BETWEEN DEMAND & CONSUMPTION: 
A FRAMEWORK FOR RESEARCH

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1 This paper is one of three ‘position papers’ produced as a result of collective work in CRIC to develop our arguments concerning a number of issues which we see as pressing concerns in the advancement of understanding innovation within the social sciences. The other papers focus on ‘Distributed Innovation Processes’ and ‘Innovation and Competition’. All three papers draw on a variety of pieces of empirical work done in CRIC between 1997 and 2000, and on several strands of theoretical and conceptual analysis. The three papers attempt to be mutually reinforcing, but also stand-alone to a large degree. The paper has benefited from discussion amongst a wide group of staff at CRIC, but the present version was drafted by the individuals named above.
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ABSTRACT

Between demand and consumption: a framework for research

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This paper presents the background considerations supporting an agenda for research on demand and consumption. Adopting an inter-disciplinary perspective, it isolates some tendencies in innovation studies and cultural studies which distract attention from the interdependence of processes of production and consumption. It is argued that it is most profitable to focus on the intermediate, intervening phases and institutional processes which link the behaviour of firms with the conduct of mundane social practices. This involves identifying some of the many ways that firms create markets for their products (in section 3) and some of the ways that social practices develop and adapt in the face of social change (see section 4). It is argued that changes in the structure of consumption are brought about by shifts in the structure of production and retailing; that changes in patterns of consumption emerge through macro-social shifts; and that there are changes in the form and content of social practices. Critical analysis of existing positions leads to preliminary consideration of an alternative conceptual framework for the analysis of the processes interstitial between demand and consumption, with emphasis on the changing configurations of production, distribution, exchange and consumption within and across different modes of provision.
1. **Introduction**

The terms consumer and consumption are used with ever greater frequency in contemporary social analysis but without much gain to analytic clarity. Symptomatic of this is the way that different academic disciplines continue to talk past one another. The gaps in understanding have narrowed somewhat. The stylised contrast, whereby economics was seen as modelling the price and quality of commodities with income in the name of utility functions while sociology reflected upon basic needs, social distinctions and normative systems in view of the requirements of meaningful social participation, can no longer be sustained. Nevertheless, we argue that there remains a useful distinction to be made between demand and consumption, processes now too frequently conflated. Demand signifies the concerns of suppliers in markets and thereby focuses upon the possibilities and terms of commodity exchange. Consumption refers to a much broader set of social practices whereby people utilise services and products which are only sometimes acquired by purchase in a market and which are deployed in the context of social values which transcend the confines of instrumental and rational calculation. However, rather than perpetuate the distinction as a basis for opposed intellectual projects, we seek to identify the processes connecting demand and consumption. There we may discern institutionalised interaction between elements of the production system and processes of final consumption. This helps to avoid myopic concentration on the terms of market exchange characteristic of innovation studies, with its excessive attention to supply-side processes, and the gross indifference to the logic of production which characterises accounts of the social and symbolic aspects of consumption in recent derivations from cultural studies.

Current concern with demand and consumption arises from the perception of ever more rapidly shifting capacities for creating new products in the context of increasingly unstable preferences and desires. Understandably, there has been much discussion of ‘risk’ in recent years. There are many reasons why consumers might value greater trustworthiness of products and why producers might appreciate greater predictability of demand. The former would benefit from items more suitable to their purpose, whose potential for causing harm is, if not eliminated, at least fully identified, whose production is sustainable in the long run, which meet social needs
and, preferably, are inherently stimulating and reliably deliver satisfaction. Producers, by contrast, could better target investment, take greater care in design and eliminate waste if they were more accurately appraised of the qualities and quantities of items that they might successfully offer for sale. Of course, one view is that ‘the market’ can be left to sort out such problems. This possibility, even over the long run, during which it has been reliably pointed out we will all be dead, is difficult to accept. Uncertainty is inevitable, and is indeed a defining feature of any innovation process. Some innovative ideas, processes and products will succeed, while others will fail. The dynamic of a restless capitalist economy, where creative destruction is impelled by competition to invent new needs and desires among potential customers and thereby to render previous wants obsolete, obviates predictability. So too does the fact that the activities within which final consumption occurs have a certain developmental logic of their own. It is this gap between popular practices and commercial production, which is the space between consumption and demand, that provides the focus of our analysis. This is a terrain governed not by the hidden hand of the market, but by purposive action associated with the marketing function, consumer organizations, state regulatory policy and everyday social practices. Explaining how market exchange is instituted, a central topic of our investigation, requires attending to a wide range of social processes which cannot sensibly even be considered ‘economic’.

This paper is designed to flag up new lines of inquiry which might be pursued in our evolving research programme on consumption. It maps the terrain for fruitful research on the determinants of final consumption. (Despite the particular focus in this paper on final consumption, we do acknowledge the volume, value, and extent of inter-organisational trading. Indeed some have asserted that the study of consumption in this inter-organisational context - what might be termed ‘consumption within production’ - has been marginalised and thence under researched (Green and Morton, 2000).) The relevant scope of investigation thus concerns how people acquire and use items of final consumption, and how providers respond to, and try to shape, that process. En route, we seek to reintroduce questions about the operation of balances of power in social and economic processes surrounding demand and consumption.
Explanations of market demand have hitherto tended to be comparatively narrow in focus and application. The models of economics which focus on calculation in terms of utility and price become less effective when the symbolic dimensions of products increasingly incorporate outputs of culture industries and become more significant. Particularly in the case of final consumption, which is subject to a set of institutional and contextual forces which sell sign rather than use values and which prioritise lifestyle expression over the meeting of needs, predicting demand becomes more difficult. The proliferation of consumer goods and services, increased variety within categories, the extended reach of fashion, the globalisation of supply, and ease of copying new designs and cultural products intensify competition and render markets more volatile. To the extent that markets do confer power on consumers (see Lane, 1991), it is understandable that producers are tempted to invest more heavily in marketing than R&D, in advertising than new technology. Producers face increasing uncertainty about demand, whether for established or novel products. We maintain that a more thorough understanding of processes of consumption is essential to a comprehensive explanation of the demand for innovative products.

This paper argues for special attention to three aspects of the dynamics of final consumption. First, changes in the structure of consumption are brought about by shifts in the structure of production and retailing. Second, changes in patterns of consumption emerge through macro-social shifts (changing relationships between different social groups, demographic shifts such as the ageing population). Third, there are changes in the form and content of social practices. These processes are understood within a framework that sees consumption as practical, stratified and relational.

The claim that we now live in a consumer society has unexplored implications for innovation studies. Macro-social change and social trends like changing household composition, demographic shifts, time famine, new lifestyle considerations, increased labour market participation by women, social exclusion, privatisation, urban renewal, etc., create new opportunities for the design and delivery of services. Seizing those opportunities requires an understanding of how those trends affect the contexts of consumption practice. Consumption environments, social institutions and collective behaviour constrain and enable innovation. Indeed, much of the shaping of
consumption arises prior to, long after, or often entirely without reference to, market behaviour. Thus, regulatory regimes, social protest movements, expressions of moral disquiet, withdrawal of items from circulation as commodities, the unequal distribution of resources, as well as the many unanticipated improvisations which consumers contribute, constitute the highly complex social context of ‘demand’.

In detailing our position on investigating the process of innovation by considering the uneasy relationship between consumption and demand, we argue that:

• Social scientific explanations of the formation of demand and patterns of consumption are inadequate; neither producer-led accounts (typical of innovation studies) nor consumer-led accounts (typical of cultural studies) are satisfactory.

• Producers still have power to mould consumption via their attempts to estimate and create demand. Important considerations are flexible production capacity, the enhancement of the marketing function in the contemporary corporation, and the increasing power of retailers. These represent formidable effort on the part of corporations to anticipate demand in an unstable environment.

• The various agents of production have only limited success in the introduction of innovations to the market place as a result of: competition and the restlessness of capitalism that is manifested as innovation; incomplete knowledge and imperfect technique for estimation of demand; and the relative independence of the consumption field.

• The relationship between demand and final consumption is poorly understood. We outline a view of the relationship between production and consumption which explores their mutual interaction and interdependence, with special emphasis (for purposes of illustration) on the processes of market segmentation and social differentiation.

• While market segmentation is partly created by producers, its preconditions lie in social change and differentiation within the population. This includes the effect of
social trends on demographic patterns and the socio-economic profile of the population; the socio-temporal ordering of society; patterns of social and geographical mobility; to mention only a few.

- Social differentiation is best understood in terms of the collective and individual bases of everyday practices which have dynamic impacts on patterns of consumption. We emphasise the utilisation of goods and services as components of such collective practices.

- On this basis we identify a series of concepts that will advance the understanding of the relationship between production, demand and final consumption.

We begin with broad critiques of the literatures related to innovation studies and studies of consumption. In this exposition of dominant theoretical and empirical trends, we argue that both areas take one-sided approaches to their subjects of concern, and, in essence, talk past each other. Literatures related to innovation studies focus almost entirely on the production of innovations, while the field of consumption has increasingly overlooked the significant role that producers (including retailers etc.) play in shaping consumption and innovations.

Sections 3 and 4 focus respectively on production and consumption. In section 3, continuing to draw from the relevant literatures, we argue that production in the form of manufacturing, marketing and retailing has a complex dynamic that generates market segmentation. This serves to support and encourage an impression of choice, to maintain economic competition and to structure the possibilities for consumption. In section 4 we probe the uneasy relationship between demand and consumption. We argue that consumption should not be conflated with demand and that this is the weakness of much economic analysis. Rather, consumption is part of mundane, routine social practices that are collectively organised, socially constrained and normatively regulated. This partly explains why increased efforts at market segmentation have not resulted in increased social differentiation. Rather, patterns of consumption continue to correspond with socio-structural ordering of social categories, such as classes and age-groups. However, in this section we also observe
the limitations of understanding consumption as something radically separate from production. Producers play a key role in configuring supply and demand.

To resolve these tensions, our final section advances some propositions regarding a conceptual framework for the analysis of production and consumption.

2. Innovation and consumption

This section examines the weaknesses of innovation studies in linking supply with demand and, correspondingly, the weaknesses in the sociology of consumption in considering demand and production. We begin with a brief review of the mainstream innovation literature to establish its achievements and limitations with respect to demand and consumption. We then turn our attention to sociology, cultural studies and anthropology in a brief excavation of the way that theories have moved away from analysing consumption in relation to production and political economy, emphasising instead the ‘freedom of the consumer’.

2.1 A critique of innovation studies

First we should be clear about the literature that is being addressed. The empirical focus for these studies has typically been on high technology innovations occurring in the manufacturing sector. The majority of analysis has therefore concentrated on new product innovation (where the products are artefacts and rarely services), innovation in manufacturing processes and on longer-term research and development. The sectors that have traditionally received most attention include chemicals, cars, military, electronics, information technology, textiles and heavy engineering. This empirical focus has influenced the ways that demand and consumption have been considered in relation to innovation, leading to accounts that overlook the appropriation of goods and services into everyday life and the effects this might have on the innovation process.

Three literatures are considered in the review: the economics of innovation, the sociology of science and technology, and technology management (including some of
the new product development literature). We will demonstrate later in this paper that some of the limitations in these literatures result from a lack of interaction between these approaches and with other literature that has not explicitly concentrated on innovation but upon consumption.

Our brief and rather stylised review of the innovation literature looks at several areas to assess how demand and consumption have been considered in relation to innovation - the determinants of innovation, the management of innovation and the adoption and uses of innovation.

**The determinants of innovation**

The Schumpeterian analysis that underpins many of the recent economics of innovation studies treated the consumer as a passive recipient of new products. Schumpeter’s work took the position that innovation occurred as entrepreneurs invested in technological potential; and that investment in technological potential drives innovation. A counterpoised view was suggested by Schmookler, which saw technological innovation as primarily motivated by market signals. The ensuing debate led to a number of empirical studies that initially supported the demand-pull (Schmookler) position. The consensus from these studies was that recognition of demand became a more frequent consideration in studies of innovation than did the recognition of technical potential (Myers and Marquis, p. 60).

Mowery and Rosenberg (1979) later re-assessed these empirical studies to establish precisely how well the analyses supported this position and detected a number of methodological flaws in the analyses. In addition, they questioned the interchangeable use of the terms need, demand and market. Specifically, the notion of market demand, they argue, is significantly different from need, or more importantly, ‘potential need’. The differences between notions of market demand and social or human need, however, remain underdeveloped in this literature.

The most notable attempt to resolve the debate was proposed by Lundvall who studied the nature of interactions between users and producers at the ‘micro-level’ and speculated what the findings imply at the macro level:
One of the classic disputes in innovation theory refers to the role of demand and supply in determining the rate and direction of the process of innovation (Mowery and Rosenberg, 1979; Freeman, 1982, p. 211). The user-producer approach puts this question in a new perspective. On the one hand, it demonstrates that demand does play an important role in the process of innovation. On the other hand, it puts the emphasis more upon the quality of demand than upon demand as a quantitative variable. (Lundvall, 1988, p. 357).

The interactions in this framework are largely about firm-firm interactions. End consumers, or their representatives, have not been considered in this framework.

To understand the role of end-users in shaping innovation, we need to turn to the sociological literature, not least because many sociological approaches criticise much economic analysis for its technological determinism. The social construction of technology model (Pinch and Bijker) is amongst the most widely cited sociological approaches to innovation. In this model, users/consumers were considered as social actors who play an important role in shaping the meaning, use and design of products. However, the historical descriptions of the way that innovations become embedded into society, inherent in this approach, meant that the only consumers considered were those who had explicit influence or vested interest in the product of investigation. Consequently, the model ignores socio-structural accounts of consumption, including the influence of networks of animate and inanimate actors in the embedding of objects into everyday life. In other words, the social construction of technology model lifts objects out of the multiple contexts in which they are used.

The significance of actor networks are considered by the techno-economic network (TEN) approach of Callon and others. Indeed, the underlying principle of the TEN approach is to resist granting any a priori privilege to particular types of actor, whether involved in basic science, innovation, production or consumption. This, however, is also its major flaw because the approach fails to account for any long-term structural processes and is fundamentally micro-oriented. Consequently, considerations of power within networks and the implications of inequalities in
economic and cultural resources between actors (namely between firms and between people) are overlooked in favour of the relative and pluralistic positions of multiple actors.

**Management of innovation**

The majority of studies in the technology management and new product development literatures have aimed to contribute to improving the efficiency of the management of innovation. Consequently, the emphasis has mostly been on prescribing models for effective management and identifying ‘best practice’. In these literatures it has long been accepted that considering users’ needs is a major pre-requisite for successful innovation (see Langrish et al., 1972, Rothwell, 1976 and 1977 for early discussions). Despite this, the majority of recent innovation management studies have concentrated on the organisation and management of R&D activities, and more specifically on the management and accumulation of technological knowledge.

There have been exceptions, and these can be bundled in two groups. First, there are studies that have looked at interactions between marketing and R&D functions. Second, there has been a recent interest in studying the role of users in new product development projects.

The integration of market knowledge with innovation processes concerns the traditional functional ‘distance’ between marketing and R&D departments. The interface between these two functions has been examined in the literature (Souder and Moenaert, 1992), and interactions were found to be difficult.

Rothwell (1996) describes a fifth generation innovation process that involves extensive functional synergy, and indicates a move away from the essentially sequential (relay) models of the previous four generations of innovation management. The term ‘concurrent engineering’ encompasses similar criteria. However, it is within discussions of new product development (NPD) projects, that we find a marked increase of interest in the role of marketing related techniques. The marketing, innovation and design management literature contains a number of accounts of what has become known as the (fuzzy) front end of new product development. It is at this
stage of new product development that discussions have focused on the diverse set of inputs to the creative processes upon which innovations are predicated and novel techniques, specifically aimed at capturing user requirements, are developed (Cohen, Walsh and Richards, 1996). Whereas many traditional market research techniques involved ‘arms length’ secondary data analysis, the recently adopted practices focus on interaction with users. Quality Function Deployment (QFD) is one such technique that is used at the front end of NPD projects. Its aim is to elicit all potential customer requirements and match them with engineering and technical capabilities. In addition, representative or lead users are brought in to conduct usability trials with prototypes of new technologies or sub-components.

The identification of lead users and use of focus groups have become common practice for some firms. That consumers are brought into the design process as proactive contributors has prompted some (for example Walsh, 1997) to question the location of firm boundaries, where the difference between ‘late designers’ and ‘early adopters’ becomes obscured. Moreover, the extent to which demand analysis techniques (both the capture of user requirements and assessments of market characteristics) are used for innovation is unclear. Bacon et al. (1994) found, in their survey of six major US electronics firms, that surprisingly rudimentary practices were used to bring together the information required for product definition, including the information relating to user needs.

For radical innovation the difficulties are exacerbated. The problem essentially lies in the magnified uncertainties inherent to any discontinuous innovation. Traditional market research techniques are poorly equipped to capture detailed requirements for a product or technology that is not known to potential customers. It is immensely problematic to assess the size and scope of a market that may not yet exist, where its very creation is the result of the innovation in question. A further weakness of the NPD approach is its failure to appreciate unintended or non-anticipated uses of particular innovations. The strength of the TENs approach, by contrast, is its emphasis on the importance of understanding how objects fit within networks of actors, and it is this ‘fit’ that determines use. Examining innovations outside of the nuanced contexts within which they are used therefore becomes a somewhat artificial exercise.
Economic approaches have looked at the ways that the diffusion of innovations can be traced to the beginning of the nineteenth century, including investigations of new product diffusion of new products through processes and organisational practices. Towards the middle of the nineteenth century, this body of work came to be dominated by the epidemic model of diffusion, represented by the logistic equation and now familiar S-curve. Griliches’ study of the diffusion of hybrid corn demonstrated empirically the existence of these patterns. The S-shaped curve has remained one of the central ‘stylised facts’ of much subsequent work.

Recent reviews of the diffusion literature criticise the epidemic model; three points are of clear relevance to our work:

(1) The population of potential adopters has often been assumed to be homogenous, varying only according to some notion of ‘progressiveness’ and wealth. One of the most well known models of adoption distinguishes between innovative adopters, the early majority, the late majority and laggards. In other words, they are simply defined by their propensity to adopt. The explanation is typically a combination of income and a notion of motivation towards things novel. Consequently, social factors and processes are largely ignored. Essentially, the model is individualistic with no consideration of relationships between different social groups.

(2) The interaction between producers and potential adopters has often been treated as non-existent. There have been various attempts to address these criticisms (although again the majority of studies have involved diffusion of innovations across firms rather than adoption by consumers).

(3) Conceptualisations of the diffusing ‘object’ have not been fully developed. In most studies, the diffusing object is treated as a constant, unchanging and isolated entity. In practice, the entities are continually modified throughout the period of adoption, as producers attempt to refine the product to better fit users’ requirements and to distinguish their products from those of their competitors. Producers also adopt strategies to segment the population of potential adopters into different groups,
to target them in specific ways and create product ranges, where several versions of
the same product are sold at different prices with different functionalities. A study of
mobile phone diffusion would therefore be deficient if it did not analyse the evolution
of different handsets, different modes of network connection and different tariffs. In
addition, the diffusion of innovations is also dependent on the status of various
complementary products. For example the emergence of microwaveable frozen foods
is clearly connected to the diffusion of microwaves and freezers.

From the perspective of this paper we are interested in consumer goods rather than the
more commonly discussed capital goods. Second, we are interested in the importance
of relationships between different social groups. Third, we consider institutional
interactions between producers and consumers instead of seeing the relationship as
detached.

_Innovation, technology and society_

A strand of work within the sociology of technology has considered asymmetries
between the design and production of new technologies and the use of these products.
Most have argued about the problems arising from a patriarchal innovation system
delivering technologies for women; male designers develop technologies that will be
used predominantly by women. It is argued that the range of contraceptives available
and the privileged technological trajectories arise from a male dominated system –
this is why there is no widely used male pill. With domestic technologies, there have
been two types of argument. First, the actual designs of washing machines, for
example, are significantly sub-optimal since the male designers had little experience
of using them. Second, and over a longer period of time, it is argued that domestic
technologies have not yielded any labour saving benefits to the ‘housewife’, since the
technological improvements have been accompanied by higher expectations of
hygiene and cleanliness. Indeed, this is the irony of domestic labour-saving devices
which Cowan (1985) identifies. Technologies like washing machines and vacuum
cleaners may reduce the actual time and labour required to complete these tasks,
however people simply do them more frequently.
To summarise, the empirical focus in innovation studies has been on high technology innovation in products and manufacturing processes. Consequently, service innovation has been marginalised. Second, where user-producer interactions have been addressed in the economics of innovation literature, the focus has typically been on interactions between firms, final consumers having rarely been considered.

2.2 The one-sidedness of studies of consumption

Until the last two decades, social sciences paid comparatively little attention to the detail of consumption behaviour. The classical sociological theories of Marx and Weber addressed consumption only indirectly. For Marx (1867-94), the consumption of commodities was the driving force behind capitalism and a potential form of articulation of its inequalities. For Weber (1930), consumption was one of many means for identifying social status. It was not until Veblen ([1899] 1925) that the term consumption became a topic of academic debate in its own right. Like Simmel (1903), Veblen conceptualised urban life as the experience of 'strangers', one fundamental conundrum being how to express social status. Discussing the American nouveaux riches at the turn of the twentieth century, he argued that a central mechanism for displaying wealth and status was to consume that which others could not afford. Conspicuous consumption thus became the principal expression of social status, operating through mechanisms of emulation and social distancing (Bocock 1993; Corrigan 1997). This theory is now regarded as too simplistic to account for contemporary processes of consumption because of its one-dimensional hierarchy of emulation, but Veblen remains the precursor of theories of consumption as a symbolic medium for social group distinction.

Despite Veblen, throughout most of the 20th century it was only with respect to studies of poverty that scholars paid any detailed attention to the process and content of consumption. Otherwise, consumption was found interesting only at a second remove. The importance of the volume of consumption in maintaining economic stability, an issue central to both Marxist and Keynesian analysis, was of central concern in the middle of the 20th century, but without generating discussion about the specifics of what might be consumed. Insofar as there was concern over cultural consumption it was in the context of the mass culture thesis, to which liberal,
conservative and critical theorists contributed. The subsequently influential Frankfurt School examined the output of the culture industries as a particular manifestation of the workings of capitalist economies, but for Adorno (1974) or Marcuse (1964) the greatest significance of mass consumption was its effects on the social and political consciousness of workers. In the 1960s and 1970s reference to consumption continued in the same vein, being a point of reference for a critique of the alienated labour and cultural conformity generated by the capitalist mode of production. However, matters began to change in the 1970s and since then a vast amount of research has been dedicated to examining and trying to explain consumption patterns.

Among the impetuses putting consumption on the contemporary research agenda were two ideological and political shifts. First was the ‘cultural revolution’ of the 1960s and 1970s and the emergence of youth subcultures employing expressive styles of consumption to subvert and resist dominant ideologies (Hebdige, 1988; Fiske, 1989; Willis, 1990). Second was the emergence of ‘free market’ ideologies in the 1980s and subsequent extension of market modes of provision into increasingly more realms of daily life. These two shifts were significant because they sustained theories which emphasized individual choice and the autonomy of the consumer. In the late 1980s, an influential body of social theory advanced the view that market-mediated forms of consumption had become a mechanism through which individuals generate their personal identities. In explorations of lifestyle, consumption was posited as a realm of ‘freedom’ (Bauman, 1988). However this freedom is precarious. Individuals have a responsibility to create their own identity and therefore have 'no choice but to choose' (Giddens, 1991: 81). Lacking the bonds provided by collective ties (such as to class and place communities), anxiety is generated over correct lifestyle decisions. While market institutions provide some guidance through advertising, the media and consumer 'experts', all of whom provide information on how to construct and implement a given 'identity image', only the individual can order consumption choices into a meaningful style (Bauman, 1990).

Privatisation and individualisation are said to explain the diminishing strengths of normative social bonds. Theories of privatisation argue that increased rates of homeownership, changing socio-economic structures and increased rates of geographical mobility have eroded traditional sources of collective identity (Saunders,
1990), not least because of the diminishing demarcation of class boundaries (Pahl, 1984). Theories of individualisation identify the globalisation of 'risks', such as nuclear disasters or environmental pollution, together with a shift in the status of scientific knowledge, as key mechanisms in the breakdown of collective bonds (Bauman, 1991; Beck, 1992). Not only are contingencies global in scale, they are also subject to multiple interpretations. Individuals do not know who to believe; while government experts announce that beef is safe to eat, other experts in the mass media suggest it is a source of BSE. Beck (1994: 7-8) summarises the implications for the self:

'collective and group-specific sources of meaning (for instance, class consciousness or faith in progress) in industrial society culture are suffering from exhaustion, break-up and disenchantment. These had supported Western democracies and economic societies well into the twentieth century and their loss leads to the imposition of all definition effort upon the individuals; that is what the concept of the 'individualization process' means… Opportunities, threats, ambivalences of the biography... must increasingly be perceived, interpreted and handled by individuals themselves.

The consequence is that, confronted by 'a complex diversity of choices' (Giddens, 1991: 80) in consumption, individuals are required to construct a reflexive biographical project of self:

Self-identity… is not something that is just given… but something that has to be routinely created and sustained in the reflexive activities of the individual… It is the self as reflexively understood by the person in terms of her or his biography.

(Giddens, 1991: 52-53)

In order to alleviate the impending anxieties of narrating and sustaining a consistent sense of self-identity, the concept of lifestyle is crucial:

A lifestyle can be defined as a more or less integrated set of practices which an individual embraces, not only because such practices fulfil utilitarian needs, but because they give material form to a particular narrative of self-identity.

(Giddens, 1991: 81)
Adopting a lifestyle, the ordering of consumption into a unified style, can reduce the anxieties associated with the responsibility to choose by limiting the number of choices through ‘a cluster of habits and orientations’ (Giddens, 1991: 82). However, because lifestyles are not constrained by the normative bonds of traditional social groups, and therefore always entail a degree of uncertainty about their coherence and legitimacy, continual reflexivity is necessary to maintain a sense of identity. Individuals do not have to continually evaluate every minute consumption decision but are nevertheless increasingly made aware that they are making a ‘choice’.

Featherstone (1991) most explicitly relates these processes to consumer culture, and does so by drawing from the symbolic capacities of consumption that became reified in the 1960s ‘cultural revolution’. Featherstone's 'heroic consumer' adopts a form of calculated hedonism when embarking upon a conscious project of lifestyle creation involving an 'assemblage of goods, clothes, practices, experiences, appearance and bodily dispositions' (Featherstone, 1987: 59). The 'aestheticisation of everyday life', the principle that even the most mundane goods and practices can be stylised and hold aesthetic qualities, is fundamental and results in the effacement of the modern distinction between high and mass culture. Consequently, 'the preoccupation with customising a lifestyle and a stylistic self-consciousness are not just to be found among the young and the affluent; consumer culture publicity suggests that we all have room for self-improvement and self-expression whatever our age or class origin' (Featherstone, 1987: 59). Goods, then, are consumed more for their stylistic value than their use value, allowing individuals to express their identities in the most mundane aspects of daily life. This process of identity formation might generate anxiety about making correct ‘choices’, but it secures release from the shackles of normative group constraints.

Other theorists dispute the extent of the autonomy of the consumer, suggesting that preferences remain socially conditioned by the unequal distribution of resources within society. Bourdieu (1984) is the most sophisticated exponent of the view that consumption is ordered according to social structure. In this body of theory, consumption is also held a symbolic mechanism through which identities are understood, but the process of identity formation is one that revolves around social group distinctions. Symbolic consumption serves to highlight social group
boundaries because orientations are learned from within the economic, cultural and social constraints faced when setting about consumption. Consequently, choices are limited by learned, class-based orientations distinguish the boundaries of social groups. Consumption is a process of social class reproduction which constrains all choices and acts to maintain normative group attachments.

Bourdieu advances a position on consumption which has many supporters (Lamont, 1992; Savage 1995; Jenkins 1996; Holt 1997). This is not least because of its explicit rejection of claims about the erosion of normative social bonds and the freedom of the consumer. However, Bourdieu’s critics maintain that it fails to recognise the shifting boundaries of social classes and presents a static view of society by only accounting for class-based social reproduction (Slater, 1997). It is also said that its class reductionism results in failure to appreciate the creative capacities of agents when appropriating goods and artefacts into their lives, a feature widely believed to inject personal meaning into consumption (Miller, 1987; Lury 1997). Moreover, while the relationship between consumption and production remains implicit through the emphasis on class, little is said about how processes of production might actually shape consumption. Capitalism is acknowledged as a system of unequal material distribution, but how modes of production might connect, constrain and regulate the possibilities for consumption receive scant attention.

Investigation of consumption in sociology, anthropology and cultural studies has ceased to be much interested in the role of commercial producers and production processes. What was once a major focus of critical political economy slipped from view as attention was increasingly paid to consumption activities themselves. In the ensuing debate, the degree of ‘freedom’ available to people in their consumption activities has become a central issue. At stake is the question of whether orientations toward consumption are the consequence of individuals’ access to economic, cultural and social resources, and thus socially structured, or whether individuals actively and freely appropriate market-mediated lifestyles as a means of constructing and expressing their desired identity. With this question forming the basis of sociological debate, the ways in which firms, production systems and processes of innovation influence consumption have evaded sociological notice. Explanation of the
relationship between consumption, demand and the process of innovation is occluded from debate.

2.3 Summary

In this section, we have outlined some dominant trends in studies of innovation and consumption. We suggest that the fields examined present one-sided interpretations of the processes that they analyse. Innovation studies fail to take account of final consumption as a mechanism in processes of innovation. By contrast, disciplines that oscillate around the study of (consumer) culture concentrate on final consumption, its symbolic capacities and role as a medium of social relations, without taking account of the production and innovation processes shaping the field. In the next section we turn to the role of producers, examining some mechanisms that shape innovation, demand and consumption.

3. The role of the producers: product differentiation and market segmentation

In this section we consider the linked phases of the cycle of production-marketing-retail-consumption. We begin this task by examining the way that manufacturers differentiate products and restrict ‘choice’ despite generating greater product variations. This is followed by an investigation of how the marketing function has emerged to become an important interface between production and consumption. We suggest that marketing, which seeks primarily to understand purchase decisions, is a highly complex process of creating and sustaining markets and with the objective of increasing market segmentation in order to sustain product differentiation. We conclude this section by taking the example of supermarkets to demonstrate the role that retailers play in structuring both production and consumption. This example illustrates our position that to understand demand and processes of innovation, the full cycle of production and consumption must be systematically analysed.
3.1 Product differentiation

The idea of ‘choice’, that as consumers we are able to ‘choose, that is to have what we want’, is pervasive in contemporary advanced capitalist societies. Yet, producers of goods and services make decisions, within legal and regulatory constraints, about what is provided, where, when, and at what price. On the basis of decisions about the cost of production, estimates of ‘market size’ and expected return on investments, supply side firms take decisions as to whether or not to provide new goods or services. Crucial to such calculations is the current nature of the organisation and its technologies, which are often derived from pathways of dependency (Arthur, 1989). Our choices are not therefore unrestricted, and particularly in the context of prices they are closely related to the aggregation of decisions, now in the past. This creates a paradox, producers and providers promote the existence of ‘choice’, and the right to ‘choose’, yet restrict that choice through their market calculations.

Estimating choice is particularly problematic. Product or service variants can range from one to infinity, making it impossible to say whether x variants in ‘the market’ is a lot or a little variety, except in relative terms. In classic mass production, there was only one variant. Ford’s model T was famously only available in black. According to Piore and Sabel:

Mass production offered those industries in which it was developed and applied enormous gains in productivity – gains that increased in step with the growth of these industries. Progress along this technological trajectory brought higher profits, higher wages, lower consumer prices, and a whole range of new products. But these gains had a price. Mass production required large investments in highly specialised equipment and narrowly trained workers. In the language of manufacturing, these resources were “dedicated”: suited to the manufacture of a particular product, often, in fact, to just one make or model. When the market for that particular product declined, the resources had no place to go. Mass production was therefore profitable only with markets that were large enough to absorb an enormous output of a single, standardized commodity, and stable enough to keep
the resources involved in the production of that commodity continuously employed. Markets of this kind, like markets in general, did not occur naturally. They had to be created. In the United States, the modern corporation was organised for this purpose.

(Piore and Sabel, 1984, p. 49)

Mass production was also associated with the creation of giant corporations, and the concentration (on the supply side) of market power into the hands of a few firms. Although most closely associated with manufacturing, mass provision of services also arose with a similar underlying logic. These high levels of concentration are associated with high levels of control, particularly over supply chains. Mass production is also associated with very high levels of fixed or sunk investment. Quite simply, with such high levels of investment, mass producers and mass providers have too much invested in the market to be relaxed about ‘market forces’. Through the use of flexible technologies, as well as greater outsourcing, former mass producers have sought to reduce the extent to which their capital is dedicated to the production or provision of particular goods or services.

Producers and providers have also been alive to strategies which differentiate products and aim to create new market segments or reflect existing ones. This is not a new strategy. In the 1920s, General Motors, under the direction of Alfred Sloan, differed from Ford’s uniform product instead standardising many of the components used by the different companies within the General Motors conglomerate. This enabled them to sell cars under different brands and with a series of models that ranged across the price spectrum, encouraging customers to aspire to climb the ‘car ladder’.

This strategy is still used today by, amongst others, the Volkswagen Audi group. Volkswagen produces a number of cars that are based on the ubiquitous Golf (which is referred to as a ‘Monday car’ in Germany, meaning something boring just to get around in). Golf’s themselves come in a number of varieties, but cheaper ‘Golfs’ are available from Volkswagen’s partners Seat and Skoda, the more expensive ‘Golfs’ being Audi’s A3. A recent Audi advert stated each Audi was composed of many thousands of parts, only a few hundred of which could be seen. The idea here is that
quality is not just skin deep, but it would be interesting to know how many parts the highly priced Audi shares with a much cheaper Skoda.

Thus there are three forms of innovation associated with these developments. The first is innovation in production techniques which are geared to flexibly translating standard platform technologies (i.e. sets of skills, routines and equipment) into a variety of products – which may vary superficially or substantially. With superficially altered products the aim is to accommodate minor changes with minimum disruption to production, even producing variants to order within the line. With more substantially changed variants, batch production techniques tend to be used, with innovation aimed at reducing the minimum efficient batch length. Thus what were previously standard production line processes are now increasingly varied production line or batch processes, although rarely is automated craft based production achieved (i.e. the provision of genuine one-offs – except in the case of very expensive goods).

The second innovation is in marketing, including advertising, branding and other forms of image management. Efforts are geared toward encouraging consumers to increasingly compare items within finer and finer product or service categories, but also to reinforce (and less frequently to seek to create) a system of values which effectively means that variants are ranked in their superiority (with this ranking also being reflected in price differences), even though objective qualities of the variants may be very similar. Thus an Audi A3 ‘Golf’ will cost Y, whilst a Skoda ‘Golf’ will cost you X, it being unlikely that the Audi A3 is superior to the Skoda by Y/X. Of course, this is not to say that buyers of Audi A3’s are irrational, merely that producers have become very adept at tapping into and exploiting market distinction.

The third innovation consists in selling vehicles together with a package of services, including the instruments for financing the purchase. There is some evidence that manufacturers increasingly rely on selling financial, maintenance and insurance services as a means of securing profit margins, rather than the product as such. At the extreme, this entails selling a transport service rather than a car, and the market differentiation is achieved by the range and quality of service and maintenance arrangements that accompany the particular brand of physical vehicle. For producers,
this has the advantage of tying the consumer into the finance and service delivery provided by the vehicle manufacturer, thus expanding the scope of the market.

An interesting feature of this variety generation is that the provision of a number of variants also makes products or services available to a wider cross section of society than would otherwise be the case had only a single variant been provided. Air travel provides an interesting example. Air travel has effectively developed on the back of the military and high paying business class passengers, and still earns a disproportionate amount of income from business class passengers. This is reflected in British Airway's recent debates about replacing Boeing 747s with smaller Boeing 777s partly to reduce the number of seats they sell at rock bottom prices. But it is interesting that air travel (and the associated 'foreign summer holiday') is, to a considerable extent, an outcome of the utilisation of discriminatory pricing and yield management techniques on the part of producers. Of course, this is not to suggest that these utilisation of techniques tells the whole story of the development of air travel or foreign summer holidays, but they are a very interesting part of it, rarely addressed by approaches which take the structure of supply as given and which focus only on consumer behaviour.

One of the most remarkable things about our contemporary economy-society is not so much that variety exists, but that so many goods and services remain standardised. Much of this has to do with the cost of producing varieties and the significance of image – both at the individual product level and at the company level. Take McDonalds as an example. The products tend to be standardised but the company maintains an image of innovation through the provision of new products which are essentially variants on ‘the burger’. Most are unsuccessful, but this is not important as the innovations are generally cheap, important for the company’s image, and the few that are successful pay for those that ‘fail’.

The circumstances in which firms provide specific variants of a product for which they have a general platform will depend partially on their capabilities to do so, but also on more conventional economic criteria. These include the cost of adapting and supplying the service, the income expected from the ‘new’ service (price x volume), the extent to which the provision of the new service might undermine the firm’s
existing markets (especially if it is a low price service and, in the absence of effective image management, therefore a possible substitute for existing services), the expected profitability of the ‘new’ service, the importance of pleasing and maintaining the customer(s) requesting it, the perceived importance of the market segment, the legality and regulatory context of provision, and the expected reaction of competitors. Not all of these will be fully known and the firm may have to react quickly without taking all factors into consideration. The firm’s decision making may also be instituted or embedded into supply chains which alter the basis of the decision. Moreover, the short run operational decision as to whether or not to provide the specific service may differ from the long run strategic decision. All of these decisions will, in general, be made with limited rather than full information.

Standardisation has historically been associated with high production volumes, a high level of control over what is produced, and relatively distant relations with the customer (since little information is required from the consumer to specify the product). Specialisation and customisation normally imply low production volumes and closer relations with the customer. Following the logic outlined above, standardised services tend to arise in price sensitive markets where there are economies of scale, and where production is routine (with high costs of adaptation) and involves a relatively low cost labour force. Services to households, and the most routine or frequently purchased business services, might be expected to exhibit high levels of standardisation. Specialised services, by contrast, tend to be more expensive, depend on highly educated employees and appeal to less price sensitive (business) markets. Customised services are more ambiguous. They partially depend on economies of scope, the costs associated with adaptation, and the extent to which prices differ due to customisation. If there are significant economies of scope, the cost of customisation will be low, and customised services can in general be provided, including to price sensitive markets. Alternatively, if the cost of customisation is high, price differentials due to customisation will tend to be high, and irregular variants will only be provided to those who are willing to pay premium prices, or whose custom is especially valued by the service provider.

In this section we have attempted to shed light upon the decisions producers and providers make, the basis of those decisions, and the innovation trajectories associated
with them in relation to what is provided, where and when. One of our central concerns was with the extent to which product or service variants are provided – which relates to both the provision and restriction of ‘choices’. We cannot deny consumers have and make selections, but our concern here is also with why, from the producer-providers’ perspectives, the selection sets are also restricted and indeed subject to manipulation on behalf of producers.

3.2 Market calculation, segmentation and the buyer-seller interface

We noted in section 2.1 some of the ‘blind spots’ of the received innovation literature. These include a tendency to draw generalisations from a specific contextual start-point, with a particular emphasis on new product development, ‘high science’ engineering, capital goods, and consumer durables. However, in other sectors such as fast moving consumer goods, and latterly retailing, a different story of ‘marketing/market research informed’ corporate management can be traced from the post World War II period when, for example, the Tavistock Institute of Human Relations began to deploy psycho-social techniques on behalf of corporate clients (Miller and Rose, 1997).

What might be termed ‘dynamic marketing innovation’ has a number of dimensions. First there is the emergence of innovative techniques for capturing and interpreting information feeding back to the corporate domain from ‘markets’, ‘customers’, and other ‘publics’ or stakeholders. This incorporates market research activities including psychoanalytic and social psychological applied research, studies of consumer behaviour, use of social and demographic trend information, and other forms of analysis capturing, for example, the impact of legislation; and changing social attitudes and behaviours. Second, there is the development, rise to dominance, and often the fall from grace and popularity of marketing ‘theories’ derived from the social theory but re-contextualised to be of relevance to the meeting of corporate objectives.

These theories concern how people make purchase decisions as individuals, but also importantly, under the influence of groups of other purchasers, users, influencers, specifiers, and ‘gatekeepers’ (Stewart and Runyon, 1998). They include, from
psychology, the study of cognition and cognitive limits, and from social psychology and sociology the study of how people live, work, and interact in social groups with an emphasis on the multiple interactions that influence buying decisions. Also included are long-term strategic probing and the production of ‘futures’ scenarios; That is, the systematic exploration and imagining of changing consumption behaviours and patterns, which are then used to generate ‘scenario pools’. Such scenario pools potentially provide a rich resource used, for example, to assist corporations to generate new product ideas. This technique has also been used to generate ‘futures’ scenarios by advertising agency personnel acting as intermediaries between the sphere of production and imagined future consumption trends (Salzman and Matalhia, 1998). Third, there is the continual development of what we might call innovative marketing ‘tools’ such as branding, direct mail, store loyalty cards, and changing the in-store shopping experience (replacing ‘musak’ with the smell of baking bread and - ‘store-within-store’ speciality departments, for example). Not surprisingly, latest developments in this field – for example the deployment of what has been coined ‘relationship marketing’ by marketing professionals relies heavily on the development of information technologies and the internet. ‘Relationship marketing’ combines the advantages of a one-to-one, customised relationship between buyer and seller, with a ‘mass’ market approach, promising an ability to deal simultaneously with large numbers of customers. Importantly for this paper, the emergence of ‘relationship marketing’ is a derivative innovation. Its possibilities and scope are intricately bound up with, and yet constrained by, technological developments. These include not only the emergence of internet technologies, but also call-centre operational and technical capabilities and the development of computer software packages able to manipulate large customer databases. In this example, then, we must draw attention to the inter-dependency of sources of innovation across marketing and technological frontiers.

We turn to some of these substantive areas to justify our concern that the interactive, mutually-constituted nature of production and consumption is both theoretically underdeveloped and empirically under researched in ‘traditional’ innovation studies. First, we consider those functions of corporate activity which, in a sense, ‘face both ways’ – bridging, interfacing, and acting as a set of translation and transmission mechanisms between on the one hand, individual purchase decisions, and on the
other, the commercial interests of the corporate sphere. Among these ‘interfaces’ we can list market research, marketing, design, advertising and other forms of ‘public relations’.

*Market calculation and segmentation*

As discussed in 3.1, an important part of the marketing function is that of market estimation or calculation. Producers do not unilaterally make markets, they make calculations reflecting their understandings of how groups are configured in the world, in order that they might subsequently design strategies to target particular segments. This process of market calculation comprises establishing, reviewing, and re-establishing a quantitative estimate of the total number of actual and potential purchasers (divided, if appropriate into sub-group segments), multiplied by an anticipated level of purchasing (over time) to provide an estimate of total revenue and an anticipated income stream. To re-iterate, the crucial point is that these estimates represent a source of uncertainty and judgement (Littler, 1996). Yet corporate risks (of over-investment or under-investment, or mis-placed investment) require that decision-makers attempt to fix the slippery and moving targets of ‘the market’.

One source of innovation, therefore, derives from the creative mental construction and reconstruction by producers of the social groups against which to ‘position’ or ‘target’ products on offer. This begins with an appreciation that the business must attempt to establish, with clarity and internal agreement, a definition of its business ‘scope’ (Littler, 1996), addressing the important question of ‘what business are we in’? Through this process, innovation can derive from re-inventing the very logic of the business. For example, Tretheway (1998) notes how Motorola, originally a car radio firm, has re-invented itself as a producer of mobile phones. Consequently, a central point of reference for the innovative firm is not simply the identification, or even anticipation of ‘customer needs’ but, rather, the instigation of constant and evolving changes in patterns and modes of purchase, stretching and redefining constructs of markets, usage, and consumption, as a continuous process.

While producers regard markets as aggregated from individual decisions to purchase, from the consumers vantage point decisions to purchase are only one temporal
moment of the longer purchase decision process. The point at which transaction occurs may be considered the point where demand is articulated. However this ‘point of demand’ or of ‘transaction’ can only be understood in relation to pre-purchase stages (search, consideration of options, or even ‘impulse’ buying) and post-decision stages (dissonance over options rejected, ‘having’, ‘using’ and talking about the purchased item with others, dealing with faults, returns, financial implications of the purchase). In this sense, the marketing task is concerned to influence all stages of the decision process. It will seek to understand and influence individual as well as social or group practices of consumption. Further, firms deploy all manner of marketing communications, with messages (advertising, promotions) operating through a range of media, designed to have desired effects across the length of the entire decision process. As previously discussed, product differentiation is one such strategy, others include design and branding.

**Design and branding**

Industrial design is used to enhance the aesthetics and utility of products, but is also often used to make small differences between basic products to provide new variants that appeal to customers. The US automobile industry famously used such design techniques to change their basis models every year, appealing to customers’ desires to keep up to date by having the latest model. Design can similarly be used to package products in different ways – either targeted on specific social or socio-economic groups, or to produce a large number of variants for ‘the market’ to select amongst. Sony’s success with the Walkman has been interpreted as due to its production of a vast number of variants each using designs which adapted the basic idea. ‘The market’ rather than the company’s marketing department effectively selected the successful variants which were maintained, the unsuccessful variants being dropped. This is similar to McDonald’s strategy with the variants on burgers it introduces. Sony’s rivals chose instead to produce only a few variants. A further advantage of producing many design variants is that it keeps the product or service fresh in the minds of consumers.

Similarly, branding represents the effort and investment expended by producers in order to encourage a range of audiences to associate a brand ‘mark’ with a pre-defined
set of attributes, qualities and values. The brand ‘mark’ then becomes a short-hand mechanism and medium for communicating this collection of values to external, and internal, audiences. The process of branding enables producers to further a number of corporate objectives. First, increased brand loyalty reduces purchaser brand-switching, while potentially increasing purchase frequency. Second, by communicating a set of associated values and attributes, audience perceptions of the brand are influenced and moulded, facilitating the pursuance of a specified ‘marketing mix’ strategy and tactical plan, such as premium pricing. Third, the development of a strong, recognisable brand, to which there corresponds a group of loyal, repeat purchasers, provides producers with a valuable, tradable, asset. The branding process can be construed and developed at various levels simultaneously. The ‘corporate brand’ (GEC, Tesco, British Airways) aims to identify and infuse a corporate entity with sets of attributes deemed to be important to employees, investors, and government policy makers, as well as to actual and potential customers. A product group brand (Adidas, Black and Decker, Sony) provides an umbrella identity below which a range of complementary products can be marketed, in some cases supported through strong personality endorsement. Finally, a brand ‘portfolio’ approach corresponds to the management of the entry and exit of individual brands within a family of brands – a strategy common in fast moving consumer goods contexts, especially branded foods and toiletries (Unilever and Proctor and Gamble being the pioneers of these techniques).

_Distributed market knowledge and the institutionalisation of marketing and markets_

Consumption, of course, does not necessarily take place within, or according to, market-logics, market-boundaries or definitions stipulated by the corporate decision maker. In this sense, marketing personnel can only seek to influence the purchase decision process. However, this attempt to wield influence at the market interface is not an end objective in itself. The recursive feedback loops of information attained must be capable of being transmitted into the firm, and translated into a form which is relevant to the purpose of meeting the pre-defined commercial objectives of the firm. Corporate marketers, together with a raft of agencies working on behalf of the corporate client (in design, advertising, tele-marketing, public relations, and market research, to name a few) turn to the people who fall within or outside markets as a
sources of information, and this information, noisy and contradictory as it often is, then informs the marketing function. In this sense, we can see that marketing information and knowledge is distributed across a wide range of interacting agencies. The marketing function is supported by a wide range of institutions, the influence and contribution of which cannot be underestimated or denied.

Importantly, the capacity and ability to translate the information bombarding the firm from a wide range of ‘expert’ sources and intermediaries into a form of knowledge which can be turned to commercial advantage, is a source of differential capability and inter-firm variety. Equally, the way the firm (including multi-division, multi-national, and multiple-business forms) internally organises to sort, understand and make use of marketing information, and combines this with the internal capabilities and knowledge of personnel across a range of market-interface functions – marketing, design, new product development, market research, retail, distribution and logistics - is a further source of differential capability and inter-firm variety

‘Fuzzy Front Ends’ or difficult tasks and mis-communicating communities of practice?

Recall that in section 2.1 we raised the notion of a ‘fuzzy-front end’. The traditional innovation literature uses this term to suggest a poorly defined and much misunderstood market interface. Yet in 3.2 above we depict a different story – one of a long-established, large and increasingly sophisticated marketing industry, with a plethora of external agencies supporting the corporate client. How do we reconcile these two, apparently contradictory positions?

Recent evidence suggests that the two positions are compatible - they potentially co-exist. The ‘fuzzy front-end’ is not a historic fossil which no longer matches contemporary reality. Neither is it particularly a condition undergoing radical change and improvement. Despite a plethora of new product development ‘checklists’ (Poulton and Barclay, 1998; Cooper, 1999) and textbook heuristics about how new product development should be done, the ‘white space’ (Brown, 1998) which separates disciplines and functions of the corporation apparently present a daily barrier to information flows, and the development of shared understandings of
`knowledge transfer`. Thus, even though Poulton and Barclay (1998) trace a historic shift in the literature pertaining to new product development from the early 1960s, comprising a re-orientation from a ‘technology push’ to a ‘dual drive’ approach, the notion of a ‘fuzzy-front end’ is still common parlance (Zirger and Hartley, 1996; Weiss and O’Driscoll, 2000). Furthermore, the increasing use of new management techniques in product development (England and Graham, 1999; Cooper 1999) aims to establish cross-functional project based new product development teams, which speeds-up the processes which connect various stages from generation, conceptualisation and product launch. However, despite the widespread introduction of these techniques, difficulties still appear to surround their effective implementation in practice. Cooper (1999) suggests that new project teams still fall into the same traps that they did 25 years ago. Failures also remain relatively frequent; for example, in an assessment of over a thousand examples of new product/service success and failure, it was found that even the ‘best’ companies had a 35% failure rate (Tretheway, 1998; see also Edson 1998; Souder and Jenssen, 1999).

Ineffective marketing is often attributed to poor internal firm practices which include rushed projects (Smith, 1999), burgeoning work loads and the ‘tunneled’ visions of project teams (Cooper, 1999; England and Graham, 1999; Ozer, 1999). Other research suggests communication difficulties between the marketing function and the internal ‘users’ of the outputs of this function. Maltze’s (2000) survey of 504 non-marketing managers concluded that too much information of an undiscerning nature is circulated creating information ‘overload’, whilst too little time is spent communicating to discover what information would be relevant. This might partly be responsible for the trend towards the outsourcing of market research. Nijssen & Frambach (1998) reported that many firms do not believe they have the skills or in-house resources to undertake specialist market research effectively. However, these firms also suggested that in-house skills to commission and understand the ‘outputs’ of this activity were also inadequate and research buyers displayed a poor appreciation of the relevance of the results once obtained. (The very fact that buyers expect research to predict rather than inform, reveals a mis-understanding of the market research task.) This finding is relevant since it suggests that alongside our interest in the increasing ‘distributedness’ of marketing related knowledge industries, attention must also be paid to the corporate implications and ramifications arising from that increased ‘distributedness.'
We can identify, then, a professionalised marketing community, and a plethora of support sub-industries standing at the interface of production and consumption. Yet when we turn to the nature and form of the mechanisms which transmit messages and signals between the arenas of production and consumption, we find, from the producers perspective, that these are far from smooth, linear, or straightforward. Looking towards the consumption sphere, we find producers trying to interpret a barrage of often contradictory information, and engaging in practices of estimation, judgement, and mental map construction in order to turn this information into a form which is commercially useful. Looking inwards to corporate colleagues, we find equal scope for judgmental interpretation, coupled with scope for misunderstandings and mis-communication. We could argue that communities of practitioners, positioned around the production - consumption landscape, play an important role in determining the patterns, shape, and very interpretations of the transmission mechanisms and interactions between them. Furthermore, each community, standing as it does at a very particular and specific point along a series of transmission lines, quite literally sees and understands the world differently.

More than this, we can hypothesise that the marketing function is itself ‘instituted’ or normalised. The structure and form of the ‘marketing industry’ apparently undergoes institutional transformation as different models and modes of market interaction enter the competitive arena, become successful, then decline. The instituted nature of markets themselves must also be recognised. For example, the government (or the state) ‘is one player that cannot be ignored’ (Nalebuff and Brandenburger, 1996). Whether as a dominant customer (particularly in health, defence, education markets) or as legislator, regulator, and setter of policy and standards which reverberate across all industries (Boyer and Drache, 1996), acknowledgement of the extent of state intervention in the ‘free market’ confirms the latter as something of a myth.

Producers themselves are able to institutionalise markets. Arthur (1996) notes the increasing awareness among ‘knowledge’ industries of increasing returns derived from differential abilities to ‘lock in’ customers (for example in computer software markets) with the corollary being, of course, a differential ability to ‘lock out’ competitors. Thus, we must acknowledge that the market interface, itself contains institutionalised barriers, limits and constraints, which refract and mediate the
transmission mechanisms between production and consumption. Processes of normalisation occurring at the market interface create structures which necessarily comprise uneven patterns of inclusion and exclusion. In section 3.3 we turn to CRIC research in the retail sector to demonstrate how the large supermarket chains have institutionalised markets for food, groceries, toiletries, and increasingly, other end-user goods.

3.3 Supermarkets and the re-configuration of production-distribution-retailing-demand/consumption

One of the central features of an analysis which places demand within a changing, macro-social configuration of production-distribution-retailing-consumption is that the structure and role of retail outlets is a key market institution facing both ways – towards the consumer, and towards distribution and production. Different product markets (houses, cars, clothes, food) each have distinctive structures to retailing, and these also vary considerably from one country or region to another. If we take demand and consumption for food as an example, the unique rise in power and influence of UK supermarkets has changed the relationship between supply and demand, and both patterns and objects of consumption.

The nature of shopping, as a consumer practice, and the range of goods available have changed beyond recognition over the last three decades. Comparing the current configuration with the one it replaced, shopping as a predominantly once-weekly largely motorised journey to a store which aims to provide a total and integrated single-stop shop has replaced more frequent and successive visits to a local range of small independent specialist grocery suppliers. ‘Self-service’, the prelude and precondition for the contemporary check-out with its loyalty codes, bar scanning, and consumer monitoring, was also a transformation in how shoppers shop, with shoppers undertaking tasks previously undertaken by the retailer (searching, selecting, assembling items for the basket). These can be seen as changes in consumer practice in so far as activities of shopping are consumer-side activities. Selection and assembly of commodities is in one respect a preliminary aspect of consumption, anticipating acts of final consumption. In some case, even, selection and assembling, as a shopping activity, can form part of the enjoyment. Supermarkets, in their lay-out, and
in enticement of in-store baking and cooking, are playing to this experience of shopping as pre-consumption. However, Internet shopping introduces further significant possibilities for re-structuring shopping activity and the retailer-consumer relation. The activity of Internet shopping (now reduced to virtual selection and assembly) is differentiated from actual assembly and delivery, undertaken by retailers or logistics companies. In this sense, activities which may be practices of consumption can become practices of provision, and vice versa, depending on the relationships within which they occur and whether or not they are commodified.

It is difficult to comprehend this change in shopping behaviour as responding to demand if that is conceived as emanating from consumers as independent individuals, each considered as a distinct originary source of demand. Even the phrase ‘demand for different types of retail outlet, service and delivery organisation’ might seem strange, when mostly one conceives of demand as being for the objects bought in shops or other outlets. But, if an argument is to be made that the type and range of objects bought is related to the type and range of outlets or final market organisation on the one hand, and if alternative shopping behaviours co-exist on the other (preferences for daily shopping at local shops over supermarkets, Internet shopping), then demand, as much as supply, for different organisations of retail outlet has to be considered. To relate this to our central argument, therefore, a period of growth and restructuring has involved changes and innovation both in the ‘supply’ of retail outlets and ranges of products, and new patterns of demand, practices of consumption, and lifestyles. The result is a reconfiguration of the relationship between supply and demand, and it would be one-sided to attribute this either to new patterns of supply meeting new patterns of demand or vice versa. At one level, this can appear as circuits of money and goods, and an expanded reproduction of capital. At another, it can be interpreted as the institution of new habits and norms of consumption, and new modes of enjoyment and expectation. It is therefore difficult to make sense of such major structural changes of retailing outlets except in terms of major structural changes in the lives and occupations of consumers: urban planning, car-ownership, changing house design.
A currently significant example of the interlocking character of changes can be seen in relation to temporalities of consumption and production. Thus, temporalities of shopping, with 24 hour opening 7 days a week, are related to changing temporalities of working in retail, distribution and production across the chain. These changing temporalities of working, related to supply of consumer goods, contribute to the shaping of demand for new temporalities of consumption. Tesco, as the largest private sector employer in the UK, contributes to both poles of change in consumption and production. The effects of such new regimes of production and consumption in one sector, moreover, necessarily have repercussions for others, even if similar changes were not occurring in those as well. The current boom in sandwich production, one of the fastest growing food sectors with new outlets and chains springing up, can, at least in part, be related to surveys which suggest a ‘de-institution’ of lunch breaks, and a ‘need’ for food in a form that can be eaten while continuing to work or be on the move.

A second major feature of the new organisation of demand has been the creation of the ‘catchment’ area by the new scale of superstore, and by new modes of targeting and stratifying products to match the socio-economic differentiation within it. A typical store, with a product range of 20,000 to 50,000 products, is only sustainable where demand is aggregated over the catchment area of that store. Analysis of the differentiated disposable income within the area leads to distinctive product mixes in stores of the same supermarket chain. Eftpos data enable a rapid reaction to shifting patterns of demand. Again, different types of retail outlet have different strategies for aggregating demand. Discounters, a small part of the market as yet in the UK, have relatively restricted product lists at the bottom or economy end. Market top niche retailers, often based in city centres or wealthy catchment areas, likewise have a relatively restricted product list but at the top of the range of high value added, fashionable, and higher price levels. The full range supermarkets construct hierarchies of products, from economy or family value products through own label standard to ‘finest’ own label, and present at the top of the range speciality branded products. The different strata of products are related to socio-economic analysis of the catchment areas, where consumers are rated according to their disposable income, earned income, life-cycle, housing, ethnicity, and employment status. Retailers, facing both ways towards producers and consumers, critically undertake the organisation of this
product range and price spectrum. But they neither organise production nor consumption. The ways in which different retailers segment markets differently only emphasises the point that there is no necessary or one-to-one correspondence between market segmentation and consumer distinction. They are indissolubly related, in a circuit which, historically, is continuously being reconfigured.

The third major feature of the rise to power of the supermarkets has been in the development of integrated supply chains, with the supermarkets increasingly powerful, and uniquely high levels of own-label manufacturing (see Harvey 1999). The changing relationship between retailers and producers has resulted in patterns of innovation and product differentiation markedly different from the fresh food commodities and branded goods of the previous epoch. These supply chain relationships and own label manufacturing capacities have enabled and facilitated the matching of production with the aggregated demand of the superstore, yielding substantial economies of scale for niche and economy goods. A notable example is chill convenience and ready meal which are virtually the preserve of own label manufacturing. Secure access to the supermarket shelves for core supply chain suppliers and own market manufacturers facilitated the development of exotic, counterseasonal or novelty and fashion-led foods to meet the new demand structure mediated by the superstore. In the old (and continuing) system of branded manufactured goods, time from concept to product launch is normally at least two years. Investment in marketing and advertising is considerable. Consequently, the number of new products launched even by major manufacturers is restricted to four to five per year. For own label manufacturers, the norm is for more than 1,000 per year, and the time from concept to superstore shelf is as little as four weeks. The growth of convenience food consumption is thus linked to a new style of innovation, which in turn is based on a distinctive type of relationship between retailer and producer, and retailer and consumer (see Warde 1999 for a discussion of the emergence of convenience food consumption).

Taking these three points together, it is clear that a change in the nature of retail outlets is constituted in a number of interrelated changes in the retail-consumer relationship and in the retail-producer/supplier relationship. New patterns of demand can be seen, in global terms, to be related to new practices of consumption, the way
people are organised around the consumption and purchase of food, and the transformation of food as an object of consumption. How they are related, and how changing hierarchies of market segmentation may be dynamically related to changing norms, distinctions, and inequalities of food consumption remains a question for further research.

3.4 Summary

Innovation in production, particularly shifts in forms of mass manufacturing, has increased varieties and range of product. This is often conceived by producers as providing greater choice for a sovereign consumer, one who consumes according to principles of utility in relation to price and, for some products, in terms of status distinctions. However, producers play an essential role in configuring what varieties are available, according to their capacities for, and calculations of, the profitable production of specified products.

One tool available to producers is market research to calculate and interpret market opportunities. Indeed, section 3.2 discussed how marketing has become an instituted process within production. Marketing employs sophisticated techniques, drawn from a range of scientific disciplines, in order to understand the purchase decisions of consumers and how new products might enter existing, or create new, markets. In this respect, the marketing function acts as an interface between production and consumption, along with other agencies such as the state, advertising and design. However, marketing is not an exact science. Calculations involve multiple criteria, and are based on limited rather than full information, the information most readily used pertaining to calculations about production capacity, patterns of previous sales and the behaviour of competitors. This is partly because of difficulties internal to the firm relating to communication and organisation and because of the multiple dimensions of the process of marketing. Marketing must both interpret consumption behaviour on behalf of producers while also attempting to promote new and existing products to the consumers.

Within this process, the marketing function is one concerned primarily with individual acts of consumption. These might be individual acts that are conducted by many
people, who may share certain socio-economic and demographic characteristics, but the way that products are appropriated into daily lives, how consumption is part of, and must fit into existing social practices in everyday life, remains a secondary concern. The marketing function acts on behalf of producers, rather than consumers, in attempts to ‘lock out’ competitors and ‘lock in’ consumers to particular markets. The marketing interface, despite its institutional barriers, limits and constraints, remains a mechanism of particular importance in the mediation between production and consumption.

Supermarkets demonstrate that retailing has a role in determining the form and content of both the processes of production and consumption. The example corroborates the view that production processes configure the dynamic of consumption. In this case, the dominance of supermarkets, which intermediate between and realign the mutually dependent behaviour of both suppliers and customers, has important consequences for the structuring of production and practices of consumption. It is an example which demonstrates how product differentiation is institutionalised at the levels of manufacturing, marketing and retailing; for much of the success of supermarkets has depended upon their ability to create differential demand from among their customers. However, despite ever-increasing market and product differentiation, consumption remains patterned according to socio-structural forces and trends which are beyond the capacity of producers to determine.

4. Consumption practices and social differentiation

Firms try to anticipate demand, promoting and creating markets for their products. The strategy of market segmentation presupposes the existence of distinct categories of people with specific patterns of consumption preferences. Economic, sociological, psychological and psychoanalytic methodologies are therefore widely employed to classify, most typically, either ‘consumers’ or their ‘lifestyles’. (In this regard, innovation studies, insofar as its principal distinction is between early adopters and laggards, is far from sophisticated in its applications to final consumption.) The generation of classifications of alternative lifestyles has engaged much labour – by academics, marketers and consultants. The development of new schemes to some
extent reflects dissatisfaction with the effectiveness of those based upon socio-demographic variables, though these remain in use. The development and consolidation of such schemes is an interesting historical issue deserving of further research, but for our purposes we wish to examine the relationship between market segmentation and social differentiation.

We might expect market segmentation to increase the differentiation in consumption patterns between social groups. That, after all, is the intention of a substantial amount of advertising and product design. It is also implied by an influential body of social theory which suggests that people increasingly express their personal identity and social attachments through voluntary and autonomous consumption behaviour which creates for them a lifestyle (e.g., Giddens, 1991). We argue against this position primarily because it exaggerates the degree of autonomy of individual consumers and thus fails to appreciate the extent to which processes and patterns of consumption are structured by economic and social institutions. Patterns of consumption are indeed differentiated. However, lifestyles are, for most groups, neither freely chosen nor consciously constructed. Rather they are structured by the unequal distribution of resources in society and the logics of everyday social practice. The tides of commercial competition also have an influence but, we maintain, socially differentiated lifestyles cannot be considered a direct effect of the market segmentation strategies of producers. If they were, then patterns of consumption would be much more distinctive than they currently are. The more powerful explanation arises, rather, from the outcomes of social structural divisions and institutional processes.

To support this claim, we first examine the ways in which consumption patterns are associated with structured social differentiation. We understand this, in Bourdieusian fashion (see Bourdieu, 1984). A full exposition of the theoretical underpinning of this position is beyond the scope of this paper, and we wish only to make brief observations about how normative dispositions toward consumption result in social group differentiation and how these differences emerge from everyday social practices.
4.1 Social differentiation

Consumption is patterned socially, economically and culturally. Despite claims that niche markets provide greater scope for individualistic forms of differentiation in consumption, broad social trends continue to demarcate significant differences between social groups based on differences of age, gender, ethnicity and occupation. This is no great surprise for disciplines related to economic, marketing and innovation studies. After all, if individual consumption decisions are primarily based around judgements of utility in relation to exchange value then people with the same economic resources and social needs (usually viewed as determined according to demographic characteristics) will come to similar decisions.

Economic resources and socio-demographic characteristics alone do not adequately explain patterns of social differentiation. This has led some researchers to postulate either that there are no longer significant consumption patterns or, alternatively, that the patterning is socially largely arbitrary. Such claims must remain topics for future empirical research, but at present we believe that the evidence for them is unconvincing. For example, studies by McMeekin and Tomlinson examining routines and lifestyles demonstrate the continued social constitution of consumption. An analysis of adoption profiles in 1986 and 1994 for dishwashers, microwaves and freezers showed, after having controlled for income (which is of course important), highly significant occupational class effects (McMeekin & Tomlinson, 1998). A further study looked at consumption lifestyles (identified using the PRINCALS technique, a version of principal component analysis (Tomlinson, 1998). This demonstrated not only that lifestyles are identifiable, but that they coincide with different groups in British society. Furthermore, trajectories were plotted to show how and to what extent other factors can come into play in modifying a social group's behaviour, such as age and gender.

Thus, we concur with Roberts (1999: 211), believing that ‘the evidence continues to show that lifestyles tend to form within social classes and respect their boundaries, as applies also with age and sex divisions … Lifestyles may have added lateral distinctions, and fine detail, but were operating within, rather than as alternatives to, more conventional, and still more stable social markers.’ The task, as we see it, is to
establish a more complex account of social differentiation through consumption which plots the ways in which consumption is affected by the distribution of economic, cultural and social resources within and between social groups.

We take our cue from Bourdieu (1984), who sees consumption as a process of reproducing dispositions which constitute differential tastes, and which emanate from the pursuit of the conduct of a life which is subjectively acceptable in the context of objectively given circumstances. These objective circumstances relate to the constraints associated with an individual’s material wealth (economic), types of knowledge (cultural) and access to networks (social), all acting as volumes of ‘capital’ which pre-dispose people with similar composition of capitals to consume in similar ways. This process is reinforced by strategies of distinction in which individuals understand their own consumption orientations in relation to their interpretations of those of the social groups with which they identify and against whom they contrast themselves. In this way, social differentiation is not only determined by individual volumes of the three forms of capital but also by shared consumption orientations maintained through normative mechanisms that make social distinctions (and consumption) meaningful.

This process is captured in Bourdieu’s somewhat nebulous concept of ‘habitus’. Habitus is ‘an acquired system of generative schemes objectively adjusted to the particular conditions in which it is constituted’ (Jenkins, 1992: 74). The realisation of habitus and capital can be found within the process of classification or social distinction. Taste can be classified (for example as 'highbrow', 'middlebrow', 'lowbrow', or as ‘refined' as opposed to 'vulgar') and in the process, classifications indicate expectations concerning the preferences, practices and social values of different groups. To illustrate, Bourdieu argues that the working classes, constrained by their low economic and cultural resources, develop a 'taste for necessity' that validates their consumption patterns and ways of life, while at the same time rejecting the tastes of those with high economic and cultural capital as wasteful and extravagant.

The subtleties and complexities of the 'habitus' in operation are captured in the notion that it is both a 'structured structure' and a 'structuring structure'. Habitus is structured,
it being the principal mechanism for the division of social groupings according to class-based dispositions. It is a 'structuring structure' because it organises agents’ perceptions and practices: habitus is both the producer and 'the product of internalisation of the division into social classes' (Bourdieu, 1984: 170). Attempting to overcome the classic structure - agency antinomy, habitus can be regarded as dynamic to the extent that it redefines itself according to new experiences as a 'structured structure'. Yet, any change will not be dramatic for the very same reasons, the 'structuring' principles tending to constrain any re-orientation of habitus due to the internalised nature of dispositions. In essence, while the habitus can be modified through new experiences and the accumulation of capital, the potential for change is limited because many experiences are already rejected as being 'not for Us'.

From this perspective, reduction of social distinctions, and the process of consumption, to notions of individual choices from the varieties of goods and services available within markets misses many of the socially embedded and normative aspects of the process of consumption. Moreover, consumption is also always fitted into particular contexts and situations, as solutions to problems of a practical kind, where achieving satisfactory outcomes is as much a matter of establishing habits and routines as it is of the reflexive and active constitution of a lifestyle.

4.2 Consumption and practice

That people might think about themselves as 'consumers' is a recent discursive innovation. The consumer is a figure of economic theory, not of everyday life. People do not consume. They travel, go to a show, wear a dress, eat dinner. Mobility, entertainment, adornment and eating are practices of everyday life. Understanding practices as autonomous spheres of human accomplishment is an appropriate basis for grasping the relationship between production and consumption. Social practices are governed by norms like respectability, appropriateness, competence and excellence.

This is demonstrated by much research on social networks, where acquiring the ‘rules of engagement’, in Goffman’s sense, is essential for inclusion within, or exclusion from, networks of a particular social practice (Allan 1989; Southerton, 2000).
Access to practices is also restricted in various ways and the precise manner in which different individuals and groups engage with practices is, as discussed above, socially differentiated. Indeed, amongst the most powerful points of Bourdieu’s concept of habitus is that groups exclude themselves from the practices which their circumstances deny:

Social divisions become the principles of division, organizing the image of the social world. Objective limits become a sense of limits, a practical anticipation of objective limits acquired by experience of objective limits, a “sense of one’s place” which leads one to exclude oneself from the goods, persons, places and so forth from which one is excluded.

(Bourdieu, 1984: 471)

Returning to the example of the working class ‘taste for necessity’, the rejection of extravagance limits the range of consumption options and leads to patterns of self-exclusion from particular practices. Because habitus is ‘acquired’ and ‘internalized’ it is a complex historical construction. Similarly with practices, which are also complex historical constructions. A practice is the result of the accomplishments of generations, in both essential and tangential activities, which provide the basis of decent survival.

Practices usually depend upon consumption of material and symbolic items. That is to say, very few practices require neither artefacts nor the addition of human labour. Most entail some level of material appropriation and investment of resources. Social practices are increasingly dependent upon commercially distributed products, because they adopt and incorporate commodities in increasingly copious quantities. However, they are not to be reduced to consumption and most certainly not to commercial consumption, which is only one way in which goods and services are obtained for the purposes of practice.

Consumption, the appropriation of the products of work, is framed and shaped by both the logic of social practice and the dispersion and sedimentation of commercial calculation. For example, the effect of application of the market research techniques of segmentation is to encourage shared preferences among particular groups of
people, in some instances forging potential bonds around the definition of good taste. This is accomplished by disseminating information selectively about products, and presenting images of their use by particular categories of person. At least one force behind niche consumption is the capability of marketing departments to target particular products to specialised audiences. The autonomy of social practices is increasingly compromised by commercial imperatives.

Nevertheless, people maintain a degree of agency in their consumption behaviour. Consumption is embedded within everyday life and not constituted by abstract notions of demand. Indeed, a key issue for research is how individuals learn how to be competent consumers, managing income and time, and acquiring relevant tacit skills, knowledge and information in the face of rapidly changing arrays of new and modified commodities. Consumers do not demand. Rather they ‘want’ and ‘need’ things which they can appropriate into their existing ways of life. Consequently, to understand how commercial imperatives might compromise the autonomy of consumers, and how this might relate to the configuration of social groups, we need to understand how consumption is integrated into everyday social practices, that is how things and services are utilised.

By conceptualising it as integrated within social practices it becomes clear how consumption is embedded within a given material culture and sets of social norms. Southerton’s (1999) investigation of the symbolic significance and practical use of kitchens serves as an example. The kitchen table is symbolically important for some social groups, it being embedded in practices believed to sustain the moral well-being of the family, intimate relationships and friendships. Its use is subject to objective constraints, such as size of kitchen and number of household members. Other relevant factors reported included the times at which household members return home from work and school, and whether a meal was cooked using raw materials or a pre-prepared meal cooked in the microwave. Such routines and objective constraints influenced whether kitchen tables were deemed important, how they were used and how this affected related social practices revolving around sociality, eating and the organization of domestic routines.
This example of the kitchen table illustrates how practices involving consumption are intimately bound together in ways that pattern daily life. One relatively mundane object, the kitchen table, demonstrates the interwoven complexity of practices. Those with kitchens too small for a table never considered its potential for sociality or its double role as a night time work desk. These people did not socialise with friends in their home, thus narratives of ‘needing’ or ‘wanting’ this object were not deemed relevant. The contrast with other respondents who did entertain at home and who held conventional family meals as important was stark. For them, domestic life was unimaginable without the kitchen table because of its centrality to the daily practices shared with friends and family alike. Consumption is embedded within normative daily practices and cultural conventions, such as which room to eat in, and provides the basis for the meaningful appropriation of material culture.

This is certainly not to say that social practices frame orientations toward consumption to the exclusion of processes of production. Research on British freezers demonstrated how their use was influenced both by the manner in which they were produced and marketed, and by other closely related social practices (Shove & Southerton, 2000). The emergence of the freezer can be partly credited to the growth of large supermarkets making food available for bulk purchase and storage; without supermarkets the value of a freezer is diminished. The introduction of the microwave was another significant moment in the freezer’s history, because this device paved the way for new practices in the way that frozen food could be prepared. In addition, changes in kitchen design reconfigured the use of the freezer; in the British case the emergence of fitted kitchens meant the freezer moved from outbuildings into readily accessible spaces within the kitchen. Notably, these uses were not those initially intended by appliance producers or anticipated by marketers (McMeekin & Tomlinson, 1998).

These unintended uses can be largely explained by the benefits that the microwave - freezer combination promise: convenience. The research demonstrated how ‘what the freezer is good for’ shifted in emphasis from a device of economic efficiency in the 1970s (i.e. bulk buying and storing of food) to one of time shifting through its capacity to store time – in the form of frozen food for rapid preparation at a more ‘convenient moment’. Without relaying the entire story of how freezers make possible
the re-sequencing and flexible control of routines, it is important to note how the freezer and microwave have become normalized precisely because they have become embedded within social practices. Some of these practices result from the dominance of supermarkets in domestic food provision, ironic considering that the freezer’s bulk storage potential paved the way for contemporary supermarket shopping in the first place. Indeed, imagining life without a freezer was ‘unbearable’ for the majority of people interviewed for research concerning household organisation and how people order social practices.

While complex, these examples demonstrate how consumption is bound up within many ordinary social practices. How these social practices emerge, unfold over time and become normal is not independent of producers, but producers certainly do not shape practices alone. Rather, practices become embedded in daily life, and, in most cases, appropriated and rejected by different social groups. In this process of normalization, forms of consumption become established as a consequence of how they fit, complement or modify existing social practices. Furthermore, as both tables and freezers demonstrate, forms of consumption that become a normal part of social practices hardly act as individual and voluntaristic free choices, not least because normalization is a collective process — normality implies a practice shared by others. It is to this point that we now focus our attention.

4.3 The normalization of consumption

The social scientific study of consumption has tended to concentrate on novelties and the spectacular. Yet much consumption is routine and ordinary (Gronow & Warde, 2000), a fact underlined when considered in the context of social practices in everyday life. A perspective on ‘ordinary consumption’ offers fresh insights into the relationship between social differentiation and social practices. Everyday life and much of the associated consumption is routine. Routines normalize practice, understood merely as they are the ‘way things are’ done (by ‘Us’ if not by ‘Them’). Differentiated products are appropriated into existing routine practices of social groups.
The importance of socially constituted consumption routines was demonstrated in a study by Tomlinson & McMeekin (1998) which explored continuities in taste over a seven year period. A consumption routine was defined as an executable capability for repeated consumption that has been learned or acquired by groups of consumers in response to social pressures or contexts. The analysis concentrated on the routine consumption of foods. There were several interesting findings. First, occupational class is a strong determinant of consumption routines. Modelling consumption by past social status, an unusual technique, probably offers even stronger proof of its importance than simply using current social class. This suggests the longer-term persistence of occupation-constituted habitus in defining the groups within which routines are shared. Second, social mobility can have a significant effect on consumption routines. This resonates with the definition with respect to the notion of learning or adaptation. Third, the effects of these influences differ depending on the good that is being examined, some appearing to carry more social significance than others. The difficulty arising is to avoid a static view of consumption. However, the existence of consumption routines is particularly significant for those interested in the diffusion of innovative consumer products. The implication is that existing routines need to be modified or broken for innovations to succeed.

Routines are normative. Norms are the consequence of social interaction and are embedded within social institutions. Goffman (1973) indicated how social interaction is ‘framed’ within social contexts through which people interpret and act accordingly in the light of the actions of others. This is a mutual process which generates contextual rules, scripts and rituals, which also act to mark social boundaries. Becker (1984) draws on similar mechanisms in his work on social worlds, where the conventions and rules of competence within networks of people with shared interests (for example, work, religion, place communities, hobbies) act to order routines and perpetuate normative action. The concept of ‘social world’ is instructive because it helps explain different collective orientations of social groups towards consumption, which are in turn structured according to volumes of economic, cultural and social resources. To some extent this is related to positions within social networks which comprise social worlds. Southerton (1999) demonstrates how people who had recently moved to a town in the south of England differentiated themselves from others within a social world despite sharing similar volumes of economic and cultural resources and
similar consumption orientations. Within networks of ‘newcomers’, neighbours drew upon standards of competence in housing consumption to affirm their distinctiveness from other groups with whom they interacted within the local context. In other cases, consumption is differentiated according to the extent that people are committed to a social practice. Examples include distinctions between ‘enthusiasts’ and ‘hangers on’ at hot-rod rallies (Moorhouse, 1983) and between caravanners interested in pursuing out-door pursuits and those who wish to re-create home near the seaside (Southerton et al, 2000).

Social worlds demonstrate the embedded, normative and, above all, collective processes that generate routine social practices. Conceptualising consumption in this way provides insights into why attempts at market segmentation have, so far, only materialised within the existing socio-economic structures which distribute volumes of economic and cultural resources. Not only does this raise serious doubts about the mechanisms of reflexivity that are so important to theories of elective lifestyles, but it also demonstrates that ‘choice’ is socially conditioned.

4.4 Summary

In this section we have argued that increased market segmentation is not a particularly important cause of increased social differentiation, despite the best efforts of manufacturing, marketing and retailing agencies. This is not to say that commercial imperatives have no bearing on social practices of consumption. Indeed they do, and our criticisms of sociology stem from the discipline’s over-sight in this regard. Production configures consumption, it stipulates what is available in the market place, it draws attention to what and how people should consume, and it sets the boundaries for that consumption.

Consumption is embedded in the social practices which normatively order, and are combined and condensed into, ‘ways of life’. The continuing relationship between patterns of consumption and social class is testament to this claim, refuting any suggestion that social differentiation is itself caused by segmentation within consumer markets. Consumption cannot be fully understood by taking individual decision-making as the primary unit of analysis nor by considering consumers as ‘demanding’
particular products. Rather, it is collective processes ordering social practices within
discrete and overlapping social worlds which result in patterns of consumption which
are far from uniform or standardised.

What remains unexplained is how consumption feeds back upon production and
demand. A more precise understanding of the relationship between production and
consumption seems necessary to overcome the limitations of existing analyses of
innovation, demand and consumption.

5. **Spheres of production and consumption**

In classical political economy, there was a representation of the relation between
production and consumption in terms of circuits. This led to an unsatisfactory view of
there being simply flows of money and goods, almost within the metaphor of a
plumbing system – including expansion tanks. Perhaps in reaction, there was the
treatment of consumption as an *autonomous* sphere, or at least a sphere which could
be explored without reference to production, distribution or retailing processes. Yet,
the challenge is to give due appreciation to processes of both production and
consumption and to explicate their inter-connections. Consumption and production
cannot be understood in isolation from one another. Producers attempt to cultivate
demand for their products, while consumers seek items which are most appropriate to
their current and anticipated activities. (Interestingly, it would seem that consumers
typically take far less notice of the practices and motives of producers than vice
versa.)

Contemporary analysis lacks a thorough understanding of the links between
production processes and the social practices which are served by consumption. The
tendency is still for those few who have sustained an interest in production (eg Fine
and Leopold, 1993) to offer severely attenuated accounts of the integration of
consumption in social practices, while those who emphasize the role of consumption
in autonomous practices (eg de Certeau, 1988) pay scant attention to their partial
origins in, and reciprocal effects upon, commercial activity. The ideal resolution
might be to integrate such accounts by demonstrating in Hegelian fashion that these
two one-sided understandings are no other than complementary opposites subject to immanent transcendence. Perhaps more realistically, we require new avenues of analysis which are able to depict how the spheres of consumption and production are both separately and distinctively instituted and yet are thoroughly mutually interdependent. We need to explore how the spheres and relations between them are co-formed, historically and comparatively.

5.1 From consumption to demand

In section 3 we saw that firms attempt to construct 'demand' for the products that they do, or potentially might, supply. From the point of view of the firm, an economic agent working in a commercial environment and subject to market forces, there is an absolute necessity, in the long run, that they sell enough of their products for a price greater than the cost of the inputs to those products. This, to return to an earlier conceptual language, means that they must price their products to obtain exchange value sufficient to pay for raw materials, labour and dividends (profit). Particularly for macro-economics, demand is a set of purchases which provide sufficient exchange value. Why people want the items they have purchased is of little interest. Economists assume that people know what they want, that their purchases reveal their preferences (subject to income constraints) and that they therefore maximise their 'utility' - a concept which is purely abstract and is incapable of being independently measured or specified. Consequently, how the product is subsequently utilised is of no concern to the economist, and of no immediate concern to the supplier. Increasingly, however, the marketing arm of most companies has some interest in utilisation. By utilisation we refer to the use to which a product is put.

We have also seen in section 4 why it important to acknowledge the substantial, but partial, autonomy of consumption behaviour. From the point of view of consumers, utilisation of items, for purposes defined by the logic of their social practices, is at the core of the process of consumption. Consumption is not to be equated with purchase, but is the process of making use – practically and symbolically – of items. Importantly not all these are obtained through markets as commodities. Indeed the mixed sourcing of the goods and services upon which any individual or household depends is a principal reason why it is inappropriate to conflate demand and
consumption. However, within the market mode it is equally important to observe that individuals have very little control over supply or price of goods and services. Consumers can scarcely be said to make markets, to define the terms on which items are sold, as economic actors, for their effects are only through uncoordinated aggregate behaviour of many strangers. (Though, of course, competition results in producers paying some, variable, attention to the trends in aggregate behaviour.) Consumers, however, have access to means of collective, sometimes political, mobilisation which may represent the concerns of particular groups about the inadequacy of commercial producers. Arguably, the contemporary period witnesses greater impact by consumers on producers (Abercrombie, 1994). Just as producers have increasingly intruded on the sphere within which people apply commodities, those same people are exercising greater influence over what is produced. There is at least some empirical support for claims about the increased 'authority of the consumer'.

In recent years, sociology, anthropology, social studies of science and technology and cultural studies have all made considerable strides forward in documenting the complexity of the purposes to which goods and services (commercially and otherwise sourced) are put to use. Utilisation is in pursuit of different kinds of practice. Most practices make use of some commodities, though with few exceptions practices have many other more important aspects and purposes than the use of commodities. But usage is often not in the manner in which producers or providers intended or anticipated, and as patterns of usage evolve there are lessons to be learned by commercial producers about new ways of seeking to obtain exchange-value. For example, freezers were initially marketed as a device for household economy, a means to preserve materials available in glut, but subsequently the emphasis shifted to a tool of convenience, a way to store ingredients and complete meals purchased from the supermarket already frozen (Shove & Southerton, 2000). There are what might be seen as feedback loops, or perhaps better, means by which the needs and wants of practitioners (those engaged in particular practices) can be relayed back to potential producers and which might influence their production strategies. There are many such relays, arguably many more now than there used to be, partly because the marketing function is more attuned to considering what happens to a product once it has been sold than might, say, either an economist, an accountant or an engineer.
Consumers strike back

Sociology, anthropology and cultural studies have paid little attention to these forms of relaying of the ‘wants’ and ‘needs’ of people back to producers. Such work has shown increasingly less interest in what producers do, and almost none in trying to explain, for instance, how prices are fixed, what impact consumption might have on the price or even the production of particular items. It is important to identify how this might occur and to conceptualise, as precisely as possible, the processes involved.

Commodification involves bringing services or goods that were previously outside of the sphere of market and price institutions into the commercial sector. In turn, this affects the distribution of overall household expenditure and sectoral shifts in the marketised economy. There are also socially instituted economic processes, where money and goods flow in circuits, self-reproducing or expanding, through markets. But these distinctly economic institutions are complemented and refracted by social norms and habits of consumption, desires, and other multi-faceted cultural and political institutions. There are a number of significant interactions between these other social domains and instituted economic processes which are comparatively neglected and rarely conceived as a mutually coherent set of processes.

1. Collective mobilisation by the public or its representatives, for example to obtain new provisions or to seek redress for damage, is one part of the story which has received some attention (for a summary see Gabriel & Lang, 1995). Political protest about supply and prices, demands for state regulation of quality, social movements promoting ethical consumption, cooperatives competing against commercial firms, consumers associations and advocacy groups are all means of ‘voice’ regarding consumption.

2. Consumer purchasing norms exert considerable influence on the ways in which retail markets institute price segmentation as well as product segmentation. The emergence or resurgence of discount warehouses, the development of shopping malls, or the differentiation within stores between designer pitches and own label clothing are ways of creating distinction both by price and within styles of consumption. It would be a mistake to assume any straightforward mapping of disposable income to
these market institutions of price/quality differentiation, but clearly both market institutions and consumption norms are mutually sustaining, and mediated by market exchanges.

3. Enthusiasts within particular practices are influential in prescribing, for other and more marginal practitioners, new standards of performance which often require the application of more sophisticated techniques and technologies or new or nuanced complementary materials. One of the principal sources of demonstration for commercial producers, when imagining the promotion of new products, is precisely to learn from, to borrow or to copy innovations generated within the logic of a practice by its most advanced practitioners. The partial truth behind the idea that there might be some people who are early adopters of commercial innovations might have resonance here?

4. The temporalities of practices alter as everyday activities are de-routinised and re-scheduled. Flexible working hours and the incompatibilities introduced by hours worked by members of dual-earner households make the coordination of daily life problematic, with considerable consequences for consumption (Shove et al, 2000). For example, the decline of Sunday Observance (and more generally the longer opening hours of shops and pubs) presents commercial opportunities for providing additional sources for self-provisioning and recreation, whilst at the same time accelerating the spread of flexible hours of employment. The consequent patterns of trading are, ultimately, a consequence of many factors - political pressure, changed state regulation, revision of practices and their re-scheduling by private citizens. In this instance, there is probably no direct effect on the overall volume of demand, but a marked shift in its temporal patterning in the wake of changed organization of everyday routines.

5. Socio-demographic change is an instance where producers and market arrangements have no determining effect on patterns of consumption (except insofar as culture becomes 'commercial') yet out of which emerge new needs and wants. For example, the spread of smaller households produces greater overall levels of demand for domestic goods, but also generates need for smaller versions and quantities, and probably different balances between publicly provided services and domestic
provision, for example eating out and ‘convenience’ items for domestic use. Economic agents orient themselves towards meeting anticipated variations in demand, though not because they have any interest in the social trends per se, but from the point of view of pursuit of increased market share.

6. Transformations of taste (ie judgements of what is desirable), though affected by the commercial producers, as for example in the fashion cycle, are an outcome of cultural struggles and improvisation within social practices. Thus, some social groups seek to enhance their own prestige and visibility through innovation in modes of self presentation, the definition of avant-garde being to be in advance of that which is commercially widely available. When commercial producers colonise street fashions they follow in the wake of changes in taste generated from popular practice.

In other words, there are many institutionalised means through which influence of consumers is exerted on producers which are not really expressions of demand through market mechanisms. Commercial producers respond because their search for exchange value and their capacity to realise profits depends upon them being able to meet ‘effective demand’, which is itself powerfully conditioned by the plans for utilisation of commodities within practices. Social structural shift in other words, is responsible in part for the determination of what items come to market, and at what prices. To re-state the case, there are many sources of pressure which have nothing to do with consumption directly, which amount to people adapting their behaviour in the light of requirements of aspects of their daily lives which take precedence over, or occur irrespective of, their preferences and dispositions regarding consumption. Much of the unpredictability of demand is a consequence of people making decisions about their next job, their children’s education, their ability to command respect in their own social worlds, or their provision for old age. Effects on consumption patterns are by-products of other decisions. Perceptions of suitable schooling might require parents to buy a new house in a new area and purchase a second car to transport children to school. Or the pursuit of second job might require that food provisioning be more ‘convenient’, for though many convenience foods remain, as yet, less than good there is no shortage of demand for them. As we have seen in section 3, there are increasingly differentiated prices for substitutable items, there is an increased breadth of items for sale, markets are more volatile, flexible
specialisation has resulted in greater fitting of specific products for particular market niches, itself a source of potentially greater differentiation between individuals and social groups.

5.2 Exchange and demand in the market mode

In considering the working of market processes, including mode of production, distribution and exchange, we have emphasised the differences between the utilisation of products, ie acts of consumption socially organised within practices, and market segmentation as organised by price and production. The principles behind the organization of production and consumption are clearly not the same. In the market mode, the process of exchange plays a critical role. Goods and services are exchanged for money. This offers a clear point of demarcation between economic production and the utilisation of emergent goods and services. Sometimes this demarcation is smudged, which is particularly likely with services which require extended social interaction between the employees delivering the service and their customers. But in the market mode there is some point in, and some possibility of, distinguishing demand – expressed as a sale – from the subsequent utilisation of whatever might have been appropriated.

One key issue is how exchange is organised or coordinated. There are many forces and factors which influence the terms of exchange and the price at which items are to be exchanged. With respect to final consumption, satisfactory exchange is accomplished through the effects of the intersection of conscious and purposive strategies for the construction of markets on the part of economic organisations, with agents embraced by the logic of practices which require the appropriation of items fitting to the activities which constitute those practices. As we have demonstrated elsewhere, with regard to an empirical case study of the spread of the tomato, viewed historically, the changing nature and combination of different retailing outlets can be seen to articulate and organise demand for food (Harvey et al, 2001). However, it would be mistaken to take the structure of market segmentation or product differentiation organised in this manner as a proxy for consumption. We cannot simply infer a social hierarchy of consumption from a social hierarchy of retail outlets, or, within a ‘full-range’ retail outlet, from the hierarchy of pizzas, tomatoes or
whatever. We are dealing with a complex and changing ‘relationality’: consumers of commodities can only buy them in the way they have been socially organised and within given pricing hierarchies. Yet, if there are hierarchies of consumers they are certainly not only constructed by or through their shopping baskets. It may be that retailers stratify purchasers by their relative disposable incomes and propensities to purchase food, according to their own systems of classification, for example from thriving to striving (Harvey, 2001). But Warde and others, for example, have shown that there are enduring norms, based inter alia on class as defined by occupation, that code and underpin consumption ‘orientations’ (Warde, 1997; Warde and Tomlinson, 1995; Warde and Martens, 2000; McMeekin and Tomlinson, 1998). So we are concerned with the ‘relationality’ between forms of hierarchical organisation within retail outlets, and forms of hierarchical organisation and distinction among consumers. Neither is independent of the other, but equally, how and on what basis each is articulated is also specific to each pole of the relation, in this case retailers and consumers.

The same might be argued with regards to the role of advertising. Advertising orients a specific product into a cluster of consumption practices and products, intending to appeal to categories of persons typically engaged. But in the commodified mode, effective demand relates also to levels of disposable income, and divergent patterns of utilisation depending on macro-economic differences in income dispersion and in the balance between ‘social’ wage and disposable income. Thus producers cannot segment markets unilaterally, nor can consumers in their attempts to reproduce or innovate patterns of social distinction. We are dealing with changing patterns of mutual dependency and asymmetries of power (in both quality and relative weight) across an exchange relation, between different relational fields.

*Changing configurations of production, distribution, exchange, and consumption*

A simplified representation of the interaction between distinct instituted economic processes is presented below. It should be emphasised that these form a relational complex, in which each of the four elementary processes is both distinct and mutually dependent and interrelated to each of the other three:
It is as difficult to conceive processes of production as autonomous from a destiny in consumption as it is vice versa, and in market economies with extensive divisions of labour, processes of exchange and distribution intermediate between them. Each of these processes undergoes distinctive processes of institution along with the relations between them. Unlike circuits of goods and money, an instituted economic process analysis suggests that these diverse processes of institution are inherently a source of variation, leading to potential tension and instability, rather than to smooth or expanding flows and stable configurations. Nevertheless, we are also interested in how, in given spaces and given times, relations between these four instituted processes can become stabilised, thereby forming distinctive configurations over quite long periods. This then leads to questions of how configurational change occurs, within capitalist economies.

Above, examples were given of how product markets (food, clothing, etc.) might be differently instituted, with price segmentations mediating the exchanges between retailers and consumers. We also have suggested ways in which design and marketing interact with different institutions of production, retailing and distribution. Internet shopping may herald significant ‘de-institution’ of certain markets (music and its delivery channels), whilst instituting new ones, including new forms of distribution (for instance, entailing transformations in space).
Likewise with consumption, although the household may be a prime locus for consumption, it is not solely or exclusively an instituted economic institution, nor is it differentiated as such, in the way, for example that other institutions of consumption are: cinemas, sports stadia, restaurants, tourist holidays. So final consumption is instituted in different ways across a range of different modes of provision, market and non-market, more or less differentiated as ‘economic’, whether in terms of enjoyment, needs, or in terms of organisations such as households and markets. Thus, there is a need to investigate the interaction between the instituted economic aspects and processes of consumption which are socially, culturally and politically instituted. Arguably, there will be relational effects from the various independently identifiable phases and elements of social practices or specific consumption episodes to each element of the production and distribution processes.

In our research on historical change in food provisioning, distinctive configurations between primary producers, manufacturers, distribution and intermediate markets, retailing and consumption were seen to endure for decades, until tensions and conflicts led to major reconfigurations, changing the institutional forms of each of the four transformational processes and the relations between them (Harvey et al, 2001). Variations in the way these processes are institutionally configured, comparatively and historically, and hence the changing nature of their mutual interactions, become central to our analysis.

5.3 Modes of provision

In this paper we have considered many elements of the process whereby commodities are produced, circulated and disposed of. Thus we have considered design, innovation, manufacture, marketing, distribution, exchange and final consumption. We have, however, done this almost exclusively with respect to the market mode, driven by our interest in understanding the relationship between demand and consumption. It is equally important, however, to recognise that while increasing recourse is made to commodities to support consumption practices, not all provision occurs through the market sector. The state, charities, households and communal groupings all provide goods and services which form part of the overall system of consumption.
Polanyi (1957) observed the existence of three basic forms of integration of economic activity - reciprocity, redistribution and exchange. The market is a mechanism which provides just one, sub-, type of exchange. No mere intellectual accident resulted in contemporary studies of innovation and of consumption revolving, overwhelmingly, around their connection with market exchange. Innovation in public sector agencies, like universities, are to be directed towards improving national economic competitiveness through their transference to commercially exploitable inventions and patents. The needs and wants of the population for the furnishing and organization of its daily life are represented as potential demand and commercial opportunities. No wonder that some scholars now consider that the concept commercial culture (rather than, for instance, consumer culture) best characterises the dominant societal culture at the beginning of the 21st century. Yet concentration on market exchange misrepresents the overall system of economic and social relations upon which contemporary consumption norms are founded. The state, even if in the British case in a diminished role, continues to make a substantial contribution to the means of consumption of the mass of the population. State provision - of urban infrastructure, social expenses and social payments - continues to play a major part in both rendering usable goods and services sourced commercially and in providing material resources directly absorbed into social practices. The household and the communal economy, equally, provide resources and labour which are delivered by way of mutual, if often asymmetric, obligation.

The negotiation and mutual accommodation that results in a sharing out of tasks and of the rewards associated with the multitude of episodes of final consumption is of utmost importance but impervious to appreciation in terms of market exchange. Only one portion of the means of consumption is obtained by shopping - the literal way in which consumption plays its part in constituting demand. *En passant*, in might be noted just how complex a social and economic practice shopping itself is. Even routine shopping, as captured and dissected by Miller (1997), which involves economic calculation regarding price, is engrossed in a discourse of interpersonal concern, care and pleasure which are among the effective justifications for thrift itself. To the extent that it is an economic act, shopping fully justifies the observation that economic activity is socially embedded behaviour which finds its logic and justification in the wider web of social relationships. Only at the point when the
processes homologous to shopping in the other modes of provision are analysed for their roles in integrating production and consumption - that is to say elections, opinion polls and protest movements in the state mode, interpersonal negotiation and conflict among household members in the domestic mode, etc. - will a comprehensive account of the determination of consumption be provided. For just as purchasing behaviour, an outcome of the practice of shopping, transmits vital, if hard to interpret, information to the producers of commodities, other types of communication, political and domestic, play a key role in integrating these other, very substantial, yet often neglected, material sources of contemporary social practice.

The theoretical challenge is, arguably, to be able to understand the relations between production and consumption in these different modes in conceptual terms compatible with, but at the same time capable of specifying the generic differences from, those manifest in the market sector. It seems to us that this might be achieved through an extended model of the nature of the social relations underpinning spheres of production and consumption in different modes of provision (see Warde, 1992; Warde & Martens, 2000).

**Figure 2: Four ways in which services may be obtained**

<table>
<thead>
<tr>
<th>Mode of provision</th>
<th>Manner of obtaining service</th>
<th>Who does work</th>
<th>Who pays (if anyone)</th>
<th>Principle upon which service is obtained</th>
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</thead>
<tbody>
<tr>
<td>Market</td>
<td>Commercial purchase</td>
<td>Paid employees</td>
<td>Consumer</td>
<td>Market exchange</td>
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<tr>
<td>State</td>
<td>Claim to entitlement</td>
<td>Paid employees</td>
<td>State</td>
<td>Citizenship right</td>
</tr>
<tr>
<td>Communal</td>
<td>Personal connections</td>
<td>Neighbours or acquaintances</td>
<td>No money involved</td>
<td>Reciprocal obligation</td>
</tr>
<tr>
<td>Domestic</td>
<td>Household do-it-yourself</td>
<td>Members of household</td>
<td>No money involved</td>
<td>Family obligation</td>
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(adapted from Abercrombie, Warde, et al, 1994: 95)
An ideal typical formulation of the distinctive features of some different modes of provision is presented in Figure 2. What is suggests is that access to each mode depends on different types of resources and that the principles upon which each operates entail quite different types of social relationship between provider and recipient. Since it is the case that, empirically, a substantial proportion of services rendered are delivered through modes other than the market, any comprehensive understanding of consumption will require consideration of matters unrelated to demand for commodities. Such a formulation suggests that the successive transfer of activities between modes is a potential topic of research upon the changing nature of the social relations surrounding the exchange of labour services in the overall project of securing a satisfactory form of consumption. One example, by way of illustration, might be health care in the UK, where what was once primarily a communal and domestic activity was turned into a professional practice which has been at various times been paid for privately, delivered by charitable bodies to deserving people, and provided free of charge by a state-run medical service to all citizens in accordance to their medical needs. The explanation of the trajectory of health care would require reference to many aspects of a changing institutional complex - demographic trends, the distribution of income, professionalisation processes, party political ideologies, taxation, medical ethics, and class and gender inequalities. In contemporary circumstances, a key aspect is the way that the welfare state has been restructured and realigned with market mechanisms, and the variation between countries which arises as a consequence of welfare regime pertaining. The intersection of state regulation and market processes is, more generally, a critical defining feature of the contemporary articulation of demand and consumption.

An alternative means of exploring the relationship between modes of production would be to trace fully to their origins all the inputs to particular consumption events, separating out the way in which raw materials are operated upon by different types of labour and subsequently transferred between agents at different stages of the process of their transformation into a form suitable for an episode of final consumption. For example, a family meal will involve materials, labour and resources sourced in different modes of provision, just as the meanings of such an event draw on many discourses far distant from the economic. After having also accounted for the sedimented infrastructures and the institutional environment, and the social and
cultural capital which the diners bring with them to the table, a more rounded appreciation of the comparatively minor role that demand plays in the practice of eating might be discernible. It is, to re-phrase Polanyi, the way in which the different modes of integration of economic activity combine and are embedded within the wider system of social relations that explains contemporary norms of consumption.

6. Conclusion

This paper has argued that in order to fully understand the mechanisms involved in processes of innovation and market generation it is necessary to consider the inter-relationship between production and consumption. Consumption should be conceptualised as intimately connected, in relational terms, to production; how people go about consumption both configures the process of innovation and is configured by the process of production. We consider consumption as a dynamic process that must be analysed in relation to a range of macro and micro social changes (including economic, spatial, temporal and cultural change). It is necessary to consider the way that agents within the process of production configure potentials for, and of, consumption, and how social actors, constrained by their economic, cultural and social resources, go about the everyday and often routine practice of consumption. We therefore advocate a combination of the analysis of consumption in terms of shared and socially organised practices with an instituted economic process approach to demand, markets, prices and production.

We insist upon a distinction between consumption and demand. Consumption is a distinctive process of transformation, alongside and in relation to, that of exchange. Firms, marketing, distribution, retail, processes of market competition and product innovation configure the range of options available to social groups. But existing practices of consumption are embedded in social structures and the routine practices of everyday life, practices which are partially insulated from the blandishments and interventions of producers. We see the key task in understanding the market mode to be analysis of the processes and mutual interactions which result in the requirements for the production and reproduction of practices being delivered by organizations dedicated to supplying commodities. One of the most important areas of commercial
innovation currently lies in design and delivery of services, rather than manufactured goods, and it deserves greater attention. Ultimately, however, we have not been much detained by the distinction between services and products because, as with the marketing function, both product and service are increasingly mutually defined and because we believe that the logic of innovation is a feature less of the concrete properties of what is sold than of its commodity status.

In contrast with much work in innovation studies we pay attention to routine activities, to incremental changes in practices, rather than to the adoption of new technologies. We do not privilege a focus on manufacturing, hard technologies, and high technology, advocating instead studies which shed light on routine activities within ‘low tech’ services. The implications of our existing studies demonstrate that consumption routines can change over time for certain goods and at different rates for different social groups. Understanding consumption behaviour as governed by routines and social mechanisms is essential to understanding the evolution of demand. These investigations argue for attention to the dynamic nature of final consumption. The dynamics of interest are evident at a number of (interrelated) levels. First, there are changes in patterns of consumption that emerge through macro-social shifts (changing relationships between different social groups, demographic shifts such as the ageing population). Second, there are changes in the structure of consumption brought about by shift in the structure of production and retailing. Third, there are changes to practices of consumption arising from the introduction of new goods and services. These shifts are understood within a framework that sees consumption as stratified, relational and other than utility maximising. The relationship between these levels is seen as crucial for understanding the innovation and consumption of new goods and services.

We believe that investigation of these issues of demand will benefit from a comparative approach and an interdisciplinary knowledge base, stretching from organization theory to the sociology of consumption. We intend particularly to explore the applicability of those theoretical approaches which stress environmental and contextual constraints at the expense of individual or personal choice. We take this approach in order to avoid the twin pitfalls of analysing consumption as rational individualistic decision making and of viewing consumption as the symbolic play-
thing of autonomous social agents. Hence we are interested in network analysis, theories of collective behaviour, evolutionary economics, and sociological accounts of social worlds and disciplinary regimes.

Future research must seek to develop a theoretical and substantive account of the relationship between social and economic change and patterns of consumption and demand. The associated tasks are considerable. It will be necessary to try to consolidate and refine a conceptual framework for understanding the relationship between production and consumption. Clarifying the relationship between consumption and demand will play a particularly important part in that endeavour. This will draw on the results of work on CRIC’s other major research themes, especially the exploration of the relationship between innovation, competition and demand. However, key to the consumption programme will be the development of a substantive account of the relationship between social trends and patterns of consumption and demand. In passing this will require evaluation of competing explanations of taste and preferences. Ultimately, the objective is to return to issues of political relevance and the pressing questions, in a western world experiencing escalating levels of private consumption, unequally distributed and putatively unsustainable, of the contribution of consumption to well-being.
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