Chapter 10
The Added Value of Becoming

"If you tell the truth, it's bound to be found out sooner or later."

"The play was a great success. Only the audience flopped."

"I have learned that it is not what I do that is wrong, but what I become as a result of my doing."
Aphorisms attributed to Oscar Wilde

The organisational theory of economics is based on Ronald Coase's 'make' versus 'buy' question: which inputs are better produced as part of the organisational form of the firm and which are better bought from the market.[1] From this efficiency criterion, economics derives its forecasts as to where in the value chain the boundary between the firm and the market is drawn.

For QTC issues, Coase's question must be broadened. We must also ask which parts of the identity value chain are produced by the consumer themself, which parts are produced for them by other productive consumers outside the market, and which parts they buy on the market from the identity industry. But there is still another question preceding these: which parts of the value chain can in principle be produced by which economic agents. Conceived exclusively in conventional terms – in terms of goods, brands, labels and advertising – only trivial answers result. To gain more substantive answers, one must advance to the core of the DIY identity: the creation of social distance and proximity by *0/+consumption*. Because

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1   Coase 1937.

being is produced by communication through consumption. The organisation of the value chain of the DIY identity is the topic of the final chapter.

With the output of this value chain, the style system informs us about identity: about the collective identity of each elective affinity and the individual identity of each of its members. Everyone can find out about their own identity and that of everyone else. But how does the style system distinguish being from pretence? For at the beginning of identity there is only stylistic volition, which must still be transformed into being by *0/+consumption*. The style system must separate the wheat from the chaff. To this end, it generates two types of information. From *0/+consumption*, which is the consumer's input for their DIY identity, the style system filters out information about the consumer's volition, which it then processes into information about their being. Thus, the style system establishes two paths to human being: first, the path from volition (*0/+consumption*) to being, which is identical to it. Second, the path from volition (*0/+consumption*) to pretence and from pretence to a being different from volition. So, everyone ends up with an identity, even though it is not always the desired one. Oscar Wilde's aphorism about the link between doing and being succinctly highlights this communication-interpreting function of the style system.

If the style system were not capable of this triage, it could not persist. Individual volition alone would determine being and any *0/+consumption* would mediate it. Instructions to the sorting plant of culture would be obsolete, the clustering of individual styles (*0/+consumption*) to common styles would not transport information about individual being, and no elective affinities could be inferred from individual styles. The unconditional society would end in social arbitrariness. This is only prevented by the triage work of the style system. It is the sole disciplining force. The possibility of deviating from volition is the disciplining contingency.

This triage turns culture into the key process of the economy, because the style system not only mirrors the social but is also an incentivising institution. In the style system, consumers have an incentive to steer clear of pretence. Whoever doesn't heed this ends up, as predicted by Oscar Wilde, if not in their very own world, then at least having to live with the wrong consequences of their doing. By staying clear of pretence, on the other hand, the being that is identical to volition is sooner or later revealed. It is by setting this incentive that the style system safeguards its existence.

Signalling and Sign Transformation

0/+consumption is a signal by which we communicate our being. It is necessarily *communicative* because being that is identical to our volition depends on the resonance of our audience. Thus, *0/+consumption* is the 'speech' in which communication takes place.[2] By this speech-like function of consumption, the style system as an economic institution, is tied back into semiotics. Thus, semiotics offers insights into the process of communicative consumption.

A signal is expression, which semiotically appears either as representation or exemplification (chapter 2). As the constitutive element of the individual style, a specific *0/+consumption* is the only means of expressing, *ceteris paribus*, a specific individuality within the elective affinity. Semiotically, the signal of individuality is therefore *representation* and not exemplification.[3]

In contrast, with objective function (13), a signal of social distance is, in itself, *exemplification*. This is because any supremum of an individual style that belongs to the core of the common style of one's elective affinity, could be replaced by any object as yet unshown by anyone, having the same distancing effect. With a world of objects never being fully absorbed by the style system, there are therefore interchangeable signals that produce precisely the same social distance in an exemplifying manner.

Each of these two forms of expression are assigned to a different argument of being: representation is assigned to individuality within the elective affinity, and exemplification is assigned to the distance of the elective affinity from the social whole. Thereby, the style groupings in Figure 11 differ from each other also in terms of the applied semiotic signalling technique: groupings I/IV signal identity mainly by exemplification, and groupings II/III mainly by representation. Figure 14 shows this relation.

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2   Baudrillard 1968.

3   Any bilateral exchange of 0/+consumption with another member of one's own elective affinity would generate the same individuality in an elective affinity of two. Therefore, the statement applies only ceteris paribus, for given individual styles of other members of the elective affinity.

Figure 14: Semiotic transformation of 0/+consumption signals.
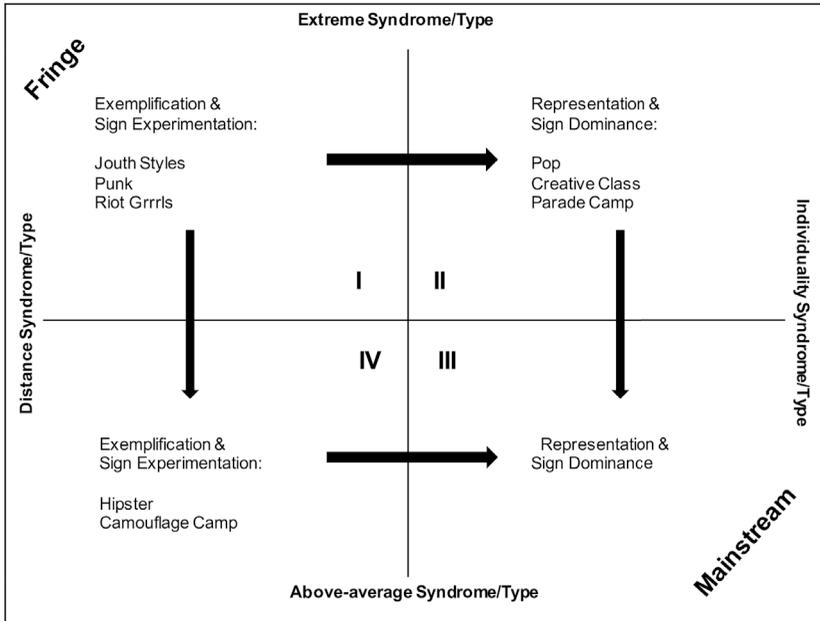
Signals in the distance syndrome are semiotically exchangeable stylistic exemplifications. In the individuality syndrome they are non-exchangeable representations. In the assimilation process of style innovation into the mainstream, a second transformation of the codes used in signalling takes place. In the transition from grouping I to grouping II and from grouping IV to grouping III, sign experimentation is replaced by sign dominance. In the semiotic transformation process, experimental exemplification on the fringes of society has become a sign-dominant representation, once the innovation has reached the mainstream. Signals of identity now convey a widely understood message.

Experimenting with signs for the purpose of exemplification is more viable than for the purpose of representation, as there are many options for the use of objects for exemplification but not for representation. Sign experimentation is therefore more widespread in groupings I/IV than in groupings II/III. Therefore, in the mainstream, signs contain little experimentation. As in the pop and parade camp, unmistakable, dominant signs are set in the mainstream: corporate attire and luxury labels in the mainstream, the symbols of popart in pop, and the signs of the drag queen in parade camp. Sign dominance is typical for signals of the mainstream, sign experimentation is typical for signals coming from the fringes

of society. But also, the hipster world is experimenting with constantly new exchangeable excavations from the repository of consumerism. Just as camouflage camp does with its eternal replacement of what was once the green carnation in the buttonhole of Oscar Wilde's jacket.

The transformation syndrome of innovation thus includes the transformation of signs. The assimilation of objects in grouping II is coupled with the loss of their experimental character, which they still had in grouping I. The same goes for the transition from grouping IV to grouping III. In the mainstream, all style innovations are ultimately marked by dominant signs, leaving no doubt about the representativity of the object. It is this sign dominance, with which the innovation is now endowed, that gives mainstream consumers the confidence they need for accepting the innovation. Nobody any longer concludes that someone is a punk simply because they show a stylistic element of punk; nobody is taken for a riot grrrl when they wear *Dr. Martens* boots with a dirndl at Oktoberfest. As a result of this process, *0/+consumption* as a signal of the mainstream has lost all its communicative ambivalence, even if it contains elements from a fringe style. With it, membership in the mainstream can be shown beyond any doubt, and in it one's own individuality is shown without any risk of misunderstanding.

Therefore, an integral part of all business models of the identity industry is the elimination of communicative ambivalences of all innovations brought to the mainstream. Design, advertising and the management of customer touchpoints serve a clear semiotic purpose: *the transformation of exemplifying sign experimentation into representational sign dominance*. This sign transformation is the semiotic key to the industrial opening up of the mainstream for innovations from the societal fringes.

QTC thus also offers an economic access to epistemological issues in semiotics. From the point of view of QTC, sign transformation is not an autonomous process (a sign of an older sign of a still older sign). It is a creative component of *gestalt*, for shaping the social in a forcefield generated by the objective function (13). Communication takes place in the social, signs serve the purpose of communication, but they develop different powers depending on their position in the style system.

Semiotics of Being and Having

In Saussure's view, being is the significate and *0/+consumption* is the signifier. Therefore, in QTC the *signal*, a term used in the orthodoxy, refers to the same idea as the semiotic term *signifier*. Social proximity as a constituent component

of being is encoded in the signal/signifier as representation, social distance as exemplification. QTC thus offers semiotics a case where the same signifier, *0/+consumption*, can signify different significates with different codes.[4*] This is caused by the near and distant vision of the productive consumer, as elaborated in chapter 3, which in the semiotic model is the referent responsible for interpretation. The significate of social distance to other elective affinities is generated through the psychological lens that makes the comparable disappear. The significate of individuality in one's own elective affinity is generated through the lens that makes the incomparable invisible.

In the semiotic 'signifier-code-significate' model, a significate can be deduced from the signifier/signal only after each object is assigned a code. From a semiotic point of view, *0/+consumption* is not only a subset from the world of signifiers but also a corresponding subset from the world of codes. In *0/+consumption*, as the representation of individuality, all codes that convey incomparability disappear. And as an exemplification of social distance, all codes that mediate comparability disappear. This is to say, in the semiotic interpretation of *0/+consumption*, each signifier has two codes. The perspect manager of the productive consumer activates one or the other, depending on the situation, i. e. whether they are working on social distance or proximity. Hence, by activating different codes, one and the same signifier – *0/+consumption* – can exemplify and represent different significates – social distance or proximity. This implies that the communicative function of the style system is not based on the speech-like property of *0/+consumption per se*, but on two alternatively activated code systems born in it.

The two signifiers *Western suit* and *barong tagalog*, for example, contain codes that conveyed fundamental differences, such as in the country's history. When activated they exemplified the distance between 'Americanists' and Filipino nationalists. But each of these garments exist in a thousand nuances whose codes, when activated, represented individuality within the respective elective affinities. Therefore, it is not *0/+consumption per se* that establishes identity, but the codes in it that activate different significates.

Being and pretence can now be conceived semiotically. In pretence the consumer permits the audience's perspect manager to activate dormant codes in the individual's *0/+consumption* against its will. The consumer must therefore learn that their actions, by way of communication, turn them into something that they

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4*   The (mathematical) functional relationship between the determinant '0/+consumption' and the variable 'identity' is therefore not bijective. Only the representation of individuality is bijective, the exemplification of social distance is not.

do not want to be. In being, on the other hand, there are only those codes dormant in *0/+consumption* that, when activated, lead to the correspondence of desire and being. The truth contained in the *0/+consumption* is found out sooner or later by virtue of the codes it contains.

In the orthodoxy, by contrast, being always comes from the communication of the possession of quantities. Communication is expensive, and the consumer communicates only because their possessions are not yet known to the audience. Its signalling utility is a *being* that nourishes itself on a *having* that is now also known to others. *Having* means larger endowment with resources – more money, power, intelligence, education – the larger quantity of which is spent on the acquisition of such goods, for which poorer but equally prudent people would never waste their scarcer resources. From the orthodoxy's point of view, these consumer goods thus signal a being that poorer consumers, for good reasons, regretfully renounce. Only those who already possess will buy the signal. The orthodox signalling of *having* thus leads to an alignment of wanting and being only for those who possess. Those who do not *have*, are and remain what they have always been. Therefore, the underlying position of the orthodoxy is that only those rich in something actually signal by consuming, and the rest of society wisely refrains from doing so. One of the main differences to the orthodoxy is that, in QTC, all consumers signal their being with their *0/+consumption*.

The orthodox *signalling of having* needs no codes, or only the crudest ones. The signifier is the well-known high price of the signal, which is only bought by someone who has a lot. And where the high price is not common knowledge, it is a crude code in the signifier, from which the high price can be directly deduced – exquisite materials, expensive addresses, luxury labels, etc. In contrast, in QTC's *signalling of being*, identity is signalled by length and width as gained from complex *0/+consumption*. In comparison, signalling of having is like a single catch-word that is called out to you. *Signalling of being* is like a thick book that needs to be read.

Creative versus Conservative Signalling

Signalling of being and signalling of having also differ in the direction of encoding. Signalling of having encodes in a backwards direction for the purpose of future signal utility. It refers to something that has always been there: upbringing, money, power, advantageous genes. It is not creative, nothing new can arise from it. It merely reveals.

Its conservative effect is not inherent in the orthodoxy's signalling theory of having, but is implicit in the socio-economic context in which it is embedded. The utility from signalling of having preserves the initial endowment differences: advantageous genes combine with advantageous genes (dating), power is nourished by power (network), money protects (ability to assert one's own interests) and good upbringing perpetuates itself by means of better educational prospects. The signal safeguards and magnifies what was already present as favourable endowment. Thus, with signalling of having, pre-existing differences in endowment are perpetuated. It has a conserving effect.

Signalling of being, on the other hand, encodes in the forward direction for the purpose of a future signalling utility. It refers to something that is not yet there and can only arise after the signal is given: socially shared identity acquired by means of communication. Signalling of being is creative. Each new signal creates a new identity, which can only emerge in this way.

But even in the most unconditional society, where everyone has the same initial endowment, identity is not unconditional: it requires the proper *0/+consumption*. Although every individual can afford any consumption, this entails opportunity costs. Showing a particular *0/+consumption* deprives the individual of all other possible identities. The signalling utility of *0/+consumption* is the specific being that corresponds to volition. The signalling cost is the associated renunciation of all other possible modes of being. The signal, *0/+consumption*, is unconditional, but the being that the signal implies is not.

Stylistic Engagement

The different encoding directions of the signalling of being versus having call for different types of codes. The signalling of having encodes "I am able!", the signalling of being encodes "I am engaged!" The backward-directed signalling of having encodes invisible endowment in visible consumptive ability: what one is able to consume – expensive watches, cars, etc. The forward-directed signalling of being encodes in *0/+consumption* stylistic engagement – engagement in an elective affinity and in one's own individuality therein. Those who don't show it remain in limbo between elective affinities. The overall contour of *0/+consumption* encodes engagement. It is not "Yes to this and that!" that creates contour, but the more salient "Yes to this, no to that!"

By showing contour, *0/+consumer* stereotypes emerge in collective interaction: in clothing sporty, playful, classically conservative, elegantly fashionable, staid, retro, bling. The industry supports the contours of these style stereotypes

with its design styles for every consumption need. No contour and thus no engagement is shown by those who mix stereotypes arbitrarily. Engagement is shown by those who show their version of a consumer stereotype or even invent a new one. The coding in the signalling of being is therefore not to be found in the number of signs of the goods type basket, but in its stylistic contour (or the absence thereof). One can formulate the essence of the DIY identity as follows: Identity arises from signalling of being, signalling of being encodes stylistic engagement, and stylistic engagement manifests itself in a style with a contour. Consumer stereotypes therefore do not result from a lack of consumer imagination nor from a compulsion exerted by capitalist forces, but from the need to communicate being in a clear and distinct way by means of style – which is possible with visible engagement in a stylistic cause.

Since stylistic engagement can only be decoded from an aesthetic point of view, aesthetics covers increasing aspects of everyday social life. It has become a central driver of happiness. By now, successful business models are built on an in-depth knowledge not only of culture as a process *per se* (Table 13), but also of the aesthetic codes and schools that culture generates. Management studies is increasingly becoming a humanities discipline.

With stylistic engagement as code, clearly distinguishable clusters emerge from the sorting plant of culture. Individuals choose a goods type basket that shows contour: length and width of individual styles can be easily assessed aesthetically. Individuals with an engaged individual style consequently end up in elective affinities with a clearly distinguishable common style. The style system only gains contour as a result of the signalling of being.

Not every signalling of being automatically brings about contour. Where it is missing, such as within the mainstream, a large cluster emerges that can only be clearly distinguished from other clusters (groupings) as a whole. The lack of stylistic engagement within the mainstream turns it into a mixed-up soup.

Signalling Typology and Signalling Cascade

By accounting for endowment differences in the incipient DIY identity, QTC bridges the gap to the orthodoxy, in which endowment determines everything. Insofar as endowment is not observable *per se*, it must be signalled if the individual wants to derive a benefit from it. In that respect, QTC follows the orthodoxy. Hoewever, in the orthodoxy, only an advantageous endowment opens up the opportunity for signalling. In QTC everyone (with any endowment) has to establish

their identity by signalling. But an advantageous endowment offers the chance for additional benefit.

With the additional argument of non-observable endowment in the objective function

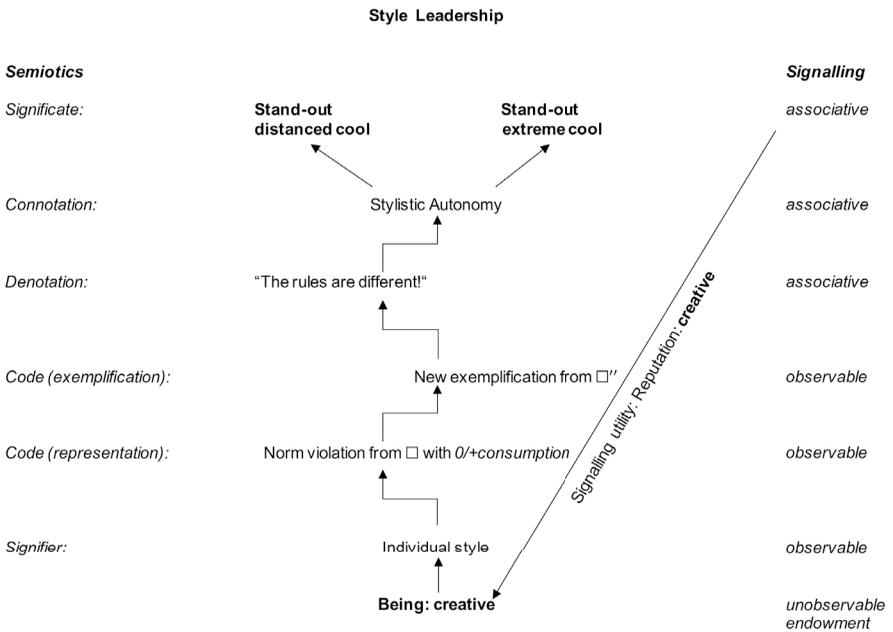$$U_i = U[Distance, Individuality, Endowment]$$

the signal *0/+consumption* now contains two pieces of information. It informs about identity and about additional happiness-relevant endowment. If the individual has no such endowment, *0/+consumption* merely informs about identity. In this operationalisation, endowment is identity-neutral in the following sense. The signal *0/+consumption* shows the addressees the identity-defining elective affinity and individuality, and for the identity thus established, the signal offers an additional endowment-dependent social advantage.

In the mainstream, coolness is such a social advantage (Figure 13). When everyone wishes to be cool, but not everyone can be cool – otherwise no one would want to be it – coolness must come from something that not everyone can do. The introduction of endowment into QTC broadens the theory of coolness contained therein (chapter 8). Coolness does not increase individuality in objective function (13), but is a socially advantageous characteristic of the self, which shows itself in the individual style. Making this characteristic visible generates signalling utility: being appreciated, admired, etc.

Creativity is an endowment that not everyone has at their disposal to the same extent. With creativity as input, style innovation is easier to achieve. If it is missing, the individual style must be more strongly oriented towards role models. Creativity turns consumers into style leaders (Table 8 and 11). It is not directly observable. Like the volition that exists before showing, it must be signalled. As part of being – "I am creative!" – its coding must refer to something that does not yet exist and can only come into existence by signalling: *stylistic autonomy*.

Figure 15 maps the signalling of style leadership in the semiotic and the corresponding signal-economic model. In the individual style (signifier/signal), norm violation is encoded as representation. However, new rules for the sorting plant of culture are also exemplified. The primary meaning (denotation) of the *0/+consumption* of style leadership is: "The rules are different!". Its secondary meaning (connotation) is stylistic autonomy. It is associated with stand-out (distanced or extreme) coolness. From the point of view of signalling economics, the audience deduces from associative stand-out coolness a creativity that is not observable *per se*. From then on, as a reputation, creativity confers a signalling utility.

Figure 15: Creativity signalling.

Style Leadership

Semiotics			Signalling
Significate:	**Stand-out distanced cool**	**Stand-out extreme cool**	*associative*
Connotation:	Stylistic Autonomy		*associative*
Denotation:	"The rules are different!"		*associative*
Code (exemplification):	New exemplification from □″		*observable*
Code (representation):	Norm violation from □ with *0/+consumption*		*observable*
Signifier:	Individual style		*observable*
	Being: creative		*unobservable endowment*

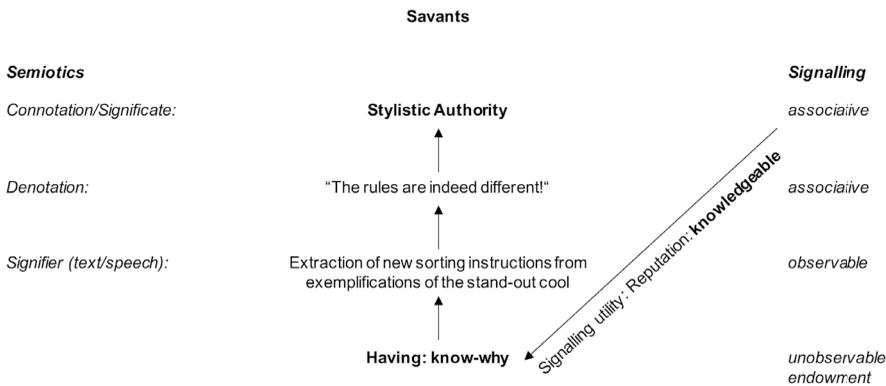*Signalling utility. Reputation:* **creative**

Norm-breaking in connection with a new exemplification in individual style conveys to the audience that new rules exist in the sorting plant of culture. This in turn conveys the association of stylistic autonomy as either stand-out distanced coolness or stand-out extreme coolness. Coolness, in turn, signals the not directly observable characteristic "I am creative For non-creative individuals, the costs of exemplification exceed the signalling utility.

In the style system we also find savants with a special endowment. Their knowledge of why the style system is the way it is (*know-why*) places them as intermediaries between the style leadership and its followers. This knowledge is not observable and, as *having*, must be encoded backwards in spoken and written signals that refer to *stylistic authority*. This knowledge resides in individuals who make a name for themselves as critics, curators, journalists, bloggers or vloggers, or in intermediary businesses – fashion and lifestyle magazines or culture channels – that employ people endowed with it. I will argue further on that consumer brands themselves can also take on the function of savants, namely by encoding in their advertising their stylistic authority. This signalling is mapped out in Figure 16.

Whilst style leaders themselves do not have to claim role model status for their stylistic activities, intermediary savants give innovations precisely this spin. The denotation of their know-why signalling is: "The rules are indeed different!" On its own, this does not confer a signalling utility. Only its association with stylistic authority as the significate and the resulting reputation turns their signalling into success.

Savants do not only exist in industry and the freelance professions; consumers can also be savants. Their knowledge of culture liberates them from the compulsions of fashion. In contrast to style leadership, consumer savants are, however, in need of endorsement from an authorised source – admiration alone is not enough. These authorities are professional style guides and industrial intermediary savants (style consultants, brands) that 'certify' the knowledge of the consumer savants.

Figure 16: Know-why signalling.

Savants

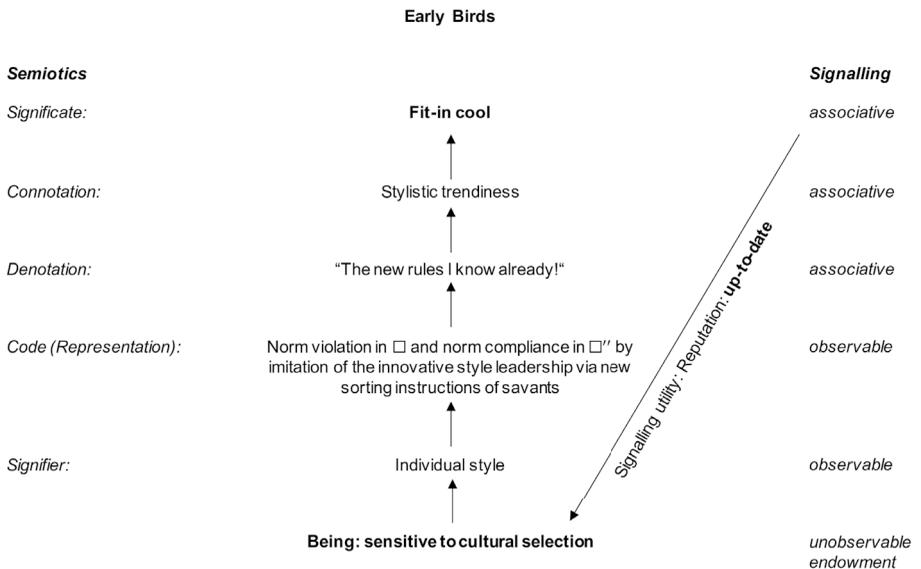| *Semiotics*		*Signalling*
Connotation/Significate:	**Stylistic Authority**	*associative*
Denotation:	"The rules are indeed different!"	*associative*
Signifier (text/speech):	Extraction of new sorting instructions from exemplifications of the stand-out cool	*observable*
	Having: know-why	*unobservable endowment*

Signalling utility: Reputation: **knowledgeable**

Savants give innovations the spin of excellence. This conveys the association of their own stylistic authority. This signals their unobservable knowledge of the style system. For economic agents lacking this knowledge, the signalling costs exceed the signalling utility.

Style followers are uncreative. Hence, in their DIY identity they are stylistically productive but not autonomous. Their agency is also heterogeneous. Some recognise style trends sooner than others. This is *per se* an unobservable part of their being: "I am sensitive to cultural selection!" It must therefore also be signalled. Like the encoding of creativity, this encoding refers to something that can exist when the signal is sent, at the earliest: *stylistic trendiness*. It is encoded by speed – to show something before others do is the code. Figure 17 illustrates this early-bird signalling. Its special feature is the encoding of both norm violation and

norm compliance. It is norm violation from the point of view of the stylistic rearguard, their out-group, which forever fails to jump on a trend in time. It is norm compliance from the point of view of the savants, whose stylistic authority is fully acknowledged by the early birds. The connotation of the individual style of early birds is stylistic trendiness, the significate is fit-in coolness. Their reputation for always being up-to-date gives the fit-in cool ones their signalling utility.

Figure 17: Early-bird signalling.

Early Birds

Semiotics		*Signalling*
Significate:	**Fit-in cool**	*associative*
Connotation:	Stylistic trendiness	*associative*
Denotation:	"The new rules I know already!"	*associative*
Code (Representation):	Norm violation in ☐ and norm compliance in ☐'' by imitation of the innovative style leadership via new sorting instructions of savants	*observable*
Signifier:	Individual style	*observable*
	Being: sensitive to cultural selection	*unobservable endowment*

Signalling utility: Reputation: **up-to-date**

Norm violation from the point of view of the rearguard, and norm compliance from the point of view of the savants (by early imitation of the examples from the style leadership and by following the guidances of the savants). This conveys the association of stylistic trendiness, which in turn is associated with fit-in coolness. This signals the sensitivity to cultural selection that is not directly observable. Individuals lacking this sensitivity can only be up-to-date at too high a cost.

Early-bird signalling introduces an ambiguity. The recognition it receives from the stylistic rearguard offers signalling utility. However, it also signals stylistic dependence on the style leadership (either directly on the leadership itself or on the identity industry). Their early-bird signalling is only a full success to the extent that the signallers manage not to receive or notice resonance from the style leadership. Early birds will therefore tend to avoid direct contact with style lead-

ers and prefer to be guided by intermediary savants whose business model guarantees them positive feedback.

Figure 18: Actively uncool signalling.

Demonstrative (non-ironic) norm compliance by means of overinvestment in brands and labels conveys the association of stylistic pretence and signals stylistic incompetence instead of the intended stylistic competence.

In the style system there are also those whose signalling completely fails but still has an effect. They are insensitive to the complexity of culture, the mastery of which they (like the early birds) actually want to signal. But in fact they send out the signal "I am culturally insensitive!" Their signalling is mapped out in Figure 18. It encodes demonstrative (over-)compliance with the norm, whose denotation is "I know the rules well!" but whose unintended connotation is one of stylistic pretence – as a matter of fact, the style shows that the rules are not mastered. The individual style signifies uncoolness. But it is not uncool in the sense of being old-fashioned, boring, predictable, which the signal giver does not even try to avoid. It is uncool due to a failed visible effort – it is actively uncool: active posing instead of living one's habitus (Bourdieu), active in the strenuous "keeping up with the Joneses" (Veblen), active in the restless fashion attitude, active in the showing of *having* where everyone already knows it or nobody cares anymore. Signalling utility is lacking, but signalling damage is present. By way of pretence, a being is signalled that is not identical to volition.

The style system does not eradicate pretence, because it is not itself threatened by its existence. It merely provokes a resonance that makes those among the pretenders who are capable of learning learn, and leaves behind those who are incapable of learning, to their own detriment. The character of *Geri Weibel* in Martin Suter's short story collection *Business Class* addresses precisely this type of signalling.

Whoever is uncreative, unpretentious and trend insensitive is an unconditional style follower. Their being – "I am!" – is encoded in *0/+consumption* merely as a reference to being nested in a common style. The significate is the membership in an elective affinity with a maintained individuality therein. The signalling utility is affiliation. Figure 19 shows this case.

Figure 19: Unconditional signalling.
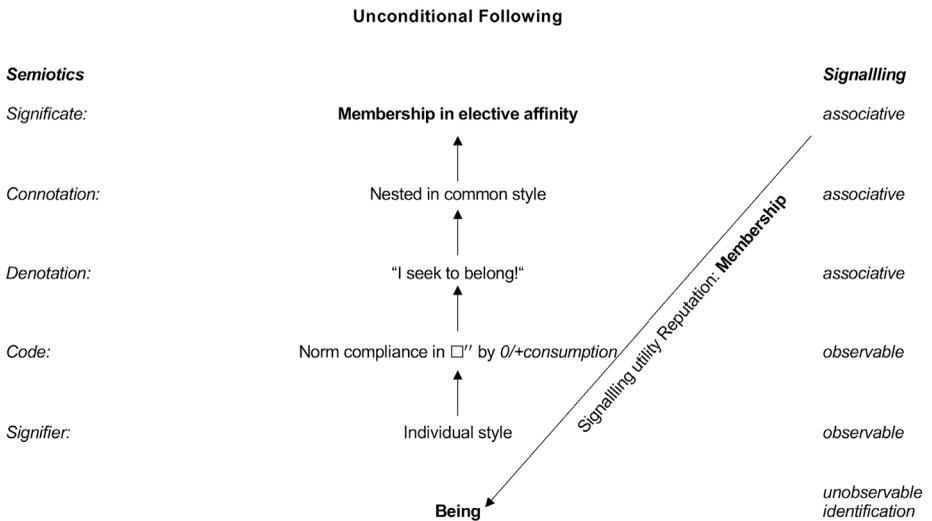
Compliance with the norm set by the style leadership for *0/+consumption* is a necessary and sufficient condition for membership in an elective affinity. This is the reference case discussed in detail in Parts I and II.

Unconditional signalling is the reference case against which every signalling of endowment is compared. As the reference case of successful compliance with the norm, unconditional signalling renders the sender uncool. However, this is passively uncool signalling. Visible fruitless effort is lacking, as is a violation of the norm. Thus, it does not trigger any undesirable resonance. Volition and being

become one. Style followers signal largely unconditionally. The only precondition is their *0/+consumption*.

In the style system we also find actors with an extra amount of the accumulated. This is an endowment advantage that is not observable *per se* but has to be made visible by means of signalling of having. This is the orthodox reference case. The encoding is backwards-directed. The signal does not create, but instead reveals autonomy. However, it does not reveal stylistic but rather social autonomy. Figure 20 maps out this signalling type.

The orthodox reference case is well received by coolness research, which identifies power as one of the causes of stand-out coolness.[5] Just as with the stand-out cool style leaders, norm violation and autonomy are encoded in this signalling of having. But their denotation is not "The rules are different!" as in the creativity signalling of style leadership, but "Your rules do not apply to me!". Consequently, its connotation is not stylistic but social autonomy – the autonomy of those whose endowment lends them power.

Power *per se* is as invisible as endowment. But in order to be effective, power does not have to be exercised, it is enough if it is shown. This is exactly what the power signalling of having serves to do. It makes power visible in stand-out power-autonomous coolness that gives a damn about "your rules". The scamp who is the only one in the office who breaks the dress code and smokes, and the professor who is always late for class, show this pattern.

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5   Bellezza, Gino and Keinan 2014.

Figure 20: Power signalling.

Power Autonomy

Semiotics		*Signalling*
Significate:	**Stand-out power-autonomous cool**	*associative*
	↑	
Connotation:	Social autonomy	*associative*
	↑	
Denotation:	"Your rules do not apply to me!"	*associative*
	↑	
Code (Representation):	Norm violation in □ by *0/+consumption*	*observable*
	↑	
Signifier:	Individual style	*observable*
	Having: Riches	*unobservable endowment*

Signalling utility. Reputation: **powerful**

Norm breaking in an individual style conveys the association "I don't care about your rules". Thus it does not exemplify new rules but represents social autonomy as stand-out power-autonomous coolness. This signals the not-directly-observable endowment with power-creating resources. For individuals lacking these resources, the costs of breaking the norm are higher than its signalling utility.

Ostentatious Russian consumption does not necessarily have to be understood as actively uncool, pretentious signalling by the nouveau riche, who are still unfamiliar with Western rules. In the logic of Figure 20 it can be understood as power signalling. In a vacuum of state power and security in the transitional period after the collapse of the Soviet Union, in which the protection of property and family had been a private matter for some time, power signalling demonstrated the ability to protect one's own rights.[6] In this example, it is also apparent that signalling is dependent on culture. One and the same individual style, which functions as power signalling in Moscow, may become an actively uncool signal during winter holidays in the Alps. In the end it is the audience that makes the signal.

As remnants of modernism, patricians cling to the style system. Their having consists of tradition, which they signal not with luxury but by stylising austerity.

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6   Lindquist 2002.

The *Nucleation Law* (H_{10}) provides the lever for this. Given decreasing marginal utility of social distance and individuality, the withdrawal without replacement of objects from the periphery of the common style only increases happiness if individuality is sufficiently large. Therefore, individuality, which remains invisible to out-groups behind closed doors, can still be signalled. Figure 21 maps out this case.

Patricians are the *0-consumption* champs in the style system. They show by not showing. It is not exposure that creates signalling utility but hiding. They hide what they have accumulated, the world of objects they show is sparser than that of (much) poorer consumers, and yet they communicate who they are. Austerity signalling replaces the vitreous individual in DIY identity. As a bonus, withdrawal from the vitreous society beckons, which they can afford. Patricians do not live behind walls behind which luxury is visible and show no pomp when they leave them. One example is the so-called 'Basler Daig' in the swiss city of Basel – old patrician families with enormous wealth, who lead a modest existence in public. Patricians are not formed spontaneously by an elective affinity, because the signifier is not the individual but the common style. Only the knowledge of the shared tradition, present in the style system, makes them exist as a group.

Figure 21: Austerity signalling.
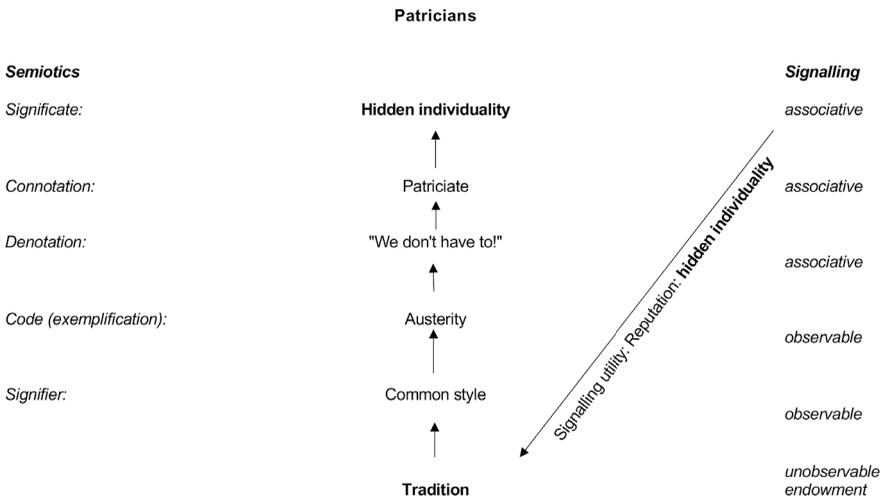
The advantageousness of removing objects from the periphery of the common style requires a minimum of individuality (Nucleation Law H_{10}). Individuality can thus be signalled by a frugal common style and makes the vitreous individual redundant.

The style system thus accommodates seven different signalling types, whose properties are summarised in Table 14. The backward-directed encoding of the power and austerity signalling cannot create anything new but only reveal what exists. In this sense of creation, both are unproductive. All other signalling types are productive. Know-why signalling creates a role play in the style system, all others create a being through the resonance they trigger. Only the creativity signalling of style leadership is stylistically innovative. The other productive signalling types are only imitatively productive. Apart from actively uncool signalling, all of them provide signalling utility and establish a correspondence between volition and being. Actively uncool signalling inflicts signalling damage by creating unwanted *being*, which is why it is the only one that is not self-stabilising. Individual experience perpetuates all other signalling types.

Table 14: Signalling typology.

		Signalling Properties				
		Endowment	*Direction of Coding*	*Denotation*	*Connotation*	*Significate*
Actant- and Signalling Type	*Style Leadership: Creativity Signalling*	Creativity	forward	"The rules are different!"	Stylistic autonomy	Stand-out distanced/ extremely cool
	Savants: Know-why Signalling	Know-why	forward	"The rules are indeed different!"	Stylistic authority	
	Early Birds: Early-bird Signalling	Sensitive to cultural selection	forward	"I already know the new rules!"	Stylistic trendiness	Fit-in cool
	Style Following: Unconditional Signalling	Being	forward	"I seek to belong!"	Nested in common style	Uncool membership in elective affinity
	Pretenders: Actively Uncool Signalling	Insensitive to cultural complexity	forward	"I know the rules well!"	Stylistic pretence	Actively uncool
	The Power-Autonomous: Power Signalling	Having	backward	"Your rules do not apply to me!"	Social autonomy	Stand-out power-autonomous cool
	Patricians: Austerity Signalling	Tradition	backward	"We don't have to!"	Patriciate	Hidden individuality

For style innovation and its diffusion from the fringes of society into the mainstream, power signalling, austerity signalling and actively uncool signalling are redundant. The first two create nothing and the actively uncool signalling is a communicative disaster. Only creativity signalling, know-why signalling, early-bird signalling and unconditional signalling by the style followers are conducive to the diffusion of style innovation.

The abstraction by the orthodoxy (for which only the rudimentarily modelled signalling of *having* exists) from the plurality of signalling types blocks the view

of how they interact. They collaborate in the signalling cascade of the diffusion of style innovation, which is sketched in Figure 22.

The signalling cascade starts with new exemplifications from the style leaders and culminates in the being of the unconditional followers. In between is the signalling of the savants and the early birds. Savants take up the exemplifications of the style leaders' creativity signalling and condense them in their know-why signalling into new rules for the style followers. They are first followed by the early birds. Their signalling is associated by the unconditional followers with stylistic trendiness. This gives unconditional followers the assurance that the style innovation is nested in the common style of their own elective affinity. Innovation thus diffuses into their common style.

In the cascade of signalling types, the 'baton' changes hands at increasingly later stages of signalling. Between the style leadership and savants it occurs in the observable section of signalling. Between savants and early birds it occurs later on the denotative level, and between these and the unconditional followers it occurs on the even later connotative level of the signal. It is the connotation of imitation that is needed to create and preserve the identity of the unconditional followers in their elective affinity.

Figure 22: The stylistic signalling cascade and industrial transfer.
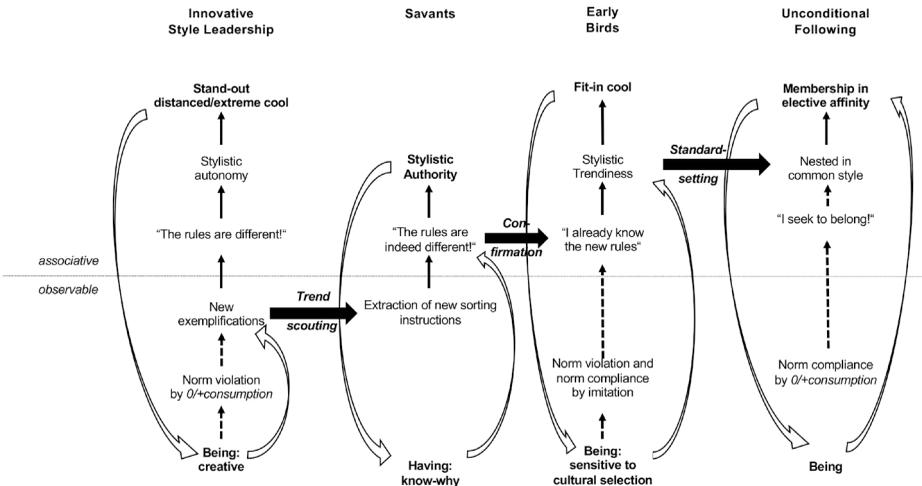
Industrial Transfer and Scaling

The signalling cascade offers a new, information-economic view of industry. The transformation of fringe innovations into mainstream innovations, as outlined in Figures 12 and 14, is accommodated by the identity industry. It transfers meaning from one actor/signalling type to the next. With this transfer, it closes the gaps in the signalling cascade left open by the productive consumers (Figure 22).

Their trend scouting in grouping I identifies new exemplifications and presents them in the form of experimental designs to the style groupings II and IV (Figure 11). Savants then filter out of them new rules for the mainstream. As stylistic authorities *vis-à-vis* the fit-in cool in grouping III, they confirm that their imitations are the current proof of their understanding of the rules. The services of savants, which are often part of the identity industry themselves (fashion and lifestyle magazines, feuilletons, paid influencers, etc.), consist of trend consolidation by trend confirmation. The fit-in-cool ones alone do not have a broad enough impact to establish their compliance with the rules as the new standard for the unconditional followers of grouping III. This is where the identity industry assists in setting standards by means of brands for the mass market. What began as an exemplification of stylistic autonomy in grouping I has ended as a new standard for belonging in grouping III: time and again, fit-in coolness is positioned as a standard for the whole.

Industrial transfer is increasingly scaled up along the signalling cascade. Niche products and niche brands are positioned in the style groupings I, II and IV. When the final standard is set for the unconditional followers of formation III, the identity industry is scaled up to the size of the mass market. In the information-economic perspective of QTC, the identity industry therefore does not consist of a juxtaposition of niche and mass market firms, but the former are the foundation of the latter. In terms of information economics, the business model of the mass market is fed from the business model of niche markets.
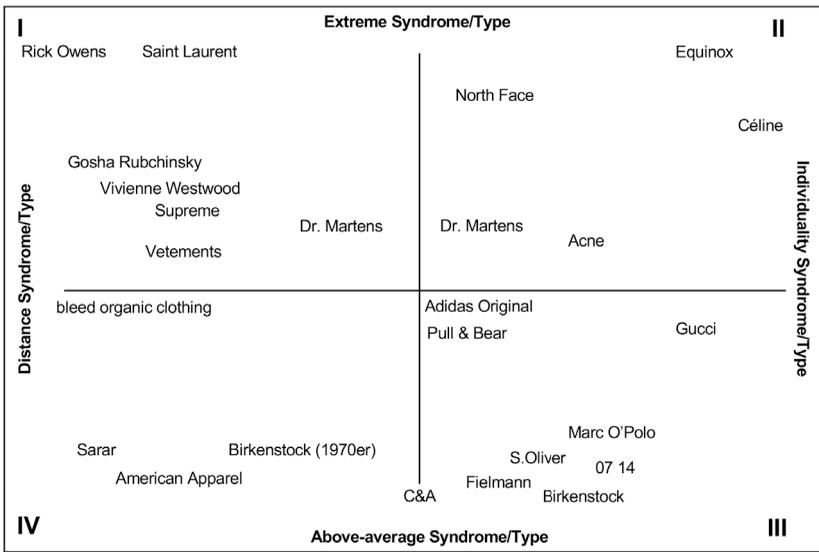
Brand Groupings

Brands are signs associated with things and services. The *0/+consumption* – "Yes to this, no to that!" – includes *0/+consumption* of brands/signs. Just as there are objects that belong to a common style and those that do not belong to it, brands/signs belong to a common style (in-group brands) or not (out-group brands).

QTC predicts that consumers prefer in-group brands in their individual style and avoid out-group brands. This is empirically substantiated.[7] The *0/+consumption* builds a nexus between self and brand (*self-brand connection*). The self-brand connection turns the brand into an instrument of self-categorisation (see the psychology of the objective function in chapter 5). If an individual affiliates with skinheads and discovers that skinheads are wearing *Dr. Martens* boots, they also want to show *Dr. Martens* (in-group brand). If they find out that skinheads are not wearing *Birkenstock* sandals, they will avoid this brand (out-group brand). Brands can therefore be positioned in the style system.

Like product differentiation, brand diversity is an output of the *Quality Law* (H_5) of cultural selection. The plethora of brands is traditionally explained by economies of scale and cost reduction (house of brands). Instead, QTC predicts that same plethora by the increasing variegation of the world (H_{18}).

Figure 23: Brand groupings.

The example of apparel and accessory brands illustrates the brand positioning of an entire consumer goods industry in the style system. Brands are positioned in the style groupings and make up corresponding brand groupings. Within a grouping, brands also differ in

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7   Escalas and Bettman 2005.

their relative position. Viewed from the midpoint, the more distantly a brand is situated, the stronger its grouping-specific characteristics.

Figure 23 positions apparel and accessory brands within the groupings of the style system. Brand are assigned to whole groupings but not to specific elective affinities. This is because brands can belong to the periphery of several common styles, and because it is in the interest of a brand owner to reach a larger clientele. With this, QTC offers a new logic for the classification of brands.

C&A with its non-committal slogan "Good prices, good everything" serves as a reference case for the positioning of brands in Figure 23. With this message, the brand positions itself in the stylistically indeterminate area between the motive of social distance and individuality. It does not present potential friction for people who avoid the extreme. Positioned this way, *C&A* addresses a maximum number of customers.

(The other) mass market brands are positioned in grouping III. They serve the demand neither to show social distance (the *what*) nor to operate with means of the extreme (*how*). In contrast to C&A, they focus more on individuality and/or use (slightly) more extreme means. *Fielmann* with its barely provocative eyewear designs is positioned horizontally next to *C&A*. With its slogan "Everyone is beautiful" it promises natural individuality to those who entrust themselves to the brand. With the slogan "Real fashion for real people" (2015), *S.Oliver* serves the motive of individuality more strongly. However, its fashion stands out just as little as *Fielmann* glasses. *Birkenstock*, "Simply good" (1984) or "Comfort with every step" (2012), occupies a position in the same range. With its slogan "More than normal" and entirely normal accessories that can be personalised with proper names, the leather accessory brand *07 14* is oriented towards the least daring individuality. *Marc O'Polo*, with its highly combinable range of products in many different but always monochrome colours, also lacks any potential for conflict or provocation. With slogans such as "Take it easy! Simple cuts and subtle colours for a relaxed look", it provides almost unlimited interchangeability and therefore hardly any individuality that really stands out.

Grouping III also includes brands that serve consumers on the borders of neighbouring groupings, and address more specific market segments. Typical for luxury brands, *Gucci* targets a highly individualised clientele with some affinity for the extreme, but within strictly controlled limits. Exclusive brand collaborations, for instance with the iconic *Novembre Magazine*, which posts the anti-aesthetic "Ugly Look", take the *Gucci* brand to the boundary of grouping II, where individuality and the extreme types fuse together. *Adidas Originals* collaborates via social media with hip hop stars from grouping I (Old School) and grouping II

(New School). Thus, it positions itself in their neighbourhood and at a certain distance from the mainstream, from which the brand originated and to which it still belongs. Similarly positioned is the teenage-focused brand *Pull & Bear*, whose everyday fashion displays rebellious slogans such as "Revolutionary girl" or "I refuse to become what you call normal".

Formation II contains brands like *Acne*, *North Face*, *Céline* und *Equinox*. Here, brands are more strongly charged with the extreme. However, the motive they serve remains that of individuality. *Acne* has cult status among digital nomads and in the creative class. The penchant for the extreme is served with extravagance, which nevertheless remains combined with basics. *Acne* thus remains in the immediate vicinity of brand grouping III. The outdoor brand *North Face* serves and glorifies the performance cult, in the extreme experience of nature, and under extreme weather conditions. The aim is not to widen social distance, but build an individual sporty and active lifestyle. The cult brand *Céline* positions itself way off the beaten track of fashion, combining extreme individuality with the aesthetics of modern art. It presents itself in campaigns that break radically with the high-gloss aesthetics so typical of the industry. *Equinox* targets self-optimisation on the basis of the potential that resides within oneself. The brand slogans "It is not fitness, it is life" and "Commit to something" heroise passion and top performance.

Brand grouping IV contains brands that avoid the extreme, but sublimate social distance from the mainstream. *American Apparel* was regarded a hipster brand. Despite the mass-market products sold, the brand positioned itself at a distance from the mainstream by its carefully cultivated nimbus of political (sexist) incorrectness. *Birkenstock* was an alternative lifestyle brand in the 1970s, unobtrusive as it is today, but at a moderate distance from the mainstream. *Sarar* is a Turkish apparel brand whose style can be described as Western, but also old-fashioned, compared to Western standards. Like all mainstream mass brands, it does not stand out, but in its backwardness in fashion it allows ethnic affinity to be shown in a non-rebellious way. Grouping IV also includes eco-brands that mark distance to the ecological footprint of the mainstream, without radically rejecting its underlying lifestyle. Many have their ecological footprint certified (GOTS, Fairtrade, etc.), and a tendency to go to the extreme is mostly limited to consistent renunciation in one or a few dimensions of the footprint. *Bleed Organic Clothing* is an example of the edge to the extreme. The brand offers vegan 'leather' clothing made of cork.

Grouping I includes niche brands that mark social distance by means of the extreme. The streetwear brand *Supreme* draws on the aesthetics of punk, hip hop and the skateboard style. With its origin in downtown Manhattan, the staff was

made up exclusively of members of the countercultural underground. It represents a group of brands that also includes *Vivienne Westwood*, whose objects were initially directly inspired by the fringes of society and were also consumed there. Initially, these were community brands created by and for members of fringe groups.[8] The more successful ones became commercial brands for a larger clientele. *Gosha Rubchinsky* manifests a post-Soviet countercultural chic of trackpants, shaved heads, bomber jackets and football scarves. It appeals to fashionistas who use the stylistic ruptures of this antiaesthetic to mark distance from the Western standard. Like *Saint Laurent*, *Vetements* is not a brand created by and for fringe people. In exclusive shops and with extremely expensive products, they attract a financially strong clientele. *Vetements* presents subcultural codes in streatwear that irritates and provokes. It provokes with slogans like "May the bridges I burn light the way" and irritates with garments showing logos of industrial companies or state organisations. Mass styles of the subordinate work and office world are thus debunked. Individuality is suppressed, only conveyed in the connotation of the luxury label. *Saint Laurent* over-stylises the codes of the social fringe by means of androgynous monochrome aesthetics. It is reminiscent of punk, goth and rockabilly. It promotes a provocative heroin chic. It is a brand for the extremely successful (rock stars, etc.), whose success allows them to live a life of luxury outside the bourgeois norms. Codes cannot be outdone in the extreme (extremely black, extremely skinny, extremely sexualised). *Rick Owens* shows a rebellious, masculine, monochrome avant-garde aesthetic with allusions to minimalist art. Extremely expensive, with extreme stylistic features (extremely black, wraparound clothes, naked skin) and references to Japanese aesthetics, it moves its wearers to the stylistic brink of Western society.

Dr. Martens is an example of an attempt to position a brand in two style groupings. Like *C&A*, which is positioned indeterminately between these groupings, *Dr. Martens* aims at tapping the markets in groupings I and II. However, with the slogans of 2014 "Stand for something", "We stand for non-conformity" and "I stand for being an individual", the brand does not remain undefined between groupings I and II but rather explicitly within both.

The migration of *Birkenstock* from grouping IV (in the past) to grouping III (today) makes it clear that brand position is temporary. The brand positions in Figure 23 show the state of the style system at the time this book was written. It can change. Just as culture remains dynamic, from which the style system is shaped.[9]

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8   Füller, Luedicke and Jawecki 2008.

9   I thank Ella Lu Wolf for the compilation of the empirical brand findings.

Figure 23 contains an interesting analogy. In the style system, brands are positioned in groupings, such as they are in the groupings of brand gender. The concept of brand gender covers brands without gender (e.g. *Amex*), those with a decidedly feminine gender (*Dove*), a masculine gender (*Harley-Davidson*) and a distinctly androgynous gender (*Walt Disney*). The brand equity of brands without gender is lower than that of brands with gender; and the brand equity of androgynous brands, which show decidedly feminine as well as masculine traits, is higher than that of purely masculine or feminine brands.[10] *C&A* remains stylistically undefined between the distance and individuality types, just as *Amex* remains undefined in the gender space. The other brands are distinctly positioned in the style system, like *Dove* in the gender space; and *Dr. Martens* is positioned variously in style space, as is *Walt Disney* in gender space. An interesting question that is not pursued further concerns the connection between the position of a brand in style groupings and brand equity.

Cascade Position and Brand Erosion

Brands are not only assignable to different brand groupings in the style system. They also occupy different positions in the signalling cascade. There, brands are lubricants of style innovation in the communication process outlined in Figure 22.

Mass market brands like *C&A* or *Walmart* ("Save Money. Live Better") address a clientele that is not interested in style leadership, but in value for money. Whatever kind of aesthetics mass-produced objects offer is okay. *C&A* and *Walmart* address the unconditional style followers. With the slogan "Every little helps", *Tesco* aims for a down-to-earth identity that is nourished by the little things in life and that follows the masses step by step. *Birkenstock* advertisements feature average people and slogans such as "In my Birkenstocks I have warm feet and feel really good". *S.Oliver's* slogan "Real Fashion for Real People" is aimed at people for whom trend-signalling is unimportant. The high street chain *Zara* assumes the role of standard-setter for unconditional followers in the fast fashion segment. It recklessly copies designs from high-fashion brands like *Céline* and presents them as the current fashion standard. They are all brands of unconditional following.

Other brands are positioned among the early birds. *Pull & Bear* conveys the current trend to its teenage clientele with corresponding slogans on the apparel.

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10   Lieven 2017.

Adidas Originals collaborates with hip hop stars in influencer marketing, giving customers the confidence to keep up with the trend. *Acne* attracts the attention of culturally sensitive consumers with eye-catching cuts and patterns, which are made widely visible in extravagant shops. Trends are 'loudly' conveyed. *North Face* addresses the same need with the slogan "Innovation for firsts". This way, brands convey fit-in coolness. Sometimes this is done by highly specialised signalling services. For example, the apparel brand *Oscar de la Renta* addressed a culturally demanding clientele in its brand cooperation with Sotheby's, when auction items were presented together with the fashion brand. With Sotheby's reputation as experts in art and culture, the brand was given the reputation of having expertise in fashion. In contrast, *Volkswagen* bluntly positioned itself and its customers as early birds with their slogans "Often copied, never matched" (2013), "You can have followers even without Twitter" (2013) and "Always one leap ahead". Slightly more subtle is "A sign of things to come" (2017) by *BMW*. In this way, brands try to elevate their clientele to a position closer to the beginnings of the style innovation value chain.

Other brands strive to lend their customers the aura of savants. This requires them to position themselves at least at savant level in the signalling cascade, so they can instruct their knowledgeable clientele on equal terms. The slogan of watch brand *Pulsar*, "Tell it your way", does not only convey individuality but also superior knowledge. *Cartier* follows the same path with "The art of being unique". It replaces knowledge only with superior cultural skills. "For people who do not go with the times" (2007) of the watch brand *Carl F. Bucherer* orients the savant, who knows why trends and fashions need not be followed. And the business model of the structured sales organisation *CMB* (Colour Me Beautiful) conveys precisely this 'know-why' from savants for savants: under *CMB*-guidance, customers self-revise their identity by determining their 'individual' colour type ("I am a brown-haired Winter type"). This gives them the confidence of standing above fashion.[11]

Lastly, there are brands that seek to impart the aura of the stylistic autonomy of style leaders to their customers, no matter what their preconditions for it may be. The oxymoron "Begin your own tradition" (2015) of the *Patek Philippe* traditional watch brand legitimises norm-breaking ("Begin your own …") by certifying its bourgeois innocuousness ("… tradition"). With "In the centre of the hurricane there is always stillness" and "Absolutely wrong for so, so many people", *Porsche* also insinuates stylistic autonomy. With "Never follow", "Follow your own rules" (both 2006) and "You'll want to follow yourself" (2012) by *Audi*, as well as with

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11   Grove-Whight 2001.

"Unlike any other" (2006) by *Mercedes*, *Porsche* is faced with competition not only on the road but also on the same position of the signalling cascade. *BMW's* oxymoron "Return to a new era" (2017) leads towards stylistic autonomy in a clever way. "Return ..." helps the clientele out of the hamster wheel of fashion, and "...to a new era" positions the brand as a fixed, fashion-independent guiding star.

BMW is an example of how brands sometimes, perhaps deliberately, fail to clearly position themselves in the signalling cascade. "Return to a new era" is from the same campaign as "A sign of things to come." Overarching the set of slogans, the signalling of style leadership as well as that of the early birds is nurtured here. Early birds are thereby brought closer in their self-perception to style leadership. But what applies to the brand grouping position also applies to the cascade position: it is not fixed, it can change over time.

As remuneration for their services, companies receive a share of the signalling utility that their brand engenders. The greater this signalling utility for customers is, the greater the brand's margin. The signalling utility of creativity signalling is greater than that of early-bird signalling, and that at the very end of the signalling cascade is least. Brands that position themselves at the beginning of the cascade (*BMW*) tend to generate larger margins than those in the middle (*Volkswagen*), and these in turn larger margins than those at the end (*Lada*). The hypothesis therefore is that the closer the brand is positioned to the signalling cascade's beginning, the greater its brand equity (as a share of the company value). Therefore, *ceteris paribus*, all brands wanted to be at the beginning of the cascade. But a trade-off with the positioning costs distributes the brands across the entire cascade. Because positioning at the beginning requires greater cultural capital in marketing than in the mass market further down the cascade. Moreover, the volume is larger towards the end.

Brands can also lose their cascade position against their will. The car brand *Opel* is an an example of brand erosion. Positioned similarly in the market to BMW in the 1960s, the company was stripped of resources after the takeover by *GM*, and slid further and further towards the end of the signalling cascade. Today, brand equity is low compared to that of *BMW*. QTC offers a dual logic of brand positioning: in the static logic of brand groupings (Figure 23), and in the complementary dynamic logic of the style innovation process (Figure 22). A brand is always positioned in both.

Mass market brands position themselves in the signalling cascade as standard-setters. On the boundaries of grouping III, however, brands already position themselves for people with greater cultural capital, i.e. for early birds or even style autonomous people. Thus, the brand grouping of the mainstream offers a wide range of signalling utilities: from the low signalling utility of the passive

uncool, to that of the fit-in cool, to the signalling utility of savants and the (almost) stand-out cool. In grouping IV, brands are found that aim for autonomy from mainstream consumption patterns (*Bleed Organic Clothing*). Typically, they present themselves in sporadic stylisation. In grouping II one can find brands for the trendy as well as for the style autonomous. In grouping I, there are only brands for the style autonomous. But here the autonomy is that vis-à-vis the whole value system of the mainstream (*Gosha Rubchinsky*). Accordingly, stylisation promised by brands is not selective, but total. At the extreme end of style groupings I and II, brands (*Rick Owens* or *Equinox*) aim for extreme stylistic autonomy.

Brand Upgrade and Stylistic Ship Wrecking

Style curation by use of brands does not guarantee consumers signalling success. The risk of pretence, triggering signalling disutility and arising from actively uncool signalling with brands, is unavoidably built into the signalling cascade. Style followers can be guided in their stylisation by brands that position themselves in the signalling cascade, prior to their target customers' signalling aspirations. Brands want to present themselves at least as savants to wannabe early birds, and to wannabe style leaders they can only present themselves as style leaders. Brands that do not possess this potential face a problem. They must upgrade themselves in the signalling cascade to be able to promise signalling utility to their target customers.

Active uncool signalling with brands can take two forms. First: someone fails in signalling with a brand that in and of itself could have been successfully applied. Culturally insensitive, the consumer applies useful material incorrectly. Failure follows due to the brand *user's* lack of cultural capital. Second: a consumer fails in using a brand for signalling because the brand cannot deliver what it promises. Those who think of themselves as early birds with their *Golf GTI*s run the risk of failing due to a brand upgrade, which may seem all too obvious to the audience. Here, failure follows due to a lack of cultural capital on the parts of both the brand user and the brand *owner*. Successful signalling with brands requires cultural competence on both sides of the market, which many brands (their marketing) miss. Not only for consumers, but also for the industry, the menacing pretence lurks between volition and being.

The Size of the Mainstream

The scaling of the style system can be understood as preference-driven and exogenously given (orthodox view) or as endogenously determined. The signalling cascade of style conveys endogenous understanding. It is not a larger number of consumers, with exogenous preferences for a mainstream existence, that makes the mainstream a mass market, but the natural economies of scale at the end of the cascade. All other brands in the style system deliver *pro bono* services to the brands at the end of the cascade. If we take costs into account, this transfer results in a cost advantage for the recipients. We can now define the mainstream in two ways: in terms of quantity it is the exogenously large mass of consumers; in terms of signalling it is the endogenously large group at the end of the cascade. With the second definition, the mainstream becomes large through the cost advantage in marketing, which it passes on to consumers and thereby attracts them.

Different positions of brands in the cascade show the division of labour in the identity industry. Even if all brands wanted to be positioned at the end of the cascade for reasons of scale advantage, some will continue to position themselves closer to the beginning in order to gain a USP in terms of signalling. Define brand equilibrium in the style system as (stable) distribution of brands over the signalling cascade. In brand equilibrium no brand wants to take a different position: some occupy the mainstream and the rest occupy the remainder. The scale advantage of mainstream brands lets more brands appear in the mainstream and fewer brands in style groupings I, II and IV. What applies to the distribution of consumers also applies to brands: the concentration of brands in the mainstream is endogenous.

Customer Touchpoint Management

The identity industry's customer touchpoint management is suited to brand grouping. You will find outlets of brands, that mediate the transformation from grouping I to grouping II/IV, in backstreets (in subcultural milieus). Outlets of mediator brands between groupings II/IV and III are found in sidestreets (hip neighbourhoods that were formerly backstreets). And the large number of brands for the mass market (grouping III) are found in mainstreets and urban peripheries. Exclusive shopping districts combine niche brands of the mainstream and highly stylising brands from groupings I/II.

As style innovation spreads from the fringes to the mainstream, customer touchpoints undergo a change along the way: from cheap to expensive and from uncontrolled to controlled. On the mainstreet the goods on offer may be cheap (supermarket), but the property is not. In the supermarket as well as in the luxury boutique, customer experience is planned down to the last detail. In contrast, fewer and fewer well-planned customer experiences are delivered, at less and less specially designed customer touchpoints, closer to the source of style innovation.

This organisation of customer touchpoints can be understood as a resource-based strategy: with lower purchasing power in the fringes, customer touchpoints increasingly focus on functionality. The store reflects the purchasing power of the surrounding milieu. QTC offers a different logic. The fringes of society are stylistically made up of the distance type and the extreme type. Outlets that signify distance from the symbols of both commerce and the establishment, respond better to this customer need than the commercial symbolism of standardised outlets. Uncontrolled shopping thus becomes a valuable customer experience in itself.

Well-designed outlets of brands mediating between groupings I and II/IV have already mitigated this lack of control. Criticism of commerce is mixed together with professionalism and openness for different customer segments, so that it becomes a borderland for the fringe which still can enter it. This customer segment adds authenticity that attracts customers from groupings II/IV. Well-designed outlets of brands that mediate between groupings II/IV and III are already beyond all serious criticism of the establishment: the Che Guevara cap and the Palestinian scarf now only have meaning in fashion. Customer experience is now evidently a management concern, outlets let customers sense that they are being guided. This serves the need for stylistic self-assurance of the mainstream following.

Outlets of brands for the fit-in-cool show the symbols of shamanism, evidence of the very presence of savants, and it is precisely here that the trend is occuring. Exclusive shopping districts push the control of customer touchpoints to the limit. This way, they provide their specific target customers with an experience that leads them towards the desired signalling. It assures customers with little cultural capital of purchasing the right signal.

Brands like *Saint Laurent* and *Rick Owens* from brand grouping I are presented in luxury stores that are totally untypical for style grouping I. They combine the two stylistic worlds; of the extremely distant from the mainstream, and of luxury that is so closely associated with it. Stylistic fringe existence is presented as the *luxury of stylistic autonomy*. The contradiction between fringe and luxury is thus

dissolved. With brands like *Saint Laurent* and *Rick Owens* and their outlets, the identity industry accomplishes the greatest possible stylistic fusion of the values of the social fringes and the mainstream. The transformation and path of innovation through the style system is minimised: with even more extreme aesthetics than the original, distance-marking innovation is transported directly into the cathedrals of consumerism.

Brand as Mediator

The productive consumer must signal clearly and avoid ambiguity, contradiction and uncertainty in their communication. However, the cultural encounters between the style groupings (Figure 12) are full of incongruities. Thus, between groupings I/IV and II/III there is the tension between what is extreme and what is above-average. Between groupings I/II and III/IV there is tension between the dominant motives of distance versus proximity. And between groupings I and II/IV there is tension between potential conflict and peaceful coexistence. Consumers have no inherent advantage in moderating these cultural encounters. They avoid this no-man's-land and the associated risk of getting trapped between groupings. It is precisely at these interfaces that the industry has a comparative advantage over the DIY of consumers.

Brands are sometimes positioned as neutral in the cultural no-man's-land, neither clearly right nor wrong, neither clearly this nor that. In Figure 23, *C&A* and *Dr. Martens* are examples thereof. Another example, *Club Med*, offers an escape from the routine of everyday life, and at the same time offers the comfort of everyday life. And *McDonald's* offers efficiency, affordability and predictability, while at the same time offering leisure and pleasure. Likewise, *Carrefour* emphasises the essentials with private labels while enhancing the shopping experience by building hypermarkets with bistros and art exhibitions.[12] Unlike consumers, brands can prosper in the indeterminate zone. Not in the indeterminate zone between two cultures, but in a stylistic contact zone where all consumers still share the understanding of the same symbolic language.[13]

Therefore, brands are useful mediators/moderators between style groupings. Contradictions between groupings are encoded in one and the same brand, but never the contradictions in life *per se*. This way, each individual can find the meaning that suits their DIY project in the biotope of brands, without getting

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12   Heilbrunn 2005.

13   Berthon, Pitt and Campbell 2009.

caught in the indeterminate zone between groupings. Just like everyone at *McDonald's* decides for themselves, whether they are there for the sake of efficiency or fun.

'Brand per se' Signification

It is time to semiotically embed the brand more broadly. The interpretation of a brand so far has been as a signifier that tells something about something else, which thereby becomes a significate.[14] In cultural encounters, however, brands as signifiers not only speak about something else, but also about themselves: As a *brand per se*, a brand is also its own significate, tantamount to system conformity and assimilation capacity. Brands demonstrate that they and whoever displays them are innocuous. Whoever displays brands demonstrates that they accept the commercial game, that they are not (any longer) hostile to it. The brand as a signifier of itself, the *brand per se*, attests to the user system conformity and ability to assimilate innovation.

The *brand per se* is like a quality seal on a product, which certifies hygienic, health or ecological safety. Its very existence as a commercial icon deprives the brand of some of the irritating aggressiveness that may still exist in the thing itself. *Dr. Martens* are boots worn by skinheads. But they are not skinhead boots. As a brand, *Dr. Martens* absorbs part off their symbolic menace. As a significate, the *brand per se* becomes the ideal mediator between the style groupings. Downstream, it creates trust and confidence, taking the edge off irritation between groupings. Style innovation diffuses more rapidly through the style system when it carryies the seal of the *brand per se*. Irritation caused by something creepy is transformed by the *brand per se* into fascination in the creepy.

The link between the signifier *brand* and the significate *brand per se* is encoded by the market. Brands have passed the test of the market (until further notice). They were born out of commercial thinking and are perpetuated by commercial thinking. After all, brands are not given away for free (in things), they are sold and bought. The exchange anchored in the market thus becomes a meaning-giving ritual. Market success is the code that turns the brand as significate into a seal. The thing bearing the brand is not so strange, provocative, repulsive or garish that it would cause the brand to fail in the market. Those who display brands know that they are not left out, even if they initially encounter incomprehension or resistance with their innovation. Market sociology stresses the complex

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14   Baudrillard 1968; McCracken 1986.

interplay between culture, the social and the economic,[15] which acquires a further facet in the *brand per se*.

The Cultural Foundation of Economic Activity

The function of the identity industry, highlighted in QTC, is to help shape culture. This is its function because the productive consumer is working on the transformation of culture. One of the first in management science to recognise the culture-shaping effect of industry was Grant McCracken.[16] In QTC we find his propositions in a deepened form.

> "The groups responsible for the radical reform of cultural meaning are those existing at the margins of society, e.g. hippies, punks ..."

The most stylistically innovative consumers are those in style grouping I in Figure 11.

> "Such groups invent a much more radical, innovative kind of cultural meaning than their high-standing partners in meaning-diffusion leadership."

The creative units of industry fall far behind them in their innovation impact. In the cascade of cultural encounters from the fringes to the mainstream, industry only takes an assisting role (Figure 12).

> "[C]ultural meaning in a hot, western, industrial, complex society is constantly undergoing systematic change."

Figure 12 shows the path through society that meaning takes. And Figure 14 shows the change it is undergoing on this path.

> "The fashion system serves as one of the conduits to capture and move highly innovative cultural meaning."

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15   Zelizer 1988.

16   McCracken 1986, all citations from p. 75–76.

The business models summarised in Table 13 show that the culture-changing industry is not limited to fashion in the narrow sense. They also show how exactly the identity industry as a whole is participating in this change.

McCracken's much quoted article, however, leaves the content of the change of meaning completely open – what was before and what exists thereafter remains unspecified. He describes the process of change of meaning (semiosis) merely as a process *per se*. In contrast, with cultural selection (Table 12), QTC lends a concrete direction to the change in meaning. The culture-transforming industry is not able to alter cultural selection. It can only strengthen, sublimate and accelerate its effects.

Grant McCracken has shown marketing the way to postmodernism. He has opened eyes to the fact that the creatives of industry work at the melting rim of culture. According to him, they unite existing cultural categories (time, space, age, gender, etc.) with consumer goods in advertising, labels and brands. Viewers/readers are thereby encouraged to recognise a similarity between the two. That way, goods with initially unknown properties are assigned those from these cultural categories. The transfer of meaning from the culturally institutionalised world into consumer goods is complete when the viewer/reader recognises a correspondence between the world and consumer goods.

So, in the end, 'crystallised history' emerges again: eventually, the consumer good, as an object with a meaning that it did not have before, has once again become part of culture as 'crystallised history'. It has thus become part of that phenomenological world from which the creatives of the industry once again extract their codes for new advertisements/labels/brands. Old signs (advertisements/labels/brands) 'produce' new signs (advertisements/labels/brands) in this semiotic sense.

McCracken leaves no doubt about the indispensable role of consumers in this transfer and production process.

> "It is worth emphasising that the viewer/reader is the final author in the process of transfer."[17]

The productive consumer is the all-important agent in this process. Yet, McCracken's homage to the productive consumer takes place in the maximum model of corporate agency. The consumer is only productive at the very beginning of the process as a provider of ideas from the fringes of society, and as the

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17   ibid., p. 75.

final author, at the very end of the 'writing process'. In between, the value chain is controlled by industry.

QTC counters this with an inverse production depth of the consumer. It goes right down to the very foundation of any potential meaning: the information that we, the productive consumers, read from signs in our environment. But not everything we perceive is information. As the anthropologist Gregory Bateson put it, information is a difference only if it makes a difference. But the most basic information we can extract from our environment are basic differences between two objects (dissimilarity), and basic differences in and between ensembles of objects (diversity). It is only from these differences in our outside world, perceived from our inner world, that additional meanings arise in the further value-added process. These are dissimilarities and diversities based on comparability or incomparability (length versus width), social distance (diversity as width) and social proximity (diversity as length), which we collectively produce by consuming, and with which we collectively create and curate our social identities.

This is the cultural foundation of economic activity. A microeconomic theory – which starts from *having* and develops a theory of the relationship between human being and things with quantities and prices – does not do it justice. Neither does a marketing theory, which in B2C is tied to the myth of the *industrial controllability* of brands, products and services. The Mecca of marketing practice is not the nudging of consumers in shopping situations but the cultural moderation of the identity-do-it-yourself value-added process. On this scientific foundation, the consumer goods industry turns into an identity industry, and becomes part of a cultural industry in a broader sense. And economics fuses with business administration, cultural studies and semiotics to form the cross-disciplinary field of *cultural economics and management studies*.