolve by differentiating it from other engineering and scientific disciplines. On the other hand, this mechanical engineering sub-system helps the existence of the Patek brand system by providing distinctions concerning relevant scientific facts to the horology program. Moreover, the Patek system uses these distinctions of the horology program in the differentiation of other programs of its own, and through these programs these scientific distinctions flow to the other interpenetrated systems' environmental stimuli. Subsequently, the Patek brand system with its scientific distinctions becomes a fruitful environment for the other coupled social systems, such as aesthetics and economy. For example, the aesthetic program requires thinness, which is used by the scientific program to justify mechanical perfection in a limited space. In turn, this mechanical perfection flows to the coupled scientific system. Such cooperation is also how the translation and synchronization functions of Patek are fulfilled.



### **6.3.2. Modern–Classic Elegance in Aesthetics**

Without a doubt, there is an essential understanding of aesthetics that is physically coded in the human brain, because aesthetically pleasing measures and guidelines, such as the golden ratio, have endured for centuries. The social reality is influenced by the physical world, which is nature and the human brain in the case of aesthetics. However, even though certain physical attributes irritate the understanding of aesthetics, the relevant discourses and systems define the final meanings of aesthetics in the society. In his book 'Distinction', Bourdieu analyzed the understanding of taste, which is a broader conception of aesthetics. He asserted that taste is socially constructed by an individual's practices, while it enables the construction of individuals' identities (1984). In accordance with Bourdieu's logic, the brand is not much different from an individual in its interplay with the social system of aesthetics. The majority of the commercial brands are interpenetrated within the aesthetic system. However, the aesthetic system is very broad, encompassing numerous distinct aesthetic sub-systems. Therefore, each commercial brand primarily joins a particular artistic social sub-system based on its design and presentation. In some cases, the brand system may interpenetrate more than one aesthetic sub-system.

The commercial brand usually has an aesthetic program which helps the brand system interpenetrate an aesthetic sub-system. With a certain artistic trait that comes from the coupled system, the brand differentiates itself from others. Therefore, on one side, the commercial brand interpenetrates a specific artistic social sub-system in its environment, and uses the aesthetic program to foster its own internal differentiation and evolution. On the other side, an aesthetic sub-system needs carriers in its environment so that its differentiating style finds bodies to compete with other styles, and so it can evolve and exist. Consequently, the artistic sub-system utilizes its environment, which is populated by the coupled brands, for its self-referential differentiation by using these brands as carriers for its artistic concepts and styles. For example, a camera can become different by being colourful and sporty rather than metallic gray and serious. At the same time, this camera, by being consumed and used, contributes back to the coupled artistic sub-system as the carrier of its particular style in the society.

It is obvious that the Patek brand system joins an aesthetic discourse because references to art and aesthetics are frequently found in the Patek discourse. In these references, the Patek sign usually refers to a beautiful, artistic creation:

Any PP [Patek Philippe] is an exceptionally beautiful watch, regardless of the price, complication or “market value”. (26 September 2010, WatchProSite, Atlas 392)

Patek Philippe wristwatches are considered to be the best wristwatches ever made. Owning a Patek watch means having something of exquisite beauty with advanced technology and crafted with minute attention to detail. (2 February 2007, Ezine Articles, Atlas 338)

Nevertheless art is a highly broad system that covers many different operationally closed sub-systems of aesthetics. The references to a broad aesthetic system are not sufficient to depict the particular social sub-system that Patek interpenetrates. Therefore, it is necessary to observe this particular type of aesthetic sub-system with which the Patek is coupled and depict the aesthetic program of Patek. In the coding, I have realized that 9 distinctions frequently occur together, and that these were all related to the artistic and aesthetic nature of Patek (Figure 16):

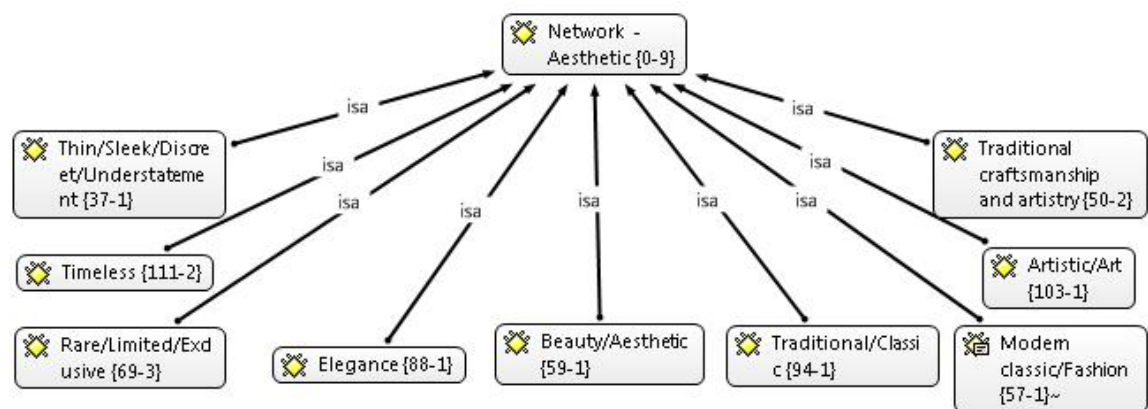


Figure 16 – The distinctions of the aesthetic program

The above codes are representative of the aesthetic program and the sub-system of aesthetics which Patek interpenetrates. In this particular aesthetic discourse, it seems that being thin is a defining factor for the Patek wristwatch. This thinness also fosters the sleek and discreet style of Patek, which can be summarized as understated elegance:

Why thicker? Seems counter intuitive to me. Surely that’s a sign of a modular movement, poor design and poor packaging. Fine for Breitling but not for Patek Philippe. I keep trying on ROO’s and Panerai’s and can’t figure out why they need to be so thick. Weight is not the issue—I’ve got precious metal watches

and like the heft, I just don't like the height. (12 November 2010, WatchProSite, Atlas 384)

I have always liked thin, elegant watches. I applaud Patek for not even touching the 40mm diameter size for this kind of watch. (14 January 2010, WatchTalkForums, Atlas 353)

Nevertheless, Patek's style is not a binary that opposes a single counter-style, such as the extravagant and flashy design; it is an aesthetic distinction that differentiates both the coupled aesthetic sub-system and Patek from their environments.

Elegance is not the major trait of the aesthetic sub-system that Patek is coupled with in its corresponding program. For this particular style to exist, there are various other art-related traits that support one another. For example, there is a heavy emphasis on the timelessness of design. Regular references to long time-spans and words such as 'heritage' and 'museum' foster the long-term existence of the aesthetic style of Patek:

Tribune des Arts is delighted to have the exclusive privilege of acquainting the public at large with the treasures held in safekeeping at the Patek Philippe Museum. ... After all, it showcases not only timepieces made by Patek Philippe but harbours testimony of Geneva's watchmaking and enameling heritage across five centuries in vivid detail. (2001, Tribune des Arts Special Issue: Patek Philippe Museum, Atlas 450)

In communicative events such as the above one, Patek's sign, by being aligned with the concept of museum and treated as artistic heritage, begins correlating with timelessness. Similarly, the Patek watch is designed via traditional techniques and artistry such as enamelling, which brings major classicism to the aesthetic understanding of the watch:

Over the past 15 years, Ms. Porchet, an expert enameler, has risen to the top of her field and now is courted by some of the biggest names in the watch industry, including Patek Philippe, Vacheron Constantin, Piaget, Jaquet Droz and Chaumet. For them she creates miniature masterpieces in rainbow shades, adding huge value to a watch's dial. (26 March 2009, The New York Times, Atlas 303)

However, being a piece of art that has a timeless style is not easy. Being rare is the essence of this pursuit. Only certain aesthetic and artistic styles that can maintain their exclusivity can justify their classicism and timelessness:

We make most models only in small quantities, from as little as five to a few hundred for more well known models. ... We celebrate the notion that man is capable of creating art through the manufacture of timepieces. Rarity is the essence of a piece of art. (15 December 2010, Patek Philippe Web Site, Atlas 233)

It is not simply a tactic of the firm; the aesthetic program of the Patek brand system strives towards limited production because only this rarity would justify the elegant yet expensive and timeless designs:

Barter gives an example: “A Reference 1518 Patek, a very complex hand-wound watch from the 1940s which displays the day, date, month and has a stopwatch, was made in a limited run of 281 pieces. Most of these were in yellow gold and would reach around 100,000 in a sale today. Two or three of the watches were made in steel and would now be worth between 800,000 and 1.2m.” (15 July 2008, *The Telegraph*, Atlas 256)

The Patek system via its program fosters an aesthetic system that is elegant, classic, and timeless:

Iconic—congratulations. At a time in your life when initial conditions are important, you have done very well from a horological standpoint. Classics are such for a reason and I’m sure this iconic timepiece will serve you well for many years to come. (19 September 2010, *WatchProSite*, Atlas 396)

However, being elegant, rare, designed by traditional artistry or simply making references to museums and other sorts of heritage is insufficient to maintain the ‘classic’ status. A thing that belongs only to the past is simply a museum piece that has lost its relevance for the present day. The Patek wristwatch is something more than a nostalgic product because its classicism is still in fashion. As one consumer implies below, Patek’s aesthetic program interpenetrates a particular aesthetic sub-system that is both modern and classic:

A beautiful watch, a modern classic... (19 November 2010, *WatchProSite*, Atlas 391)

The Art Deco-inspired interior exhibits the same blend of classic and modern elements as the Patek Philippe salons in London and New York, bringing together precious materials such as marble, alabaster, rosewood, and maple—with special emphasis on wrought-iron art that perfectly matches the “Grand Siècle” architecture on Place Vendôme. (November 2009, Patek Press Release, Atlas 122)

Being a modern classic is not easy. If an aesthetic social system does not evolve a bit yet fully refrain from adjusting to contemporary trends, it will detach from its environment, the broader society, and then cease to exist. Hence, all aesthetic sub-systems are coupled with broader fashion, taste, and aesthetic discourses; they are stimulated by these broader social systems. In order to stay classic, a style should be partly modern as well, and have the ability to age well. Consequently, the Patek brand

system makes no big departures or big changes from its traditional discourse. This conservatism is also supported by its being elegant, because by being confined to a less extravagant style, the design strongly avoids being associated with a particular trend. The concepts of elegance and being modern-classic are mutually supportive of each other:

These inimitably elegant ladies' and men's watches are impervious to short-lived trends, recapturing the hearts of each new generation. Whether extra thin, with hobnail patterns or wide polished bezels, they are all unmistakable members of the Calatrava family and even their changing faces cannot belie their origins. (15 December 2010, Patek Philippe Web Site, Atlas 163)

However, nothing can really be 'classic' simply by being unchanging, because at some point these classics would become merely old and totally out of fashion, and perhaps not even collectable. So the understanding of modern-classic comes from the coupled aesthetic sub-system that is slowly and conservatively changing and that supports artefacts having longer life-spans, but not necessarily being eternal. Patek and the coupled aesthetic system continuously evolve via slow and careful change. For example, even the most traditional style of the Patek wristwatches, namely the Calatrava, has a slightly larger bezel these days. However, this fact seems unnoticed or not mentioned in the discourse of the social system of Patek, because the system believes that the style is not changing or at least not departing much from its present state:

I was in your shoes 20 years ago ... Although since that time my collection has grown to include a number of more complicated pieces, that Calatrava has remained a timeless expression of elegance, not to mention a fond reminder of my parents' acknowledgment of this milestone. (21 September 2010, WatchProSite, Atlas 396)

In order to gather and summarize the particular aesthetic program and its coupled sub-system that Patek interpenetrates, Patek Philippe Magazine's choice of artistic topics becomes most helpful. In the material below, I have gathered the various titles and their summaries from the Patek Philippe Magazine articles that focus on small objects produced through traditional artistry with a classic understanding of aesthetics:

*This image, the contents of the Patek Philippe: The International Magazine, has been removed as the copyright is owned by another organisation.*

(2007-2010, Patek Philippe: The International Magazine, Atlas 442, 444, 446, 448)

The above chess sets, hair ornaments, musical instruments, Chinese embroidery, eye miniatures, library globes, jewellery, Japanese ceramics, dollhouses, and confections are not very different from Patek wristwatches. These objects are all handmade using traditional techniques; they are rare, designed with classic taste, and are small and fragile, requiring a particular intellectual background to appreciate them. They are also not really practical objects, but are at least relevant to the present-day by virtue of being collectables, like Patek, such that they have a loyal, niche consumer base. The common traits of these artistic objects summarize the aesthetic social sub-system that Patek interpenetrates. The Patek sign indicates thinness, elegance, rarity, tradition, and yet modernity, and therefore timelessness. With these distinctions, the Patek brand system fosters the aesthetic style that can be summarized as modern-classic elegance. On one hand, in its environment, this aesthetic sub-system requires entities in which its styles can take shape. These entities are provided by the social systems, such as the Patek brand system. On the other hand Patek requires the coupling of this aesthetic social sub-system so that it can differentiate itself within the other coupled social systems based on the particular style of this aesthetic discourse. Subsequently, the Patek brand system carries the distinctions of this aesthetic style via its aesthetic program to the other programs and their coupled social systems, which employ this style as an environmental stimulus, just as requiring thinness in the aesthetic program enables the need for crafting smaller mechanisms in the scientific program.

### **6.3.3. Elite Mechanical Wristwatch as Jewellery**

As I explained in the broad findings section, there is no strong relationship between the Patek brand system and the social system of timekeeping devices. From examining the data, I have realized that even though the product is not referred to as a timekeeping device directly, Patek is still considered a wristwatch. However, in these cases it is a jewellery item and a luxury accessory rather than a time-keeping device:

Why is there a market for these items really, it certainly isn't just to tell time. They are works of art, they are rare, and as a man it's really the only jewelry I can bear to wear. (4 May 2009, GearDiary.com, Atlas 347)

Even the Patek firm conceives their wristwatches as jewellery, as seen in the opening paragraph of the men's section of the 2010 Patek Salon catalogue:

The wristwatch, a man's most important accessory, must reflect his values while subtly conveying his personality. (Patek 2010 Catalogue, Atlas 439)

Like every meaning in the society, the understanding of jewellery also derives from the relevant social system that feeds from the discourse of jewellery-related communicative events. Within this discourse, various distinctions compete and an agreement as to the identity of jewellery is arrived at. As always, this broad system is made up of various sub-systems that produce specific discourses concerning different types of jewellery for different consumer groups. From these disparate discourses, the understandings of various kinds of jewellery arise.

Based on the distinctions I have coded, I have discovered that 4 of these generally refer to the jewellery aspect of Patek. The codes that define Patek as a certain type of luxury accessory are shown in Figure 17:

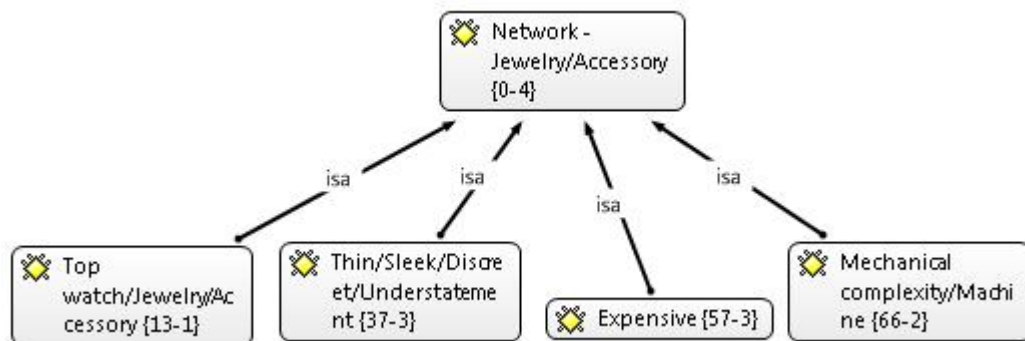


Figure 17 – The distinctions of the program of jewellery

The communicative events from broader media usually correlate Patek with a luxury accessory and jewellery by positioning it with other jewellery brands:

Her 350,000 home has been repossessed, along with hundreds of thousands of pounds worth of jewellery and accessories from the fashion houses of Chanel, Jaeger, Christian Dior, Louis Vuitton, Patek Philippe and Chopard. (30 March 2009, The Telegraph, Atlas254)

In the list above, Patek is referred to together with general luxury brands because the general public and the broader media do not produce specific communicative events that foster the specific jewellery program of the Patek brand system. The program and its coupled sub-system of jewellery are more evident in elite media publications, user

forums, and even specific sections of the general newspapers. This particular discourse that Patek joins via its jewellery program as a luxury accessory is mostly wristwatch-related; it is generally populated with certain brands Patek is frequently contrasted with. For example, Figure 18 shows a Patek wristwatch with other luxury wristwatches, and the supporting text depicts a price range between 5,000 GBP to 65,000 GBP:

*This image, the pictures of luxury watches, has been removed as the copyright is owned by another organisation.*

Figure 18 – Luxury travel accessories (The Telegraph, Atlas 261)

Not surprisingly, the Patek sign is frequently used with other luxury wristwatches, and in these communicative events, its being expensive is the key distinction of the particular social sub-system, with which these luxury watches, including Patek, are coupled:

Anything younger, less expensive would not be PP or serious jewellery anymore. (26 September 2010, WatchProSite, Atlas 392)

However, one should not be misled by Figure 24, which comes from the broader media. Even among luxury wristwatches there are certain categories in terms of price and style, and Patek is not necessarily interpenetrating the same jewellery sub-system as the 5,000 GBP wristwatches:

Members of the five-digit club include the most collectible names in the industry—Vacheron Constantin, Jaeger-LeCoultre, Patek Philippe and A. Lange & Sohne. An outlay of this magnitude can buy you a watch with the most intricate complications, including the minute-repeater (for chiming) and the tourbillon (for accuracy). Limited editions can cost six figures or more. (23 March 2010, The New York Times, Atlas 280)

As is explicitly attested here, Patek is coupled with a sub-system of luxury wristwatches that cost more than 10,000 British pounds and that are mostly used as luxury accessories rather than for timekeeping purposes. Moreover, this particular jewellery system supports wristwatches that are solely mechanical:

Dismantled watches by top names, including Audemars Piguet, Patek Philippe, Breguet and Blancpain lie in apparent disarray. But every minuscule piece will be returned to its place after cleaning, lubrication and whatever repairs may be needed to restore it to perfection. (28 March 2009, The New York Times, Atlas 302)



In addition, this social sub-system of jewellery and its coupled wristwatch brands, such as Breguet, Vacheron Constantin, Jaeger-LeCoultre, and Patek, differentiate themselves from other expensive and mechanical watches by being understated and discreet, rather than being extravagant and chunky. Therefore, this particular jewellery system produces communicative events that support understated elegance:

He used to wear chunky, bling Rolexes. His wife bought him a thin gold Patek Philippe instead. (27 July 2009, *The Telegraph*, Atlas 262)

In 1991, I was in Zurich on holiday; I happened to glance in a shop window and fell in love with a watch in the window, a Patek Philippe. It was simple, thin, gold, and rare. It put my Rolex Submariner to shame, made it look clunky and somewhat flashy. (4 May 2009, *GearDiary.com*, Atlas 347)

To summarize, the jewellery program of the Patek brand system is coupled with a social sub-system of jewellery that is confined to very expensive yet discreet mechanical wristwatches. Patek gives body to this social system's distinctions, which defines this particular type of jewellery, and enables the existence of this social system of jewellery and its specific understanding of a luxury accessory. On Patek's behalf, this sub-system of jewellery provides distinctions for the corresponding program of Patek, which uses them for its differentiation and also for the other programs of Patek. For example, the aesthetic program requires Patek to carry its specific distinction of modern-classic, and Patek's jewellery program uses this distinction. While the aesthetic and the jewellery programs support each other, the Patek system in-between arises.

#### **6.3.4. Lifestyle – Rich Upper Class**

In the previous chapter, I have defined lifestyles as collective and discursive socio-historical constructs that individuals attach and use as cultural templates to define themselves via differentiating themselves from others. Individuals are not defined by a single lifestyle but by the interrelation and the interplay of numerous lifestyles and their symbolic boundaries (Holt, 1997). Like all symbolically generalized meanings, these numerous lifestyles derive from their relevant social systems of lifestyles, which produce the lifestyle discourses. Most commercial brands are coupled with these lifestyle systems because brands are the necessary vessels for lifestyles. In order to associate with lifestyles implicitly, individuals need consumable intermediaries that are loaded with the culture of lifestyles.

A brand does not need to be coupled with only a single lifestyle, but can interpenetrate more than one lifestyle with more than one program, and such has proved to be the case for the Patek brand system. After analyzing the data, I have realized that the social system of Patek has two lifestyle programs that are coupled with two lifestyle systems. The first lifestyle is found in the broader public discourses such as the news media, while the second is observed in the communications of the Patek Corporation and the discussions of the consumers. In this section, I explain the program and the social system of the ‘rich upper class’ lifestyle that primarily exists in the broader communicative events. In the next section, I detail the social system of the ‘successful intellectual’ lifestyle that is primarily conveyed in the marketing communications and in the discussions among Patek users.

While coding the news media, namely the newspapers in the data set, I have observed that the Patek sign has been frequently associated with the simple, typical understanding of rich upper-class individuals. In my coding table, I have discovered 6 distinctions (Figure 19) that occur together and foster a particular upper class lifestyle that Patek is coupled with in its corresponding lifestyle program:

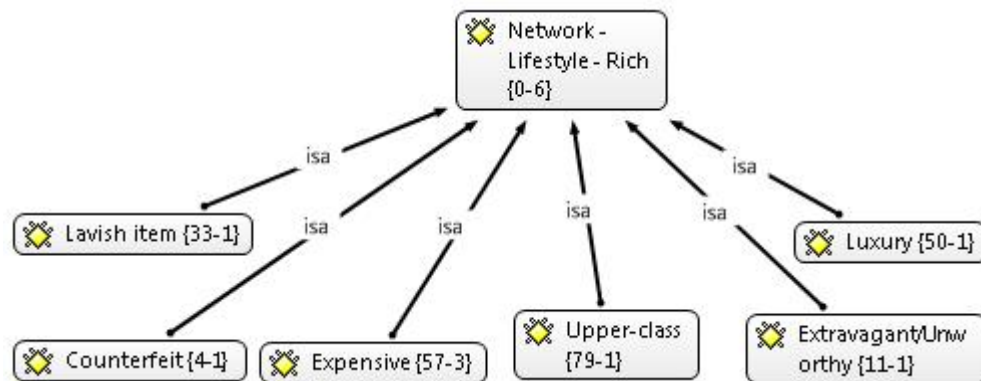


Figure 19 – The distinctions of the program of rich upper-class lifestyle

The most common distinction in this social system of lifestyle is the direct correlation of Patek with individuals who indisputably belong to the upper class:

Rumours that a wedding was imminent were fuelled by reports of the expensive gifts the couple [Nicolas Sarkozy and Carla Bruni] exchanged over Christmas and New Year. They included two large heart-shaped diamond-encrusted rings for her, and a Patek Philippe watch for him. (3 February 2008, The Telegraph, Atlas 266)

Upper class individuals are frequently referred to in the same communicative events with Patek, as in the account above. In turn, Patek becomes associated with these

established names. Most of the time in these statements, the expensiveness of Patek is emphasized quite explicitly:

Having just arrived with his family in Las Vegas, Murat Sahsuvar, a Turkish hotelier, came into the store looking for 24 crystal chandeliers for a hotel he is building in Istanbul. Mr. Sahsuvar said he planned to buy Vacheron Constantin and Patek Philippe watches for himself and his wife, dine at the best Italian restaurant in town and have a little fun at the poker table at the Bellagio. “We’re going to save lots of money on the watches, at least 5,000 euros,” he said. That sum, equal to nearly \$8,000 because the dollar has fallen so much against the euro, “will take care of my hotel, my traveling and my food while in Las Vegas.” (6 May 2008, *The New York Times*, Atlas 284)

Being upper class is not necessarily correlated with economic wealth. Certain people can be considered upper class based on their intellectual capacity or other traits that are highly regarded in the society. However, in the case of Patek, only the rich upper class can afford Patek because the brand is highly expensive. Therefore the coupled lifestyle is definitely specific to wealthy people. In fact, other distinctions strengthen the ‘simply rich’ lifestyle. For example, from the perspective of the lower classes, the spending of the rich upper class is usually extravagant. In the view of the general public, the upper class spends its money on unnecessary items, and Patek is coupled with this meaning as well:

For these are the mobile devices that are part of the same landscape as 20,000 watches. And just as a Patek Philippe doesn’t tell a different time to a Swatch, so the most expensive mobile phones don’t do anything more than a regular Nokia. (Some of them, it should be pointed out, do rather less.) (15 May 2010, *The Telegraph*, Atlas 273)

As is obvious here, Patek is not a practical and meaningful product; its broad conception is of something lavish. Even in communicative events in which individuals are blamed for consuming too much luxury, Patek’s sign manifests:

I’ve heard it suggested at recovery meetings that the true alcoholic is almost always an overachiever with a bad self-image, and Clapton fits this profile as well as any. After millions of records sold, thousands of S.R.O. concert dates and decades of conspicuous consumerism (Visvim shoes, Patek Philippe watches, a yacht), he can still call himself “a toe-rag from Ripley.” (28 October 2007, *The New York Times*, Atlas 282)

Attributes like ‘extravagant’, ‘lavish’ and ‘luxury’ are necessary to describe this lifestyle, because this lifestyle is a broad and simplistic perception of the upper class on the part of the lower classes. Reducing everything to money particularizes this social system because then anyone that has money can be upper class and the individuals in the lower classes are no different, apart from simply not being rich. Therefore, the program and the social system differentiate themselves by degrading attributes that mark the supposedly coupled individuals as undeserving members. Therefore, it is very common in economic downturns to see communicative events that implicitly judge the upper class because of their consumption habits. Consequently, when the upper class struggle or fall on hard times, there is a hidden celebration in the discourse:

DISARM the Patek Philippe. Park the Bugatti. Drain the last drops of Cristal. The party’s over. (22 November 2009, *The New York Times*, Atlas 315)

Bankers are paring down their collections of Patek Philippe watches. Wives from Greenwich and Scarsdale are selling 2-carat to 35-carat single-stone diamond rings. One recent client explained to Mr. Del Gatto that she was selling \$2 million in diamonds she rarely wore, because her friends wouldn’t notice that they were gone. (1 June 2008, *The New York Times*, Atlas 292)

In the above subtly disapproving statements, Patek again takes its role in emphasizing a certain extravagant behaviour through lavish luxuries, and its coupling with the simply rich becomes obvious. Finally, all established luxury brands bring in their counterfeits, if such are possible (Kapferer and Bastien, 2009). Counterfeits represent the aspiration of the lower class people to the status of upper class individuals and their lifestyle. Like all luxury products that are coupled with the rich upper class, Patek has references to counterfeits:

In a combination of broken English and sign language he indicates that his merchandise is so hot that he has had to hide it in a back room behind the handbag outlet, thereby adding a touch of melodrama to the haggling. Within moments he has led me and two female companions into a dimly-lit room behind the silk curtain. “Two thousand RMB Patek Philippe”. (4 November 2010, *The Telegraph*, Atlas 265)

The best, or at least the most unbelievable, day-after-Thanksgiving deals in New York this year were not at Macy’s or Saks Fifth Avenue. There were a few little places on Canal Street—you may have heard of them—where \$100 Swatch watches sold for \$15, and so did the \$15,000 Patek Philippe models. (27 November 2009, *The New York Times*, Atlas 297)

In short, there is a simple and broad understanding of rich upper class people in the society, which results from the corresponding social system of lifestyle, which feeds from the communicative events and the resulting distinctions that refer to this particular lifestyle. The social system of the rich upper class lifestyle differentiates itself from other lifestyles based on extravagant spending on lavish items. This lifestyle is both aspired to and disapproved of at the same time. Patek is coupled with this social system via one of its lifestyle programs. On certain occasions, it is associated with rich powerful people, and at other times, with spoilt behaviour. In the eyes of the general public, Patek is a brand that is strongly coupled with the values of the rich upper class lifestyle, for which Patek becomes a carrier that individuals can consume in order to be coupled with the lifestyle. In turn, the social system of rich upper class brings its particular distinctions to the Patek brand system via the corresponding program, which uses them for its internal differentiation and also therefore provides them other programs within Patek as external stimuli.

### 6.3.5. Lifestyle – Successful Intellectual

The second lifestyle that the Patek brand system is coupled with may be observed more frequently in the communicative events originating from consumers, watch enthusiasts, and the Patek firm. By virtue of being around the social system of Patek, both lifestyles are likely coupled and irritate each other, but such was not very evident in the data. When I looked at the codes I discovered that the distinctions shown in Figure 20 foster a particular program and a social sub-system of lifestyle, the meaning of which is different from that of the rich upper class lifestyle:

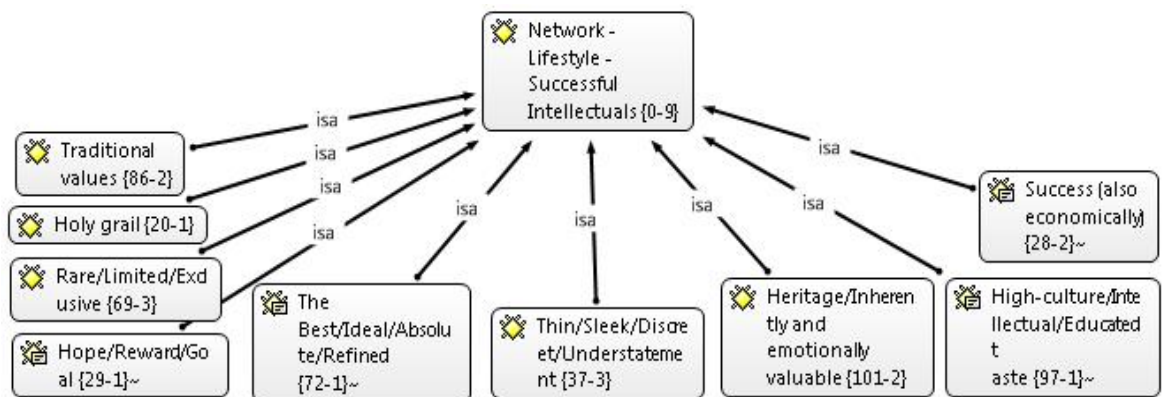


Figure 20 – The distinctions of the program of successful intellectual lifestyle

There could be even more than two lifestyles that Patek interpenetrates, but this lifestyle is the foremost, as it has a high number of distinctions in the discourse of Patek. The most important distinctions that differentiate this lifestyle are its intellectuality and high culture. However, before correlating Patek with intellectuality or high culture; the watches have to be loaded with relevant values throughout the discourse. These values come from the refined nature of Patek wristwatches, where traditional artistry and skill merge successfully:

The Patek Philippe watch presents just one face to the world: that of excellence: Simple or Complicated, it is recognized as embodying all that is fine in watchmaking today. (Patek Philippe Catalog 2010, Atlas 439)

In each watch many lifetimes of artistry and skill are captured to produce an object of timeless worth. (15 December 2010, Patek Website, Atlas 168)

The role of traditional craftsmanship in endowing Patek with high esteem is apparent in the descriptions above. With high quality traditional craftsmanship behind it, Patek becomes something traditionally and inherently valuable and earns a heritage-like status.

Appreciating a heritage requires a certain knowledge base. One has to be educated in the history of this heritage and its related broader discourse in order to appreciate this timeless meaning that lives beyond short-term trends. The requirement of educated taste for appreciation becomes the main differentiator of this lifestyle. In the rich upper class lifestyle, the main distinction is economic capacity, whereas in this lifestyle intellectual capacity becomes the major distinction that separates this lifestyle from others:

This rapid-scan character index is the chief reason men wear watches today, and for some men, learning to tell a Vacheron Constantin from a Patek Philippe, white gold from platinum and a \$20,000 Chopard from a \$80,000 Chopard is a vital bit of education on a par with learning how to play squash, tie a black bow tie or make a Beefeater martini. (22 February 2007, The New York Times, Atlas 314)

Mayer did, however, splurge on a Patek Philippe with a Sky Moon Tourbillon. “There’s no real retail for it, because it’s so difficult to get,” he said. “You’re not showing off your material wealth; you’re showing off your knowledge.” (5 March 2009, The New York Times, Atlas 321)

In the above quotation, it may be clearly seen that the individuals that are coupled with this lifestyle are confident of their educated taste that derives from their knowledge of the traditional values behind Patek. However, for the distinctions of ‘high culture’ and

‘intellectual/educated taste’ to be coupled both with this intellectual lifestyle and Patek, there has to be a de-emphasis of economic values and criteria. Wealth can still be part of the lifestyle, but money mustn’t be the major factor in assessing the belongingness of the individuals and the brands to the lifestyle. The lifestyle should constantly emphasize that wealth is not its differentiator:

As many have mentioned, there is an application process where Mr. Stern must decide if one is worthy of acquiring one of these “grand” grand complications. Regardless of how much money someone may have, Mr. Stern decides if the person can be considered a collector to be allocated one of these magnificent watches. For the most part, if someone can afford a 6-figure watch, that person can probably get whatever they want whenever they want. No one says “no” to them or at the very least money can change a “no” to a “yes.” With this application process, money is not a factor and in fact is almost irrelevant. The person’s character is analyzed and scrutinized to value their worth as a collector of Patek Philippe watches. In effect, the millionaire/billionaire is reduced down to the same level as every other collector and is subject to someone else’s review. (7 November 2010, WatchProSite, Atlas 417)

The above communicative event de-emphasizes the expensiveness of Patek. Similarly, because the intellectual lifestyle needs to differentiate itself from the rich upper class one, the extravagance that dominates the rich upper class lifestyle has to be contrasted. Instead, discreetness is promoted via the ‘intellectual’ discourse: this lifestyle does not require flashy signals to differentiate itself but only select, educated people who recognize the subtle cues for distinction:

I associate the brand with discretion, understatement and elegance and that is not a matter of being 16 or 60 (26 September 2010, WatchProSite, Atlas 392)

“Men wear these costly watches to gain prestige,” he said. “You are signaling ‘we are alike’ to other people of similar status who can recognize the value of the watch.” In the general public, these watches aren’t likely to draw attention the way a jewel-encrusted timepiece might. “If you wear a million-dollar mechanical watch, or even a \$40,000 one, in the average room no one will know,” Professor Drèze said. “The watches are actually examples of inconspicuous consumption.” (24 April 2010, The New York Times, Atlas 296)

Still, in addition to the intellectuality that the lifestyle requires, the lifestyle needs other limitations to define itself. Since expensiveness cannot be an explicit distinction, rarity and exclusivity are coupled with the intellectual lifestyle. Consequently, Patek wristwatches are produced in limited quantities because they are handmade, and this limitedness enables both the lifestyle and its coupling with the Patek brand system:

Purchasing a Patek Philippe watch is tantamount to buying into a lifestyle that consists of a select few (which once included Piotr I. Tchaikovsky and Albert Einstein). And since few will recognize it off the bat (as only some 30,000 are made per year), rest assured that the right people will notice it on your wrist—those who appreciate fine wine, fine art, and the finer things in life. (15 December 2010, AskMen, Atlas 343)

Exclusivity for the Patek wristwatch comes not only via its limited production but also by its being preferred by select influential individuals: rare individuals are coupled with a rare watch. Names like Tchaikovsky and Einstein, when used in the social system of this lifestyle, also bring the meanings of fame and especially success to its discourse, given that these individuals are successful in their professions or artistry. Subsequently, the lifestyle also starts requiring success as a differentiator both for itself and for its coupled brand systems. Because Patek's relevant program is coupled with this lifestyle and therefore with its requisites for success, the Patek user associates the acquisition of a Patek wristwatch to a particular success in his or her own life. What is more, some individuals even relate the Patek wristwatch to their overall success in life and see Patek as its award:

On an emotional level, you might consider whether fulfillment of a "lifelong dream" in your 30s would prove hard act to follow in your 40s, 50s, 60s, and beyond. Why not savor this particular expectation a bit longer? Lifetime achievement awards are best received after a lifetime of achievement. (4 December 2010, WatchProSite, Atlas 397)

Since Patek changes in price and rarity, even if one buys a Patek watch at an early age, one can always hope for a better one, which would replace the existing goal:

I purchased my first Patek at 25 and had to liquidate most of my collection to afford it. It was a difficult decision, but I do not regret it at all. I worked hard to acquire those watches, and therefore worked hard to acquire my first Patek too. If you have attained this success at your age, then reward yourself now. Maybe in the future you want something EVEN MORE complicated? (4 December 2010, WatchProSite, Atlas 397)

On some occasions, because of the higher price of Patek watches, even buying one becomes a success in its own right. The purchase as a success immediately confirms one's membership in this particular lifestyle to which successful people belong. The purchase can be a quick decision or one that takes 12 years, as in the account below, but in any case this expensive purchase indirectly proves that one is apparently successful in life as one has the economic means to afford it:



Nautilus 5711/1: I waited 12 years and i don't regret my choice! I waited 12 years to buy this watch!!!! Why such a long time you will ask me?? Of course at first it was a budget issue but I was also extremely picky. I chose it as if it was the only watch I would end up buying. (11 November 2010, WatchProSite, Atlas 405)

Finally, one important aspect of this lifestyle is its strong association with men due to the dominance of communicative events which carry the distinction of masculinity. I have not mentioned any sexual attribute of the rich upper class lifestyle, because I have not observed one. Hence it was a unisex discourse, in which there were no particular references to men or women specifically. However, the social system of successful intellectuals carries the distinction of man and therefore requires the coupling of systems (be it social or psychic) that also share the same distinction of masculinity:

Luxury watches are made in small quantities, described in French phrases and exported worldwide by venerable Swiss businesses like Patek Philippe and Audemars Piguet, as well as by newcomers like Richard Mille. They are bought mainly by men, Mr. Thompson said. But not necessarily to tell what time it is. "If you want the time, you have your cellphone," said Xavier Drèze, an associate professor of marketing at the Anderson School of Management at the University of California, Los Angeles, who studies luxury goods. "Men wear these costly watches to gain prestige," he said. (24 April 2010, The New York Times, Atlas 296)

The distinction of masculinity does not mean that women would never attach to this lifestyle. However, if they do, they are buying into the particular stereotype that the successful intellectual lifestyle proposes for the coupled individuals, and they end up being characterized not as a feminine lady but as a powerful, masculine woman:

Many a strong-minded, powerful woman, including Queen Victoria, has succumbed to the aesthetic and technical beauty of a Patek Philippe. (Patek Philippe 2010 Catalog, Atlas 440)

In 2005, businesswoman Nicola Horlick was targeted at gunpoint outside her home in west London. However, having been pistol-whipped and left with a bleeding head wound, she outwitted the robbers by throwing her diamond and topaz ring into bushes and persuading the robber her Patek Philippe watch was worthless. (01 May 2008, The Telegraph, Atlas 257)

In summary, in addition to Patek's program and interpenetration with the social system of the rich upper class lifestyle, there is a stronger coupling with another lifestyle system, which I call the 'successful intellectual'. The main differentiator of this lifestyle program is its requisite of intellectual success instead of sheer wealth. Certainly economic success comes with money, and wealth also supports the exclusivity of this

lifestyle, but these distinctions are masked by traditional values and presumed success in life. For example, in the case of Patek, it is obvious that the individuals who are coupled with this lifestyle must be sufficiently wealthy to buy something like a 30,000 USD Patek wristwatch. However, the expensiveness of the Patek watch is masked by the traditional craftsmanship behind it and the educated taste that favours Patek. Consequently, in this lifestyle program being educated about certain traditions and appreciating the presumed finer things in life justifies one's coupling with the Patek system. Horology becomes an instance of high culture, according to which individuals are gauged. The successful intellectual lifestyle and the coupled Patek program promote a disinclination to show off to the general public, and therefore use understatement and discreetness as differentiators. Still, the lifestyle program requires communication of its distinctions, but communicating these to only a few select people who can decode the signals is sufficient in this regard. Accordingly, rather than being simply rich, being successful becomes the major distinction that differentiates this lifestyle from other social systems of lifestyle. However, economy is coupled with most things in the society, so being successful guarantees having money, and the two end up being the same thing. As a result, consumers perceive the acquisition of an expensive Patek wristwatch as a reward that is attained when they are successful in something. Primarily men seem to foster the social system and Patek's program of this lifestyle, while a few women also join it by virtue of being accorded certain traditionally masculine traits.

The social system of the successful intellectual lifestyle uses success and intellectuality to differentiate itself from other lifestyles. Via its program, Patek couples with and provides this social system a traditional knowledge base to be used as a gauge of intellectuality. Similarly, Patek's program uses its heritage and tradition to differentiate itself from other brands, but it requires an environmental coupling which makes the values of Patek relevant to individuals; the social system of a successful intellectual lifestyle makes the values of Patek meaningful for the society.

#### **6.3.6. Eternality and Timelessness**

In a discursive and self-referential social realm, no meaning comes merely from within: Even the most basic concepts are no exception in this regard. Like all other meanings in the society, each concept, such as love and sexuality, is a symbolically generalized meaning that results from complex communication within the society (Luhmann, 1998,

Foucault, 1978). There are underlying physical (ontological) factors which affect the meanings of these basic concepts and emotions. However, in the end, the society, as a collective body, creates and defines the generalized meanings of these essential concepts. Even the meanings of the most basic concepts in the society are never finalized; what happiness or nostalgia means continuously evolves and changes for each era.

Not all brands are coupled directly and strongly with the basic concepts in life; a brand system may evoke an essential concept, but this implication may be based on the brand's coupling with another social system that is directly and strongly coupled with this concept. Yet in some cases the brand can interpenetrate the social system of an abstract concept strongly by sharing and fostering similar distinctions. In these cases, both the brand system and the social system of the coupled concept foster each other's internal differentiation. For example, it is very common for some commercial brands to be coupled with the concept of nostalgia in order to differentiate from others in the market (Elliott and Percy, 2007: 139). In turn, the social system of nostalgia differentiates from other emotions and abstract concepts by finding a body in a consumable object that enables nostalgia-related communicative events.

While analyzing the data set of Patek, I have discovered an abstract concept that Patek very strongly and directly fosters with one of its programs: eternity. Eternity or timelessness is quite a rare concept with which not many things in life can easily be coupled. The Patek brand system is successfully and very strongly coupled with this concept, and uses eternity in its own differentiation, while fostering the meaning of eternity by providing a perfect vessel for it via its corresponding program. Being eternal is the heart of the Patek brand system; the aesthetic, scientific, and economic programs rely on it, while the eternity program arises from these. Based on the distinctions I have coded, I have discovered that 9 of the distinctions refer to the same concept. The distinctions that contribute to the program and the social system of eternity while defining Patek as timeless are shown in Figure 21:

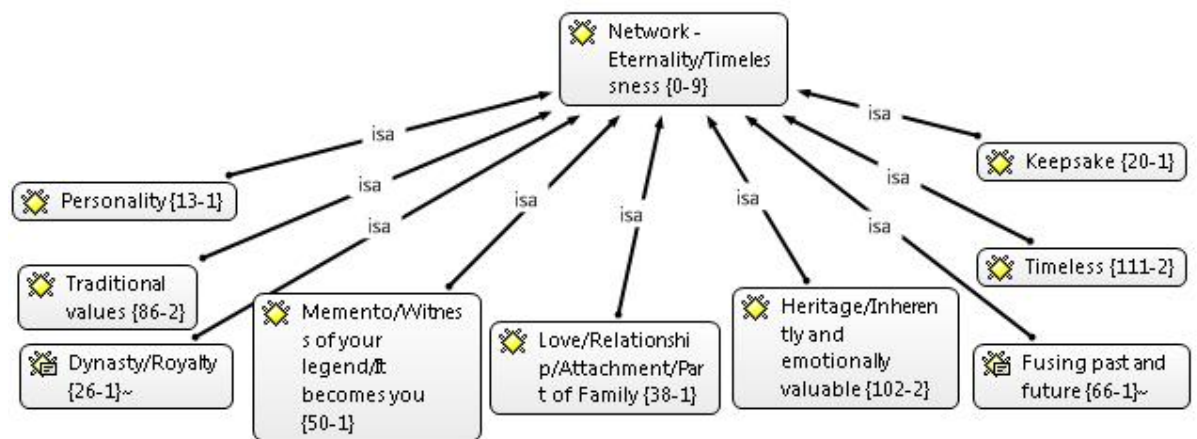


Figure 21 – The distinctions of the program of eternity and timelessness

In order to maintain its meaning, the social system of eternity requires coupled social systems that enable the distinction of heritage. Via its coupling with Patek's eternity program, the Patek brand system is perceived as comprised of timeless and traditional entities that can be deemed heritages:

170 years of ceaseless production, unrivalled knowledge of every aspect of the watchmaking art and more than 80 patents guarantee an extraordinary tradition of innovation. There is also the mastery of complicated mechanisms and the ability to create models that capture so completely the spirit of their times that they become eternal, treasured by enthusiasts and collectors. These qualities make each Patek Philippe an exclusive possession that its owner is proud to preserve in order to pass on to future generations. (Patek 2010 Shop Catalog, Atlas 439)

The advertisements of Patek strongly support the heritage distinction not only via the content but also via the form. The advertisement's tagline, 'You never actually own a Patek Philippe. You merely look after it for the next generation', has not changed since 1996. The marketing style of Patek changes very slowly and gradually, correlating well with the heritage status of the brand. In its advertisements, unlike IKEA, which asserts that old is boring, Patek associates itself with being timeless. However, this timelessness claim is not found only in the marketing communications. Other communicative events within the broad discourses of eternity and Patek support this claim and conceive Patek watches as timeless:

Photographs to swell the heart of any arm-chair traveler. Like a Patek Philippe, this is a book you don't own, but merely look after for the next generation—once, of course, you've repaid the loan you took out to buy it. (6 December 2003, The Economist, Atlas 246)

From one generation to the next one claim that asserts the distinction of timelessness is fostered not only by the watch but also by the Patek firm:

One thing that has not changed, nor will it for that matter, is the issue of Patek Philippe's ownership. Philippe Stern promises that Patek Philippe will continue as a family-owned company, despite enormous financial incentives for him and other family members to "sell out" to a conglomerate. To that end, Stern is training his son Thierry to someday succeed him as president of Patek Philippe. Thus, when Thierry takes over the company, he will be the fourth generation of the Stern family entrusted with guiding the destiny of this unique House. In doing so, he will honor a grand tradition which dates back to 1845...and a partnership whose spirit lives on forever in the marvelous products of Patek Philippe. (Calibre Magazine Issue 5, Atlas 224)

Patek, by being a very traditional family-owned company that has been around since 1845, also fosters the meaning of the social systems of both Patek and eternity in terms of timelessness. However in order to fully enable the eternal nature of Patek and the meaning of eternity in the society the individuals have to be coupled with these meanings. When Patek is seen as something timeless that will not change and fail to rise to expectations, the coupling of the individuals can happen. In the communicative events, the personality or the individuality of Patek is apparent, but generally in the form of an absolute, immortal being that comes from legends or tales:

So, no need to keep a beauty [Patek] in a glass coffin as if it is Snow White. (22 October 2010, WatchProSite, Atlas 403)

At last, I've found true love! ... Finally, I was recently able to sell the 5970P [another Patek] and let the golden maiden [Patek] free from her plastic bonds. (13 December 2010, WatchProSite, Atlas 386)

Snow White, the true lover, and the Golden Maiden (from a Russian folk tale) are all ideal characters owners can attach to and maintain a relationship with unconditionally as their fictional personalities will not change. With the establishment of a personal relationship, Patek becomes part of the family. The consumer frequently acquires the watch at a certain event (usually upon a certain success) in his or her life, and the acquisition marks that moment, while the watch becomes a memento. However, the memento aspect of the watch does not stop after the initial purchase. Because the owner believes the watch is a timeless object, he believes that with each passing day, the Patek watch becomes a witness of his life and is loaded with his values:

I bought a 5035 in 1998 to commemorate the birth of my son. He will soon be 15 and both he and the Patek are developing quite nicely. Of all of my watches, he knows this one is his. (27 September 2010, Facebook Wall, Atlas 337)

For the distinction of 'memento', as in the above quotation, the reference to the child is also very important. It is obvious that human beings cannot live forever, but they might live in the minds of their children through their values and memories. Consumers share the distinction of timelessness, as an immortality which they associate with the hope of leaving a part of themselves to their kids in the form a timeless object, in this case the Patek wristwatch. Moreover, the dynasty of the family-owned Patek company also resonates well with the dynasty of the individual, who wants to pass on his success and his virtues in life to the next generation. As a result, owners appear to always wear their watches perceiving them as timeless keepsakes their kids will wear someday:

So now I strap on my dream every work day and wear it proudly and continually think about two things: Will my daughter appreciate it someday? (4 May 2009, GearDiary, Atlas 347)

The same distinctions are also found in the communicative events that originate from the company:

These qualities make each Patek Philippe an exclusive possession that its owner is proud to preserve in order to pass on to future generations. While waiting to begin your own tradition, you will be your watch's guardian, with ample time to enjoy the fine details of finish that make it so precious (Patek 2010 Shop catalog, Atlas 439)

It is evident in the above quotations that for the owner, the watch slowly becomes him, or at least becomes a solid reminder of himself. The constant repetitions of communicative events that are similar to the above ones strengthen Patek's role as a keepsake. Basically, by being both a memento and a keepsake, the eternity program in Patek connects the previous generation to the next. From the perspective of the social system of eternity, past and future are fused and the meaning lives on by emphasizing the eternal, or at least for now, the continuous existence:

I was in your shoes 20 years ago ... when my parents presented me with a 3919J (the predecessor to your 5119J) for my 30th birthday as well. It was my very first PP watch, the one that set me on the path of future acquisitions. Although since that time my collection has grown to include a number of more complicated pieces, that Calatrava has remained a timeless expression of elegance, not to mention a fond reminder of my parents' acknowledgment of this milestone. Congratulations! Unless hardship befalls you, do not ever sell it,

because in this case it is more than just a watch. (21 September 2010, WatchProSite, Atlas 396)

I will wear a vintage Calatrava with ceramic display of my passed away Father. It was my first PP. Maybe it has less value in collection but first place in my heart. (10 December 2010, WatchProSite, Atlas 402)

In summary, eternity is a social system that develops the symbolically generalized meaning of being able to exist forever and being timeless. From the discourse of this social system, the understanding of eternity on the part of the society emerges. In order to secure this meaning and differentiate it from other competing meanings, the social system of eternity has to use coupled systems that foster the meaning of timelessness. These interpenetrated systems are usually consumable eternal things (be they a brand or a folk tale) that share and foster the distinctions of eternity by opposing short-term contemporary trends or meanings. The Patek brand system strongly interpenetrates the social system of eternity via its corresponding program because it provides a supposedly timeless object that fosters the distinction of eternity. In turn, the Patek brand system differentiates itself from its environment by being an eternal and timeless object.

#### **6.3.7. Traditional and Prestigious Family Business**

From the perspective of social systems theory, economy is a social system that evolves self-referentially. Each communicative event that directly or indirectly refers to the concept of money feeds the economic system. The core logic of the economic system is the need for money to make payments and the threat of losing the capacity to make future payments after using money. This self-referential logic forces the systems (psychic and social) that are coupled with the economic system to be profitable or at least to break even so that they can continue interpenetrating the economic system based on having money. For example, both individuals and companies must make money to spend money to be in relation to the economic system. The function of the economic system in the society is to facilitate the deferral of decisions that arise from an exchange. In an exchange, rather than bartering, one can receive money and therefore delay his decision about what to receive for the exchange. By bringing reflexivity into the exchange and thereby assessing the profitability of the coupled system, economy guarantees and secures the future of the coupled system. Hence the economic system still requires external stimuli in the form of desired things that are exchanged so that it

is needed for deferral. Along with other things, the commercial brand is also coupled with the economic system while providing it the exchanges that require the mechanisms of deferral. Simultaneously, the economic system guarantees the future of the commercial brand by deferring its profits and deeming it an economically viable social system of desire.

The broad social system of economy encompasses various sub-systems of economy, in which different types of economic programs and rationalizations are at play. There is no single way to profit; otherwise the functioning of the economic system would be too simple and therefore obvious. Immense complexity is required so that the economic system can justify its existence while hiding its self-referential nature. In order to create complexity, different types of companies and brands, such as niche, mass produced, luxury, and service, are coupled with different types of social sub-systems of economy. The brand system assists the economic sub-system by providing a social desire that is structured in the way this economic sub-system requires. Simply the commercial brand becomes a vessel for the particular economic model and helps it to differentiate itself from other models. In turn, the economic system provides the brand with an economic model, of which the profitability is secured, and guarantees its existence and future while helping it to differentiate from other brands via its economic rationale.

In the analysis, I have observed the distinctions, shown in Figure 22, that indirectly or directly refer to economy and foster the economic program of Patek and its coupled social sub-system of economy:

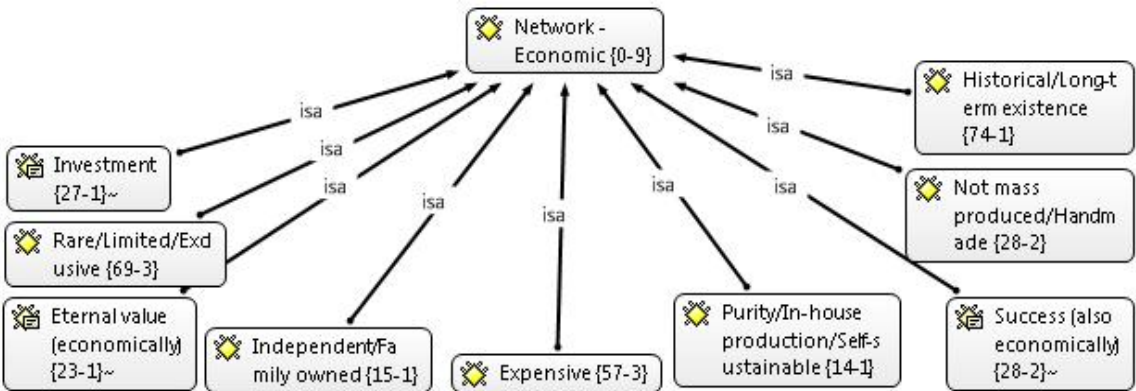


Figure 22 – The distinctions of the program of prestigious family business

When viewed broadly, it seems that the social sub-system of the economy, which Patek interpenetrates via the economic program, is one that fosters the still possible idea of a



prestigious and traditional family business that produces classic and exclusive hand-made goods. This economic sub-system is associated with the production of exclusive items that are expensive and rare:

The highest price went for a Patek Philippe Reference 1591, a relatively understated stainless steel watch with perpetual calendar and moonphase mechanism, but the only waterproof example of its type. It was acquired by a Maharaja in 1944 who wore it during polo games and gave it to the man in charge of organising his wedding. It went for 1 million pounds. (12 November 2007, The Telegraph, Atlas 264)

For the items that are coupled with this economic model, claiming rarity and demanding a higher price are not enough to justify the selectiveness. The selective brand has to have a certain history of exclusive usage and be produced by a company that has a long-term existence in order to guarantee future exclusiveness:

Although Patek Philippe is rightly famous as the leading manufacturer of mechanical horology, the firm is also the forefront of the industry as producers of industrial and electronic timekeepers, with its highly accurate master-clocks installed in power stations, hospitals, airports, and other public buildings and factories. The firm clientele has included many of the famous figures across history, including royalty such as Queen Victoria, Prince Albert, as well as distinguished scientists, artists, authors and musicians, including Albert Einstein, Marie Curie, Charlotte Bronte and Tchaikovsky. (Calibre Magazine Issue 5, Atlas 224)

Thus, past success becomes the guarantee of future existence. Patek's being coupled with successful and select names throughout its history and being successful in surviving for a long time are indicators of future success. This economic model requires that not only the product but the company should be a timeless entity:

As a family-owned watch company, we are committed to restoring and maintaining all our watches. Including those made in 1839. (15 December 2010, Patek Website, Atlas 12)

In the case of Patek, the firm is required to provide service for its products that were produced in any era. In this way, the economic program of the Patek brand system removes time from the picture and makes it a timeless company given its traditional values. However, this long-term existence requires profitability in the economic domain. The brands which are successfully coupled with the economic sub-system, such as Patek, should be profitable to continue to exist and produce their products or provide their services. For example, when the profitability and simply the current existence of Patek are proved viable by the financial mechanisms in the program that are coupled

with this economic model, Patek's long-term existence seems guaranteed and the watches become valuable items:

Although watches should not be treated as a realistic investment, Patek Philippe will probably hold its value better than other manufacture. (4 December 2010, WatchProSite, Atlas 397)

A Patek Philippe Reference 1526, from 1942, estimated at 1 million to 1.5 million Swiss Francs, or \$943,000 to \$1.3 million, sold at Christie's Geneva for close to 2.8 million francs. (17 March, 2010, The New York Times, Atlas 305)

The eternal brands that are coupled with this economic discourse are generally believed to have even higher future values. As a result it is common to see the distinction of 'investment' in the discourses of these brands and this economic sub-system. The discourse of the economic program of Patek is no different:

Please tell your friend that the Patek will keep appreciating in 10 years while your vehicle will depreciate to zero value in 5 years. Tell him to go figure your smart investment. (23 August 2010, WatchProSite, Atlas 407)

The investment aspect that is coming from the economic sub-system justifies the money that will be spent for the brand. It becomes a wise choice to purchase a Patek watch:

When the second-hand market began in the early 1980s, a Patek Philippe Perpetual Calendar sold for around \$10,000 (about 5,000); now you wouldn't get much change from \$350,000. This is not a market affected by economic turmoil—the average watch collector is male and 35 to 65 years of age, with the cash to indulge his passions. In fact Alexander Barter, a Sotheby's specialist, believes that anxiety in the financial industry has had a positive effect on the wristwatch market. "The extraordinary thing is that the market is very buoyant," he says. "My feeling is that clients are very reluctant to put their money in stocks and shares, and watches are a tangible asset." (15 July 2008, The Telegraph, Atlas 256)

Another aspect of this economic system is the fact that the brand should be handmade so as to differentiate itself from other economic sub-systems. In the age of mass production, it is a substantial risk not to opt for a highly efficient and automated production process. However, by being handmade, the brands in this economic system, such as Patek, justify their rarity and high price because hand-making a product takes much more effort and time:

That being said, I think the 5140P is definitely the long-term watch to own. This is a perpetual calendar that is part of the grand complication collection. This timepiece goes through double assembly by one master craftsman at the Grand

Complication workshops at Patek Philippe. (22 October 2010, WatchProSite, Atlas 383)

We also saw one of the first 5950A having its final inspections & tests before it is delivered to its lucky new owner, sometime next month. (9 November 2010, WatchProSite, Atlas 425)

This economic model also supports companies that produce their products fully in-house. This is also a massive distinction of this economic sub-system against the outsourcing, partnership and open innovation strategies frequently found in modern markets. The companies that are coupled with this economic model become self-sustainable and differentiate themselves from others in the market by attributing a particular purity to their products. Similarly, the Patek firm is famous for producing all the components of its mechanical watches in-house, and consequently Patek earns the status of a traditional and pure item:

Patek Philippe is probably the only watch maker that pretty much makes a watch from scratch. Unlike other leading wristwatch manufacturers who sub-contract out various components to others, Patek does everything. First the company uses only the best materials. It also, employs the world's best craftsmen to make and design a watch; from jewelers, engineers, engravers, draftsmen and goldsmiths. (2 February 2007, Ezine Articles, Atlas 338)

Patek Philippe is an independent, family-owned company and the only manufacturer that makes all of its mechanical movements according to the strict specifications of the Geneva Seal. I like knowing that Patek executes the production of all those watch components in-house. (25 November 2008, The New York Times, Atlas 320)

Being self-sustainable in the production process also enables independence for the brand systems that are coupled with this particular economic system, because these brands interpenetrate fewer social systems than those whose firms collaborate with various other companies. For example, the economic program of the Patek brand system is independent of the norms of the watch industry, and therefore recently the Patek firm devised its own quality control guidelines and abandoned the Geneva Seal of the industry:

By integrating knowledge, innovation and technical developments, the Patek Philippe Seal guarantees the enduring quality of our timepieces. As a family-owned company, we are the only guardians of this quality. (15 December 2010, Patek Website, Atlas 187)

Finally, being a family-owned company creates an important distinction within the broader economic domain and enables the existence of this particular economic system.

Moreover, being family-owned again fosters the distinction of independence, which may lead to other unorthodox distinctions. For example, the presidents of these companies can have uncommon responsibilities and traditions, as Mr. Stern does:

As many have mentioned, there is an application process where Mr. Stern must decide if one is worthy of acquiring one of these “grand” grand complications. (7 November 2010, WatchProSite, Atlas 417)

Overall, despite its being an unorthodox economic model and social sub-system, the system still has a possible schema for profitability, and the corresponding programs of the successfully coupled systems fit this model and maintain the existence of their systems. The social system of Patek maintains its profitability and the economic program justifies its existence via its coupling with this particular economic discourse. Otherwise the firm would cease to exist or would yield to other economic models and become coupled with other social sub-systems of economy:

Philippe Stern promises that Patek Philippe will continue as a family-owned company, despite enormous financial incentives for him and other family members to “sell out” to a conglomerate. (Calibre Magazine Issue 5, Atlas 224)

To sum up, via its economic program, the Patek brand system is coupled with a particular sub-system of economy that differentiates itself from the broader economic system via its particular distinctions. This economic system and its communicative events refer to a distinct economic model that prefers handmade and limited products instead of mass produced ones. These products are generally extremely valuable, classic items that can even be purchased as investments. In this economic discourse, the firm that produces these exclusive items is a traditional family-owned company that is independent of the modern organizational structures, as by producing everything fully in-house rather collaborating. The social system of Patek, by being an instance of this kind of business and product, interpenetrates and enables ‘the economic sub-system of traditional and prestigious family business’ based on its corresponding program. Patek is not the only brand that fosters this economic system. For example, another luxury business, Hermes, is a very similar company that is also coupled with this social system and its economic model. A commercial brand that is not supported by any economic system cannot exist in a modern society which is pervasively interpenetrated by the social system of economy. Therefore, while Patek contributes to the existence of the social sub-system of the traditional and prestigious family business, this economic model supports the functioning of the Patek’s economic program by providing

distinctions that separate Patek from other brands. Most importantly, the profitability assessment that is made with the cooperation of the economic sub-system and the relevant Patek program guarantees the survival and the long-term existence of Patek. The coupling of this economic system with the economic program brings specific distinctions such as expensiveness and long-term value that are used as environmental stimuli in the other programs of Patek.

### 6.3.8. Rigorous and Elegant Swiss

The Patek brand system is also coupled with a nation discourse. The interpenetration with this national social sub-system is not as strong as the others, but it is still evident that the Patek system interpenetrates the understanding of being Swiss or originating from Switzerland via its nation program. There is no single understanding of what it is to be Swiss, but there are numerous social sub-systems of being Swiss that correspond to the different understandings of ‘Swiss-ness’ in the broader society. When I analyzed the particular references to the Swiss sign, I discerned five distinctions in the data that foster a particular social sub-system of Swiss-ness that the Patek brand system interpenetrates via the nation program. The distinctions of Patek that partly define the Swiss social sub-system and the corresponding program of Patek can be seen in Figure 23:

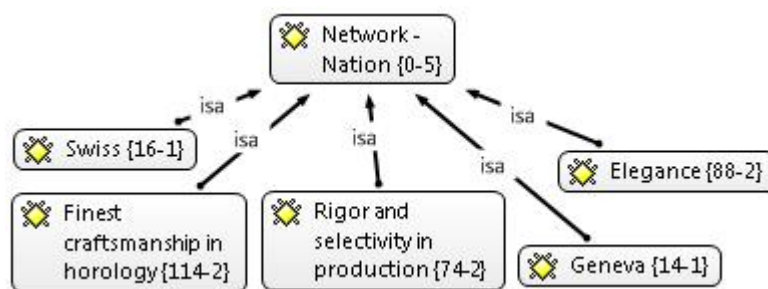


Figure 23 – The distinctions of the program of rigorous and elegant Swiss

There are direct references to Geneva and its watchmaking industry in the data:

Geneva’s renown as a center for watchmaking and enameling, sustained since the 16th century, finds full justification in this breathtaking private collection of delicate gold watch cases, complicated watch innards, lifelike portrait miniatures, and softly lighted enameled fans, pens, pocket knives, snuffboxes, telescopes, and vanity pistols that shoot singing birds. Most of the objects displayed in this former watchmaking workshop are hundreds of years old; many were created in Geneva by Patek Philippe, one of the city’s most venerable watchmaking companies. (16 December 2010, Fodor’s, Atlas 346)

Here Geneva, where Patek is made, is referred to as the centre for the finest craftsmanship in horology. It seems one can also conceptualize and locate the social system of Geneva or Genevan horology in the data:

In turn, the Patek Philippe Museum simultaneously presents the evolution of its own creations and those of Genevan horology from the 16th century to the present. (2001, Tribune des Arts Special Issue: Patek Philippe Museum, Atlas 450)

However, Patek is not strongly coupled with Geneva in the general discourse because first it is above the Geneva watch industry, and second the broader perception correlates it more with the understanding of Swiss-ness, which encompasses Geneva anyway. Therefore even the Geneva-related communicative events contribute to the understanding of Swiss-ness. The distinction of the finest craftsmanship in watchmaking is generally found near the Swiss sign in the data:

A prestigious member of the exclusive club of traditional Swiss watchmakers, Patek Philippe was established in 1839, to be purchased a century later by Stern family, which still owns the company in 2009. (16 December 2010, The HubPages, Atlas 341)

This broader Swiss watchmaking industry that includes Patek is correlated with rigor and high quality:

The most discerning collectors insist there are only a handful of watchmakers in Switzerland who have truly earned the label. Patek Philippe, Rolex, Audemars Piguet, Breguet, Piaget, Vacheron Constantin, Zenith and a few boutique brands such as Girard-Perregaux usually make the cut besides Jaeger-LeCoultre. (26 March, 2009, The New York Times, Atlas 301)

In turn, the communicative events that originate from the Patek brand system contribute to the understanding of rigorous Swiss:

With typical Swiss caution, Patek Philippe is studying the performance of the silicon before deciding how widely it will use the new technology. (4 February 2006, The Economist, Atlas 245)

In addition to the careful and selective approach of the Swiss, there are references to the elegance and neatness of the final product:

Once you've come face to face with the Abivardi sisters and mixed them in your imagination with a Patek Philippe advert, you know that a bleaching session at Swiss Smile will not leave you looking like a cliché. Haleh insists she never overdoes it, adding that "bleaching shouldn't leave your teeth looking whiter than the whites in your eyes". (6 October 2007, The Telegraph, Atlas 267)

In brief, the Patek brand system interpenetrates a particular social sub-system of Swissness, which carries the distinctions of rigor and elegance. Patek, by being an elegant item from Switzerland and by being produced with stringent guidelines in accord with traditional Genevan horology, contributes to this system and strengthens this particular understanding of being Swiss. In turn, being coupled with the elegant and rigorous Swiss brings these distinctions to the nation program of the Patek brand system, which in turn carries these distinctions to the other systems and to their coupled external social systems.

#### 6.4. The Interplay of the Programs: The Patek Brand System

In the previous sections, I have depicted the internal programs and their interpenetrated social systems. The Patek brand system observes and conceives its environment in terms of these eight diverse programs, as seen in Figure 24:



Figure 24 – Patek as the unity of its programs

Each program bears specific distinctions that derive from its interpenetrated social system and uses these distinctions to differentiate itself from the particular understanding of the environment. However, the programs do not handle external social systems exclusively; they should also accommodate the other programs, because all the programs are aware of each others' distinctions internally. Therefore, a program may use the distinctions of the other programs in its own differentiation from the environment; or at least each program should be neutral to the other programs'

distinctions. This cooperation requires continuous interplay among the programs, and this relationship between the distinctions of these programs forms the Patek brand system. There is not necessarily a relationship among all the programs, but each program should empower at least a few of the others and also be neutral to the rest so that it becomes an indispensable part of this unity. In short, each program within Patek enables the Patek brand system by both handling an external social system and stimulating some of the other programs.

The interplay among the programs is highly complex as it derives from the surrounding disparate social systems. In addition, I have described each program from its own perspective in the preceding sections, and these descriptions should provide insight into what sorts of distinctions are handled within each program. Therefore, in this section, I will not necessarily establish all the possible relations between programs but depict only the most apparent relationships, simply to present the broad interplay that fashions the social system of Patek.

One of the most apparent interactions is among the programs of science and art. The aesthetic style of modern-classic requires an elegant, subtle, and discreet taste. However, in order to avoid ordinariness and inspire awe, this discreetness should embody a contrasting richness and complexity. The scientific superiority of Patek enables this contrast as it supports the production of a highly complex mechanical machine that fits in a small case: 'Major complications in a simple looking timepiece. Isn't this the pinnacle of good taste?' (19 October 2010, WatchProSite, Atlas 416). While the specific programs of art and science perfectly complement each other, they need a practical everyday vessel to convey their particular distinctions. In Patek's case, the program of jewellery is this carrier that gives body to the distinctions of the scientific and the aesthetic programs: the jewellery program of the elite mechanical wristwatch justifies the existence of these mechanical and aesthetic objects by deeming them as particular types of accessories or jewellery. Yet these wristwatches have to be used by individuals in order to be meaningful. At this point, the programs of lifestyle come into play. By providing distinctions in the form of the individuals who appreciate these mechanical wristwatches, the programs of rich upper class and successful intellectual enable this jewellery program.



The program of successful intellectual lifestyle is in relation with the programs of science and aesthetics as well. Patek, by being superior and successful in art and science, creates a matching environment for the program of the successful intellectual lifestyle:

Until now, my favourite activity with my favourite chronographs has been to set the timer going using the button at two o' clock. That satisfying crunch is the clutch wheel engaging with the chronograph train. At Patek Philippe, however, they don't crunch their gears. The watch engages the chronograph using a disc clutch, smoother than a Schumacher. (07 May 2006, The Telegraph, Atlas 258)

However, there is no direct relationship between the program of rich upper class lifestyle and the programs of science and art, because the rich lifestyle is merely concerned with the expensiveness of Patek. Instead the program of rich upper class is strongly coupled with the economic program because the program of economy deeming Patek an expensive item is essential for the internal differentiation of the rich upper class. Similarly, the program of jewellery is heavily influenced by the economic program because elite mechanical wristwatches should be rare in order to be precious, and this rarity is justified by the product's being hand-made yet under an economically profitable business model. Because the general economy is a highly pervasive social system, the program of traditional and prestigious family business guarantees the future of nearly all the other programs. For example, the economic program of traditional family business validates the existence and most importantly the future of the mechanical and artistic aspects of Patek by deeming them profitable. This economic viability provides a fruitful environment for the scientific and aesthetic programs. The scientific program, in return, with its traditional production process, provides an instance of the supported economic model to the economic program. Similarly, the aesthetic program provides long-term good taste that associates well with the economic model of producing expensive timeless products.

Swiss products and people are well associated with the distinctions in the other programs. The rigorous Swiss nation supports the finest craftsmanship of horology, which is required for the brand's scientific program. Similarly, the aesthetic program of modern-classic elegance complements well Swiss products that are already known to be elegant. Swiss-ness and the economic program support each other because Swiss-ness provides the workforce and the environment for this particular economic model of a traditional and prestigious family business, while the economic program justifies the

existence of niche family businesses in Switzerland. The Swiss nation, by producing expensive items, complements the program of the rich upper class lifestyle. Oddly enough, the program of the successful intellectual is not evidently coupled with the nation program of Swiss-ness. Within the program of the successful intellectual lifestyle, Patek, with its long heritage, overshadows its country of production.

The program of eternity and timelessness provides the basic distinction for most of the other programs so that they can claim long-term relevance and existence. In turn, it strengthens itself via the existence of these programs that make use of the claims of eternity and timelessness. Nothing is eternal, but the slow and conservative change in technology allows horology to be conceived as a traditional technology and therefore a representation of timeless craftsmanship. Similarly, in the aesthetic program, the modern-classic art differentiates itself from the contemporary by suggesting eternity. The economic program of the traditional family businesses fosters timelessness, as this economic model supports and uses eternity in business terms. Similarly, eternity enables the program of the successful individual lifestyle because the Patek wristwatch is seen as a timeless keepsake, through which the coupled individuals can live forever. Table 3 shows the major relations between the programs of Patek and thereby provides the broad view of the interplay that gives rise to the Patek brand system. The programs in the left column enable the ones on the top row through their distinctions that become the resources of the other programs.

Table 3 – The interplay of the major distinctions of Patek's programs

PROGRAMS	<b>Horology</b>	<b>Modern-Classic Designs</b>	<b>Jewellery</b>	<b>Rich</b>	<b>Successful Intellectual</b>	<b>Eternality</b>	<b>Elite Family Business</b>	<b>Swiss</b>
<b>Horology</b>	X	Enables slim yet complex watches	Provides mechanical complex watches	X	Provides a certain traditional knowledge	Is a timeless craftsmanship	Is a time-consuming production process	Is a rigorous process
<b>Modern-Classic Designs</b>	Requires a slim and sleek design	X	Provides understated taste	X	Provides traditional aesthetics	Is a timeless artistic style	Provides long-term valid design	Is elegant
<b>Jewellery</b>	Provides a vessel for science	Provides a vessel for aesthetics	X	Is an expensive accessory	Understated and discreet accessory	Provides a vessel for timelessness	Is a viable product for niche firms	Fosters Geneva industry
<b>Rich</b>	X	X	Use expensive accessories	X	Is not intellectual but simply rich	X	Creates demand for luxury	Consumes valuable products
<b>Successful Intellectual</b>	Appreciates the fine craftsmanship	Appreciates modern-classic	Uses discreet accessories	Is aspired by some of the rich	X	Wants to live forever	Creates demand for traditional	X
<b>Eternality</b>	Enables traditional craftsmanship	Enables classic design	Enables timeless jewellery	X	Associates with immortality	X	Enables being a long-term firm	Fosters rigorous production
<b>Elite Family Business</b>	Supports handmade craftsmanship	Supports timeless products	Produces an exclusive object	Produces expensive items	Associates with users' success	Guarantees the future of the system	X	Provides high-end companies
<b>Swiss</b>	Provides rigorous craftsmen	Provides elegant artists	Produces other luxury jewellery	Produces expensive products	X	Has many timeless brands	Supports prestigious businesses	X

The arrangement provided in Table 3 should not be taken as a causal schema. Each particular program perceives its environment according to its rules and dispositions, and differentiates itself from its own subjective understanding of the environment. Still, the distinctions of the programs stimulate one another. For example, the economic program is concerned only with the particular economic system that it is coupled with and therefore uses the distinctions from the other programs from an economic perspective.

The society, in daily communication, conceives Patek via its simple dichotomous code 'Patek/not Patek' without questioning its complex and self-referential nature. Utilizing

the brand as a social system of interpenetration framework, I refrain from using this binary schema and attributing essential properties to Patek. Instead, I conceive it as an autopoietic social system that differentiates itself from its environment via an irresolvable, asymmetric guiding distinction. In my analysis, I discover eight distinct programs that make up the guiding distinction of the Patek brand system. Each program interpenetrates a specific social system, from which it inherits particular distinctions. I have conceptualized Patek as the plurality and thereby the interplay of these diverse programs, each of which has to manage a disparate social system externally, but also has to accommodate the internal distinctions of the other programs. This conceptualization captures the complex, autopoietic, and multi-dimensional nature of the Patek brand. Moreover, because the programs of Patek share their distinctions that arise from their corresponding interpenetrated systems, the surrounding, otherwise detached social systems end up being indirect environments to each other. By acting as a social system of interpenetration, the Patek brand system fulfils its broader function in the society, which is translating and synchronizing these eight detached social systems and connecting them to the rest of the society.

## **6.5. Conclusion**

The aim of this chapter has been to validate ‘the brand as a social system of interpenetration’ framework through analyzing Patek. Therefore, throughout my analysis, I have conceived Patek as a social system that interpenetrates various disparate social systems. A social system can be coupled with a vast number of other social systems, but there are usually certain ones that irritate the social system significantly. Within the communicative events that refer to Patek, I have located eight major social systems, the discourses of which the Patek brand system joins via its corresponding programs. The guiding distinction of the Patek brand system is not a simple one, but arises from the continuous differentiation and the interplay of these eight programs. Each program of the Patek system perceives the environment differently and tries to differentiate itself from it in a specific way. Consequently, each program produces its own distinctions by interpenetrating a particular social system, but also has to accommodate the distinctions of other programs that are shared within the system. This interplay between the programs and the resulting plurality enables the Patek brand system, which cannot be captured via a single abstract distinction. The Patek brand system is the unity of each program’s dilemma between dealing with its own external

interpenetrated system and accommodating the diverse internal distinctions that are shared from the other seven programs. In addition, because these distinctions, which arise from the interpenetrations of diverse social systems, flow between programs, Patek ends up translating and synchronizing these otherwise disparate social systems.

By applying the theoretical framework of ‘the brand as a social system of interpenetration’ to the communicative events of Patek, I have demonstrated and confirmed that a brand can be conceptualized as a social system that is composed of communicative events and their resulting symbolically generalized meanings. I have also validated that ‘the brand as a social system of interpenetration’ framework can be used to deconstruct the complex systemic functioning of a brand into the interplay of its programs that make up the main guiding distinction. Rather than conceiving a brand as the totality of attributes, one can capture it as the unity and the interplay of the diverse distinctions that arise from its disparate programs. My proposed theoretical framework is neither a template for a luxury brand nor a strict guideline that enforces the existence of certain social systems that are coupled with brands. Instead it emphasizes approaching any brand as a complex social system that results from the interplay of its programs, each of which interpenetrates a specific neighbouring social system. Depicting the brand as the unity of the distinctions that arise from its coupled systems should be very enlightening in understanding the complex and autopoietic nature of any brand, because this framework reflects the broader function of the brand in the society, which is to synchronize disparate and otherwise detached social systems and their discourses. Brands are the translation systems that fill the gaps between social systems in the manner of gears. Moreover, in analyzing Patek, I have also presented an analytical technique for utilizing the proposed framework in the case of an actual brand.

## **7. Conclusion**

### **7.1. Key findings**

I have opened the thesis with the following research question:

How can the brand be conceptualized as a discourse of communicative events that interpenetrates various other disparate discourses and develops particular dispositions which result from accommodating these diverse discourses concurrently?

In order to answer this question, I have first devised a particular conceptualization of the overall communications medium that can be used as a framework to capture the brand as a set of symbolic meanings that arises from related communicative events. I have termed the social system of communications media the communications system (CS), which is comprised of both the communication technologies and the social practices surrounding these media. The CS is a single system that covers every type of communication in society, both old and new. The language is inseparable from its communication media; therefore the CS is also the language, which is the medium that self-referentially creates and incorporates all the symbolically generalized meanings which make up the society. Therefore the CS, as a language, encompasses and creates the society by virtue of its self-referential nature: the CS is the society.

However, the various social systems and individuals comprising the society should not recognize the CS as the platform that generates new meanings and which is thereby identical with the society. In order to utilize it they have to view it as a transmission medium. Therefore, the CS, as a social system, constantly differentiates itself from language and positions itself as merely the transmitter of language and meanings. Social systems and individuals observe the CS through a binary schema of the CS/not the CS. Via a simple negation, this dichotomy enables the CS to be recognised and utilized as the transmitter of reality. However, the irresolvable, asymmetric guiding distinction that enables the CS is the CS/society. With this internal dialectic, the CS continuously differentiates itself from the perceived language and society in the environment and forms and advances itself as an autopoietic social system.

The CS is the essential platform for the existence of all other social systems because it helps them to create and store their symbolic meanings, but since all social systems are autopoietic, it cannot determine the progress of these systems. By using the CS as a

non-deterministic framework, I have conceptualized the brand as a social system that is made up of communicative events and their resulting symbolic meanings, which reside in the medium of the CS. The brand system is autopoietic, which implies that the brand observes itself and its environment in the related communicative events. Subsequently the brand self-reproduces by constantly differentiating itself from its environment, which the brand perceives as an abstract other. The society conceives the brand via its simple dichotomous code 'the brand/not the brand' without questioning its other side; however, the irresolvable dialectical guiding distinction that enables and produces the brand is 'the brand/the abstract other'.

The self-referential aspect of the code of the brand is highly evident. Therefore, the various programs of the brand system complicate the internal dynamics of the brand and enable the simple code (binary schema) of the system to be perceived as reality by society. The programs, with their immense complexity, also introduce the guiding distinction back into the brand system. However, because the brand is a multi-dimensional, highly rich meaning, there is no single symbolic meaning that reflects the similarly rich abstract other which the brand perceives in its environment. The abstract other cannot simply be a product or a service because the brand is not essentially a commercial meaning. Yet, because the guiding distinction derives from the unity of the programs, it can be deconstructed into the interplay of the internal programs.

Like all social systems, the brand system is also surrounded and coupled with other social systems that make up its environment and provide the necessary stimulation for its autopoiesis. The brand interpenetrates these disparate social systems by being a different set of meanings in the discourse of each coupled system. The programs of the brand system handle the interpenetrations with these neighbouring social systems as each program defines the brand from a different perspective that corresponds to an interpenetrated social system, such as science, art, and economy. Consequently, from society's point of view, the brand ends up translating and synchronizing these otherwise detached social systems. Because the brand is a highly multi-dimensional social system, the broader societal function of the brand is the synchronization of the society. Therefore, I conceive the brand as a social system of interpenetration. The synchronized social systems change for each particular brand, and they can be any micro to macro meaning system within the society. Yet there are common social systems that

interpenetrate the commercial brand, such as the social systems of economy, politics, law, science, art, marketing, lifestyles, health, safety, and social responsibility.

This synchronization function is the external aspect of the brand system; it does not shed light on the guiding distinction that enables the brand system. From the internal perspective, each program handles a specific interpenetrated system and deals with the corresponding discourse of communicative events. However, the programs also share each others' distinctions internally, and each program has to accommodate the other shared distinctions that derive from the other interpenetrations. The unity of each program's dilemma between dealing with its own interpenetrated external system and accommodating the other programs' internalized distinctions gives rise to the complex guiding distinction. This interplay between the programs and the resulting plurality produces the multi-dimensional abstract other and thereby the rich guiding distinction that enables the autopoiesis and the existence of the brand as a social system of interpenetration.

## **7.2. Contributions**

Being a theoretically oriented study, this research aims at remedying oversights in the cultural understanding of the brand. Consequently, the conceptualization of the communications system and the brand are the main contributions of this research. The CS framework resolves various misconceptions in the understanding of communications and its media. More importantly, perceiving the communication media as an autopoietic social system overcomes the technological determinism that is persistent in many studies and instead compels the researcher to analyse her phenomena without relying on the presumed external effects of communication technologies. Using this alternative conceptualization of the communications media, the researcher can position any socio-cultural phenomenon as a set of symbolic meanings that reside in the medium of the CS while avoiding mediation between the CS and her unit of analysis.

The brand as a social system of interpenetration framework remedies certain major misconceptions in the cultural understanding of the brand. By detaching from the individuals' lifeworlds fully and by capturing the brand solely as symbolic meanings that are constructed on the level of broader cultural discourses, this proposed framework provides an improved socio-cultural conceptualization of the brand. Askegaard and



Bengtsson analyse a co-branding case from the perspective of cultural branding and conclude that managers should be aware of the limitations of the strategic control of the brand and also view their brands from a macro cultural perspective (2005). The aim of this research is to render the observations and suggestions of Askegaard and Bengtsson even more tangible by showing the self-reproductive nature of the brand that emerges from neither consumers nor producers but from the broader cultural dynamics that neither are reflexive of.

However, my contribution is not merely the framework. By documenting and structuring the case of Patek Philippe both through my proposed conceptualization and Luhmann's methodology, I also provide a technique for utilizing the framework of the brand as a social system of interpenetration. Using this particular method, the marketer can depict the interplay of the disparate programs that interpenetrate external social systems and present how the brand system arises from this interplay and plurality. By understanding the broader socio-cultural function of the brand system and its resulting dispositions, the marketer can elevate her short-sighted micro perspective to a long-term macro one and thereby guide the brand better based on knowing its cultural inclinations.

I also hope to contribute to consumer culture studies in terms of methodology and theoretical perspective. Luhmann's social systems theory, which I utilize throughout this research, is very helpful for conceptualizing the broader cultural aspects of a social phenomenon by placing it in the centre of the analysis. However, the approach is relatively unused in the consumer culture field. By detailing Luhmann's social systems theory and its methodology of functional analysis, especially with regard to marketing and consumer culture studies, I have shown how academics in these fields can use Luhmann's philosophy and methodology in practice. Moreover, Luhmann did not describe his methodology in terms of data collection. By adding Foucault's archaeology as a data collection method to Luhmann's functional analysis, I have devised a more structured and rigorous research methodology.

### **7.3. Limitations and Future Research**

By using SST, I have distanced myself from the interpretative context that is constituted by the individuals' lifeworlds both in the case of the communications media and the brand, because my aim in this study is to provide a conceptualization that captures the

broader societal function and dynamics of the brand. One can argue that departing from the individuals' lifeworlds weakens the proposed framework because certain actors who are involved in the social construction of the brand are omitted. It is true that their decisions matter and contribute to the meaning of the brand, but it is neither possible nor necessary to include the consumers in the brand as a social system framework. First, meaning is not necessarily linear in the various aspects of a phenomenon. For example, analyzing the actions of the cells of a human being would not help the researcher understand why that person votes for right-wing parties. Therefore, there is no way to elevate and merge the subjective meanings of individuals with broader cultural meanings. Secondly, the individuals' meanings are reflected collectively in the functioning of the social systems as broader cultural meanings. As a result, excluding individuals is a necessary limitation.

However, if one is interested in the consumers' interplay with the brand, for future research, the subjective lifeworlds of the individuals can be positioned and analyzed against the brand, which is captured as a social system of its own. Yet these studies should avoid mediating between the lifeworlds and the brand system, but try to understand the interpenetration and the resulting stimulation between them. Another path for future research would be analyzing different types of brands using the framework of the brand as social system of interpenetration. I have tested the framework only on one luxury brand, Patek Philippe; therefore it would be very interesting to see how the framework would capture low-involvement brands. Moreover, it would be highly enlightening to employ the brand as social system of interpenetration framework in studying the brand under certain developments, such as co-branding, brand extension, brand hijacking, and brand evolution.

## Appendix 1

Atlas.Ti references of the data files that are used in the research:

<i>Atlas ID</i>	<i>File Name</i>	<i>Data Group</i>
P 9	Institutional 1.jpg	Advertisement
P 10	Institutional 2.jpg	Advertisement
P 11	Institutional 3.jpg	Advertisement
P 12	Institutional 4.jpg	Advertisement
P 19	2010_2990.jpg	Advertisement
P 20	2010_2991.jpg	Advertisement
P 21	2010_2992.jpg	Advertisement
P 22	2010_2993.jpg	Advertisement
P 23	2010_2994.jpg	Advertisement
P 24	2010_2995.jpg	Advertisement
P 28	2003 - Global 2.jpg	Advertisement
P 29	2003 - Global.jpg	Advertisement
P 30	2005 - Global 2.jpg	Advertisement
P 31	2005 - Global 3.jpg	Advertisement
P 32	2005 - Global 4.jpg	Advertisement
P 33	2005 - Global.jpg	Advertisement
P 34	2007 Global 1.bmp	Advertisement
P 35	2007 Global 2.jpg	Advertisement
P 36	2007 Global.jpg	Advertisement
P 81	Patek-Philippe-Birth-of-a-Legend.mp4	Advertisement
P 82	Patek-Philippe-Legacy-of-Genius.mp4	Advertisement
P 83	Patek-Philippe-Nautilus.mp4	Advertisement
P 84	Patek-Philippe-To-My-Son.mp4	Advertisement
P 122	Press Release for Paris Salon November 2009.pdf	Consumption
P 123	SalonsPPPParis_img1.jpg	Consumption
P 124	SalonsPPPParis_img10.jpg	Consumption
P 125	SalonsPPPParis_img11.jpg	Consumption
P 126	SalonsPPPParis_img12.jpg	Consumption
P 127	SalonsPPPParis_img2.jpg	Consumption
P 128	SalonsPPPParis_img3.jpg	Consumption
P 129	SalonsPPPParis_img4.jpg	Consumption
P 130	SalonsPPPParis_img5.jpg	Consumption
P 131	SalonsPPPParis_img6.jpg	Consumption
P 132	SalonsPPPParis_img7.jpg	Consumption
P 133	SalonsPPPParis_img8.jpg	Consumption
P 134	SalonsPPPParis_img9.jpg	Consumption
P 135	020708_Tiffany&Co.jpg	Consumption
P 136	patek_image_644931.jpg	Consumption
P 137	patek_image_644936.jpg	Consumption
P 138	patek_image_644941.jpg	Consumption
P 139	patek_image_644951.jpg	Consumption

P 140	patek_image_644956.jpg	Consumption
P 141	Patek_Philippe_Salon_at_Tiffany_.jpg	Consumption
P 142	P1000160.JPG	Consumption
P 143	P1000161.JPG	Consumption
P 144	P1000162.JPG	Consumption
P 145	P1000163.JPG	Consumption
P 146	P1000165.JPG	Consumption
P 147	P1000166.JPG	Consumption
P 148	P1000167.JPG	Consumption
P 149	P1000168.JPG	Consumption
P 150	P1000169.JPG	Consumption
P 151	P1000170.JPG	Consumption
P 152	P1000171.JPG	Consumption
P 153	P1000172.JPG	Consumption
P 154	P1000173.JPG	Consumption
P 155	P1000174.JPG	Consumption
P 156	P1000177.JPG	Consumption
P 157	P1000178.JPG	Consumption
P 158	P1000179.JPG	Consumption
P 159	P1000180.JPG	Consumption
P 160	P1000181.JPG	Consumption
P 161	P1000182.JPG	Consumption
P 162	P1000183.JPG	Consumption
P 163	Calatrava 1.jpg	Consumption
P 164	Calatrava 2.pdf	Consumption
P 165	Calatrava 3 press release March 2009.pdf	Consumption
P 166	Golden Ellipse 1.jpg	Consumption
P 167	Golden Ellipse 2 Press Release November 2008.pdf	Consumption
P 168	Grand Complications 1.jpg	Consumption
P 169	Grand Complications 2 Press Release October 2007 for 5140_G.pdf	Consumption
P 170	Ladies Calatrava 1.jpg	Consumption
P 171	Ladies Complicated 1.jpg	Consumption
P 172	Nautilus 1.jpg	Consumption
P 173	Nautilus 2 Press Release October 2006.pdf	Consumption
P 174	Twenty 1.jpg	Consumption
P 175	Twenty 2.jpg	Consumption
P 176	Patek Seal 1.jpg	Company
P 177	Patek Seal 10.jpg	Company
P 178	Patek Seal 11.jpg	Company
P 179	Patek Seal 12.jpg	Company
P 180	Patek Seal 13.jpg	Company
P 181	Patek Seal 14.jpg	Company
P 182	Patek Seal 15.jpg	Company
P 183	Patek Seal 16.jpg	Company
P 184	Patek Seal 17.jpg	Company

P 185	Patek Seal 18.jpg	Company
P 186	Patek Seal 19.jpg	Company
P 187	Patek Seal 2.jpg	Company
P 188	Patek Seal 20.jpg	Company
P 189	Patek Seal 21.jpg	Company
P 190	Patek Seal 22.jpg	Company
P 191	Patek Seal 23.jpg	Company
P 192	Patek Seal 3.jpg	Company
P 193	Patek Seal 4.jpg	Company
P 194	Patek Seal 5.jpg	Company
P 195	Patek Seal 6.jpg	Company
P 196	Patek Seal 7.jpg	Company
P 197	Patek Seal 8.jpg	Company
P 198	Patek Seal 9.jpg	Company
P 199	Patek Seal Press Release.pdf	Company
P 200	Library 1.jpg	Company
P 201	Library 2.jpg	Company
P 202	Library 3.jpg	Company
P 203	Magazine 1.jpg	Company
P 204	Magazine 2.jpg	Company
P 205	Museum 1.jpg	Company
P 206	Museum 2.jpg	Company
P 207	Museum 3.jpg	Company
P 208	Museum 4.jpg	Company
P 209	Museum 5.jpg	Company
P 210	Museum 6.jpg	Company
P 211	Museum 7.jpg	Company
P 212	Rendezvous 1.jpg	Company
P 213	Company 1.jpg	Company
P 214	Company 10.jpg	Company
P 215	Company 2.jpg	Company
P 216	Company 3.jpg	Company
P 217	Company 4.jpg	Company
P 218	Company 5.jpg	Company
P 219	Company 6.jpg	Company
P 220	Company 7.jpg	Company
P 221	Company 8.jpg	Company
P 222	Company 9.jpg	Company
P 223	History 1.jpg	Company
P 224	History 2 from calibre magazine.pdf	Company
P 225	History 3 from calibre magazine.pdf	Company
P 226	Values 1.jpg	Company
P 227	Values 10.jpg	Company
P 228	Values 11.jpg	Company
P 229	Values 2.jpg	Company
P 230	Values 3.jpg	Company

P 231	Values 4.jpg	Company
P 232	Values 5.jpg	Company
P 233	Values 6.jpg	Company
P 234	Values 7.jpg	Company
P 235	Values 8.jpg	Company
P 236	Values 9.jpg	Company
P 244	Company 15 from Wikipedia.pdf	Company
P 245	The Economist htt 0.jpg	Media
P 246	The Economist htt 1.jpg	Media
P 247	The Economist htt 2.jpg	Media
P 250	The Economist htt.pdf	Media
P 254	www.telegraph.co.uk - Beautician-lived-a-millionaires-lifestyle-on-profits-of-her-husbands-drug-deals.pdf	Media
P 255	www.telegraph.co.uk - Cheapest-and-best-watch-of-all-time.pdf	Media
P 256	www.telegraph.co.uk - Clock-a-bargain-in-antique-watches.pdf	Media
P 257	www.telegraph.co.uk - Fashion-designer-Nicole-Farhi-robbed-at-knifepoint.pdf	Media
P 258	www.telegraph.co.uk - Gadget-round-up 2.pdf	Media
P 259	www.telegraph.co.uk - Gadget-round-up 3.pdf	Media
P 260	www.telegraph.co.uk - Gadget-round-up.pdf	Media
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