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# Reflections about Professor Robert F. Lusch: Friend, Co-author and Marketing Visionary

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## Abstract

This personal commentary offers some brief reflections about the late Professor Robert F. Lusch. These insights are offered by someone who knew him for many decades as a friend, colleague and co-author.

## Keywords

Macromarketing, The Long View, Markets and Fairness, Distributive Justice, S-D logic

“The future economic well-being of people, the prosperity of industry, and the quality of life will depend on efficient and dynamic marketing systems that are responsive to the changing society. Those who are successful at anticipating environmental changes and translating them to strategic options are likely to succeed in the years ahead.” (**Robert F. Lusch** in 1977)

## Commentary

I was a friend and colleague of Bob Lusch for over 45 years. Between 1974 and 1999, Bob and I co-authored approximately two dozen refereed journal articles as well as assorted conference papers and trade publications (e.g., Laczniak, Lusch and Udell 1977; Laczniak and Lusch 1986; 1997). But Robert Lusch was such a prolific scholar during this 25 year period that our mutual partnerships represented perhaps only 20% of Bob's massive publication output. In any case, one thing is clear: One cannot collaborate on multiple projects with someone like Bob without getting to know them quite well. From Bob, I gleaned many imitable habits about the investigatory research process as well as learning first-hand about his inquiring mind, creative insights and passion to contribute to Marketing knowledge. But most of all, I enjoyed a sustained *friendship* with Bob that enhanced my life (Exhibit 1).

In the late 1990s, I took a Provost's office position at my university even as Bob was serving as Business School Dean at Texas Christian University. We (Bob and I) made a conscious decision to put our collaborations "on hold" and to concentrate on working with other, especially more junior, colleagues until such time as our interests and schedules would allow what might be a truly notable project. However, between 2000 and 2010, a hyper-productive period of research productivity for Bob Lusch, we continued to periodically review and comment on each other's independent research. For example, I am proud to note that along with Prof. Shelby Hunt, I was one of the first to read and critique a 'working paper draft' demarcating the theory of Service-Dominant Logic; that manuscript was eventually published in the *Journal of Marketing* (Vargo and Lusch 2004) and, with multi-person co-creation, gave rise to one of the most impactful marketing theory contributions of the early 21st Century (Vargo and Lusch 2008). But those who recognize Bob only from the S-D Logic stream of literature ought to be aware of his copious contributions to various other areas of marketing thought including Macromarketing (Exhibit 2).

In academic year 2009-2010, about a year *before* Bob was diagnosed with his serious illness, the two of us had begun a long and detailed set of e-mail exchanges that outlined a monograph length project tentatively titled, "On Markets: Purpose, Institutions, and Fairness" (Exhibit 3). Quite obviously, without Bob's vision and attention, that project remains in permanent Limbo.

In closing, I urge interested scholars to read the reflective contributions in this Special Issue of the *Journal of Macromarketing* and to search them for research ideas motivated by the thinking of Bob Lusch. **Exhibit 3** might prove particularly fertile as it contains a brief sampling of Bob's evolving (and unpublished) macro-level thinking about markets. But also in reading this special issue, one can learn about the personal *qualities* Bob Lusch embodied, which so greatly contributed to his exceptionalism as a marketing thinker and scholar. Marketing *visionaries* are truly rare but, in my judgment, Bob Lusch was one of those elite few.

### Exhibit 1: Memories of my friend Robert F. Lusch (1949--2017)

I remember the first time I met Bob. It was 1972, in the hallway of the old School of Commerce building, at the University of Wisconsin—Madison. Both of us had recently started PhD studies.

The first conversation I had with Bob began about a book he was carrying, but that immediately led to discussions concerning auto parts & supply, the State of Arizona aquifer, the history of Spanish-

founded missions in the Southwest US and the idiosyncrasies of British Sports cars, especially those produced by Morris Garage. Because most 'first encounters' are not that substantive or memorable, I suspected I had met someone truly special that day; and, it indeed was the beginning of a 45 year relationship filled with remarkable conversations.

I am not going to say much here about Bob's monster professional career. Professor Robert F. Lusch was a recognized giant in the academic discipline of Marketing. He was a creative and deep thinker, prolific in his scholarship and, importantly, appreciative of unconventional thinking.

But I do wish to speak *briefly* to some other qualities:

Bob was extremely *generous*. Despite his self-imposed heavy work-load, he was willing to mentor, to advise, to enlighten, to support; he routinely gave gifts of his time, talent and treasure to those of need.

Bob had an abiding *sense of fairness*. He empathized profoundly with the circumstances of others. He tried to uplift those who had fallen and to give a second chance to those who had failed. I particularly witnessed this during his time as *Journal of Marketing* Editor and also with his first service as a Dean, at the University of Oklahoma, because he shared with me, in detail, some of the challenges that he faced and how he chose to proceed.

Bob *loved his family*. Whenever we met at academic conferences, he updated me on his kin. He was proud of their many achievements and he suffered if there were occasional setbacks.

As for me, Bob and I had a lifetime of connections: We were cohorts, colleagues, co-authors, co-presenters, co-chairs, collaborators, correspondents, confidants and, sometimes, even co-conspirators. But the relationship that I value most is this: Bob Lusch was my friend. I will miss you greatly, dear brother.

Gene Laczniak 2/27/17

## Exhibit 2: The Scholarship of Bob Lusch (Except from Laczniak 2017, at p. 324)

"...Bob Lusch is one of those rare, deep-thinkers whose writings are always worth paying attention to because they are nuanced, multi-layered and inspired by a masterful understanding of economic history. In the spirit of full disclosure, I consider Bob Lusch to be not only a valued colleague but a close friend. While in recent years Lusch is probably best known as the co-formulator of Services-Dominant (S-D) Logic (Vargo and Lusch 2004; 2008), he is also the author or co-author of *hundreds* of articles and, has been a major contributor to marketing thought in numerous areas--distribution channels (Lusch 1976), retailing (Lusch and Jaworsky 1991), consumer behavior (Dickson, Lusch and Wilkie 1983), marketing strategy (Lusch and Laczniak 1989) and many others.

Importantly, Bob Lusch has also been a "macro" scholar from the beginning; for instance, we find his scholarship in Vol.1, No. 1 of the *J. of Macromarketing* (Laczniak, Lusch, and Strang 1981). Twenty-five years after that, writing in the Silver Anniversary issue of the *J. of Macromarketing*, Lusch (2006) first refined his "long view"—the basic perspective that motivates his Lusch 2015 observations about *Homo sapiens* and macromarketing influences. He writes: "A *long view* is embraced because it views all economies (hunter-gatherer, agricultural, industrial and information) as having a common foundation"

(Lusch 2006, 241). That point is essential because, consistent with S-D logic, whatever the 'service for service' exchange, it will be contextualized in a complex, macromarketing system that has evolved over time. The nature of that evolution will affect the character of current and future exchanges."

### Exhibit 3: "On Markets: Purpose, Institutions and Fairness" (E-mail excerpts between Lusch and Laczniak from *August 2009* to *May 2010* regarding a tentative book project)

#### Lusch to Laczniak ["On Markets"]: Assuring Market Trust and Fairness

"Markets work best when other social institutions are in place. For instance, two institutional goals might be "generalized trust" and "generalized fairness" When actors' trade directly via markets but the exchange is relational then there is less opportunity for lying (not being trustworthy) or being unfair. When exchange is indirect there is more of a problem...in fact, this is when there needs to be more generalized fairness and/or justice. When this does not occur then we need to develop other institutions (e.g., regulators) to provide the appropriate protection. However, I do not think that killing the market is necessarily the answer. I think it is more adjusting or building institutions to make markets work better. There are lessons from business history about this that can be learned."

#### Lusch to Laczniak ["On Markets"]: The Indispensible Role of Institutions

"Another issue we need to think about is that human actors not only have the capacity for justice and fairness but also for unethical behavior. That being the case, what are the societal institutions that can be put in place to prevent or control this unethical behavior? When markets began to accelerate a few hundred years ago the philosophers called it neo-liberalism. At last, individuals were freer not be coerced and manipulated by tribal leaders, overruled by family members, and/or other hierarchical control. Today, perhaps, we have gone too much toward markets (in too many areas of exchange) but we cannot as social scientists make claims without some sort of better conceptual and empirical research. My reading on markets over the last few years leads me to believe that we know virtually nothing about how markets "actually" work and do not work. We don't even know how to gauge if a market is working well...how do we measure market efficiency, market effectiveness?"

#### Laczniak to Lusch ["On Markets"]: Research on the Role of Markets

"You are right that as marketers we neither study nor understand markets. Ironic really, eh? Even if we in this project eventually offers up some [what prove to be] "dead ends", there will also be, hopefully, several fruitful directions...Our Marketing Discipline certainly could benefit from us proposing an agenda for academic research in Marketing about the role of markets".

And, I agree with you that (a) trust is a central concept in all of this; (b) corporations may have gone too far toward [unfettered] markets (in too many areas of exchange); (c) *effective* markets with justice and fairness is a primary and necessary societal goal; (d) unethical behavior is not unique to Business as the recent Great Recession represented a major failure of government/regulatory [i.e., institutional] oversight."

### Laczniak to Lusch ["On Markets"]: Distributive Justice and Markets

"Social economics has unceasingly highlighted the importance of distributive justice for the market economy because it nests within a broader societal and political context...If the market is governed solely by equivalence of exchanged goods, it cannot produce the social cohesion that is necessary to function well. Without mutual trust, the market cannot completely fulfill its proper economic function."

### Lusch to Laczniak ["On Markets"] Moral Suasion in Markets

"I have been trying to build some theory that markets are coordinated by price *and conversation*. Until recently when people were disconnected the conversation was mostly local. But now it is global.

The key to understanding the market is not only about economic exchange but embedded exchange systems. We are increasingly coordinating markets with *conversation* and not prices. I think the reason for markets not working...and they are not perfect, is because actors misbehave. Trust, we already surmise, is critical. But also one needs to look at substitutes for markets...When forms of exchange fail, it is also typically due to actors misbehaving. Thus *ethics* become essentially critical."

### Laczniak to Lusch ["On Markets"] Rawlsian Justice and Market Oversight

"At some point we need to identify a general theme which highlights the points we might wish to make about how markets do and should operate so there is some lens to constrain what we look for in our reading and thinking about market-related phenomenon..."

The more I reflect, the more I believe that a couple of the [main] principles of distributive justice (e.g., Rawls 1971; Laczniak and Murphy 2008) also can be creatively applied to adjudicating effective markets. These are:

**The principle of subsidiarity**--decisions about market policy should be left to the lowest level of the system where the expertise resides to intelligently oversee that particular market segment. Example: Decisions about market effects on the ecological environment may have to be made *internationally*; decisions about the traffic and logistics supporting particular markets probably can be made *locally*.

**The principle of preferential option for the disadvantaged**--policies, procedures and adjustments affecting market operations must not further disfavor those consumers with the fewest choices, those with the least [asymmetrical] information, or those lacking relative bargaining power in the market to enhance their social capabilities and potential.

The first principle is essentially libertarian; the second has an 'affirmative action' tinge to it. I think both [with caveats, certainly] can live together in peace. But our task will be to show how and when these principles can co-exist in the context of [improving] markets."

### Lusch to Laczniak ["On Markets"] Market Circumvention and Bad Actors

"In some of the last work of Herbert Simon (1991), he estimated that the U.S. and other economically developed economies are "organization-market economies"...This goes back to organizations which often are institutions that try to avoid market transactions and forces (Coase 1990; Williamson 1998). Thus organizations, due to high transaction costs, try to circumvent the market in many situations. I think one of the key problems of research on the market is that no one really knows what this thing is

that we call “a market”--but Simon opened up my mind-- because much of what we call the market is not the market at all...”

“For instance, virtually all of the executive compensation and bonus programs on Wall Street are not set by market forces but by internal administrative decision. If you recall, our mutual mentor Prof. J. Howard Westing [University of Wisconsin—Madison] discussed this topic in one of his doctoral seminars. This tactic involves the dubious role of ‘administrative fiat’ exercised by various powerful firms to evade markets. All of this seems to keep coming back to the critical role of market actors being honest, forthright and transparent.”

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