Ritualized Markets: The Culture & Economics of Budgeting and Consumer Demand

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This paper develops the concept of ritualized markets in order to interrogate 1) why groups of people tend to act as if some objects are inviolable as they make economic decisions and 2) how ritual-like processes generate meaningful behaviors and unanticipated outcomes in market situations. The concept of ritualized markets reformulates Randall Collins’ interaction ritual chains (making it more tractable) and utilizes Viviana Zelizer’s relational work concept (extending its reach) to offer an alternative program for understanding market processes and outcomes. This reformulation allows cultural and economic sociologists to intervene more forcefully in debates over household budgeting and in investigations of consumer demand. These interventions complement advances made by economic sociologists operating out of business school departments of strategy and organizations by providing an analogous pathway for social scientists in marketing departments who study the rituals sustaining and motivating consumer practices in brand communities and in other sites.

The paper begins by defining ritualized markets, comparing them to embedded markets, and delimiting the phenomenon (the degrees of ritualization and the empirical settings in which ritualized processes are most easily identified). The paper then demonstrates how a ritualized markets approach would handle two sets of problems. The first problem: Mental accounting’s psychological heuristics have been utilized to examine the financial decision making of the poor but have not been used to examine the ritualized processes that generate the transaction utility of
individuals who are (sometimes creatively) managing their social relationships while contending with collective representations through different budgeting practices. The second problem:

Outside of the attention given to the manipulation of consumer desires (Cook 2004; Ritzer 1999; Schor 2004; Zukin 2004), there is less sociological attention paid to the scripted (ritualized) processes and collective representations enabling attraction to or repulsion from different commercial goods (consumer demand) by different consumer segments. To the precise nature of ritualized markets we now turn.

**Defining Ritualized Markets**

Markets are social situations manifestly functioning to allocate scarce resources in relatively predictable ways. There are initiations of transactions, ways in which transactions are sustained, celebrated, or solemnly revered, and moments when some transactions come to a ceremonious end. Markets are ritualized to the extent that one examines them as a set of “mechanisms of mutually focused emotion and attention [that] produc[es] a momentarily shared reality, which thereby generates solidarity and symbols of group membership” (Collins 2004, p. 7). Randall Collins adopts this definition of rituals in his book *Interaction Ritual Chains* where he intends to make Emile Durkheim’s framework more dynamic. Collins appropriately notes the ritualistic aspects of market and other situations in that they have taboos, and there are notions about the inviolability of sacred objects at the same time that there are symbols of membership affirmed and generated in these rituals.

I make two departures from Collins in my concept of ritualized markets. First, I include a theory of culture as exterior to individuals and as an analytically autonomous realm of activity. Shared overarching meanings are not only co-constituted by people’s practices but they also
result from configurations in a system of representations (Alexander 2004). In other words, ideas and brands can take on a life of their own, constraining subsequent ideas and subsequent brand images. As individuals develop scripts for action and processual conventions for transactions, they do so by referencing a bundle of stories (Fligstein 2002; White 1998) about what the objects of interests are and how individuals should act towards those objects. While individuals can innovate on these existing stories, their innovations make sense to the extent that they make reference to shared stories that are exterior to the individuals and that existed prior to the situation being navigated.

In my second departure from Collins, I reject emotion as an undifferentiated resource to be maximized and re-used at the whim of individuals. Collins extends standard economic models as he offers interaction rituals as an optimization problem. People are trying to maximize their emotional energy through ritual-like interactions that generate group solidarity. For this reason, he argues, cigarette smokers demand cigarettes because of the ritual-like situations in which they smoke rather than an overwhelming biological dependency. It is not merely a situation of being contaminated by the habits of others in one’s social network but rather a desire to engage in emotional energy generating rituals. He uses a similar explanation for why we like other commodities, how we match ourselves with sexual partners, and why social movements succeed or fail. In the optimization problem people want more (not less) emotional energy; it increases their utility. And people obtain this emotional energy in ritual-like situations. But rather than an optimization problem, ritualized markets are offering opportunities to affirm deeply held moral convictions—“strong normative beliefs” guiding evaluations (Kahneman 1994, p. 28)—about who a person is, how she is connected with others, and how she ought to behave.
My approach also recognizes that as individuals engage in rituals, they do not do so robotically. People generate, affirm, and transform their social ties as they manage their relationships. Zelizer calls this process relational work and indicates in her studies of intimacy that people are willing to engage in behaviors that are energy draining. The pursuit of emotional energy is not a blind one, and the inclusion of relational work in ritual-like processes enable the analysts to abandon the functionalist account of rituals with pragmatic, though sometimes unrecognized, concerns regarding who is a part of one’s community and around what totems a person is likely to rally. Pragmatically we can observe incessant negotiations as people work to get things done while managing their relationships with others. Culturally we can identify the manifestations of meaning that may be creatively re-combined as individuals participate in ritual-like interactions; at the same time, we can see the constraints that existing sets of meanings impose on these attempts to re-combine components of collective representations that manage to affirm rather than violate objects deemed (and redeemed) as sacred.

Emirbayer (1996) and Alexander (2004) have critiqued Collins’ interaction ritual chains concept respectively as a re-inscription of utility theory (with emotional energy substituting in for utiles) and as lacking a theory of culture. My concept of ritualized markets extends these critiques by relaxing the assumption that ritual-like processes necessarily function for the generation of emotional energy rather than for the management of relationships (even when those relationships cause pain) and out of deference to the sacred. My approach also takes into account a theory of cultural structure where there are binary oppositions in the symbolic environment between the sacred and the profane, an opposition that manifests itself in the cultural lives of commodities (Kopytoff 1986). These binary oppositions (along with pragmatic
re-combinations of their components) and their collective representations enable sacralization in the marketplace. (The next section in the paper will delimit where rituals apply and where not.)

The concept of sacralization enables us to generalize ritual ingredients and procedures to profane settings. I borrow from Douglas Marshall’s nominal definition of the sacred and of sacralization, in part because of their close affinities with understandings of what public opinion is and what marketing and public relations strategists do. First, the sacred and sacralization:

The sacred is a salient… moral property attributed by some observer(s) to some object(s) that is absolute in obliging those observer(s) to engage in or avoid certain behaviors toward it, and that evokes a mixture of attraction and repulsion as well as a perception of contagiousness, in those who perceive it. Accordingly, ‘sacralization’ is: a process by which an object is invested with the property of sacredness. [Marshall 2010, p. 66]

Now consider an early definition of public opinion (and the task of public relations) as understood by sociologist Edward Bernays, one of the fathers of public relations. Public opinion is “the thought of any given group of society at a given time toward a given object” (Bernays 1928, p. 959). In the marketplace, as in a religious setting, consumers feel obligated to behave with attraction or repulsion towards different classes of objects. Consumers also look to transcendental concerns and ceremonially revered persons (in authoritative roles) as they engage in ritualized market interactions. Bernays himself focused on people’s concerns with life and death as well as their respect for charismatic authority (among other things) as ways to generate attraction towards a given object by a given group of society at a specific time. He did not, however, address the ritual-like processes that maintain attraction, but he did describe staged events presided over by authority figures (the high priests of fashion or doctors called to protect
life) and how these events removed objects from the realm of the mundane, endowing these objects with a sense of attraction while compelling individuals to revere and protect them.

**Delimiting Ritualized Markets**

There is a danger of over-using the term sacred, seeing rituals everywhere and crowding out the profane by the proliferation of the sacred; therefore, we must delimit the concept of ritualized markets in a way that does not relegate it to the most formalized manifestations of ritual and in a way that does not preclude the concept’s application to situations where the social and the ritualistic seem to be evacuated from the scene by technology (e.g., online trading or trading done by computers alone) but where the universal stands in for the sacred (e.g., DiMaggio 1990). This section will define the range of rituals (tight versus loose ones) and will indicate what counts as sacred in these ritualized market situations and how the ritualized markets perspective compares with other intellectual projects in economic sociology, namely (network and institutional) embeddedness.

The ritual quality of markets range from 1) ones in which there is a high level of formality and well articulated conventions with explicit references to a sacred/profane binary to 2) ones in which there is a low level of formality with implicit, improvised conventions and with implicit references to binary oppositions that are not necessarily recognized as sacred/profane boundaries. Similarly, Collins (2004, p. 272) tracks rituals as operating along a continuum with the most formal depending upon and generating categorical identities and with informal rituals occurring within micro-situations that are ephemeral and that re-generate personal reputations. These distinctions track well the tight versus loose ritual continuum.
The sacred/profane binary is evident during tight rituals marking the occasion of death (and those celebrating the initiation of life). Rituals distinguish each of these stages of social life and are consequential for such phenomena as insurance markets (Quinn 2008; Zelizer 2010), the market for cadavers in biomedical research (Anteby 2010), and the markets for fertilized eggs and sperm (Almeling 2011). Indicators of the sacred/profane boundary include explicitly voiced concerns about the sacred and the profane as people contemplate “the good death” and how “profane money” might pollute it versus respect for the past lives of cadavers and the engagement of practices that revere the lives of expired bodies. Organizations handle and price the cadavers differently when obtained for non-profit medical versus commercial research purposes (Anteby 2010). Implicit concerns about the sacred emerge in the selling of organs, the donation of blood (Healy 2006), and the selling of one’s eggs for surrogacy (Ameling 2011).

There are also looser rituals focused on the singularity of an object or the authenticity of its motifs and its processes of production (Wherry 2008). The importance of singularity and authenticity (as sacred stand-ins) operate within and outside of cultural industries. Consider the marketing of cars, computers, telephones, and a host of other consumables; congregants rally around these profane objects, declaring that one object is not like another (with the same use value) and insisting that their revered object be protected from defilement by posers, imposters, or others who are not true believers. These are the dynamics among consumers of iconic brands (Holt 2004; Muniz and O’Guinn 2001), and this religious-like fervor manifests itself in corporations, motivating and shaping the organization’s course (Biggart 1990; Pratt 2000; Spillman 2012).

While the ritualized markets perspective applies directly to situations where deeply moral concerns imply a split between the sacred and the profane, the singular and the mass, the
authentic and the copy, the concept can also be used to de-familiarize the taken-for-granted actions unfolding in general market situations. In other words, the act of making the familiar strange creates opportunities to excavate mechanisms that may have remained unrecognizable. This theoretical move gets us beyond the binaries of embedded versus arm’s-length and earmarked versus non-earmarked, by acknowledging arm’s-length ties as one of many categories of ties whose social distance is accomplished through ritual-like procedures, inviolable non-utterances, and righteous anger against polluting the purity of the detached. Similarly, we move beyond an attempt to define earmarked versus non-earmarked monies (as Steiner 2009 sees them) and move towards an understanding of general-purpose monies (Zelizer 1994) as merely another culturally created currency whose properties are affirmed in conventional, more tightly scripted, rituals.

**Comparing Ritualized and Embedded Markets**

We now turn to why we need the concept of ritualized markets and how the perspective of ritualized markets differs from that of embedded ones. The ritualized markets approach brings more attention to the material objects exchanged, the totemic value of some objects, and the importance of religious-like concerns that the inviolable be recognized and respected. These concerns veer from concerns primarily based on the structure of ties (networks) and on the policy environments and organizational contexts where networks are formed and where the power of advantageous positioning is realized. This is not to imply that some markets are of one type or another but rather to identify how the same market phenomenon might be approached from these two vantage points.
A number of economic sociologists, including the paradigm’s founder, have challenged the umbrella concept of embeddedness as elusive, requiring more precise conceptual tools beneath its shed that complement the well developed network analyses that gave embeddedness such empirical traction. These challenges have resulted in disagreements about the essence of and the relationships among social ties, transactions, exchange media, culture, and the state (Krippner 2001; Krippner and Alvarez 2007; Zelizer 1988, 2010). The most common response to these disagreements articulates how a return to Karl Polanyi’s texts on the economy as an instituted process and to his analysis in *The Great Transformation* more clearly defines what markets are and how they work, but these theoretical reconciliations have been unsatisfying, even for the reconcilers.

In her critique of embeddedness as elusive, Krippner argues that Granovetter does not fully theorize the political struggles that shape markets along with the various institutions and ideations (Somers and Block 2005) that give sense to market exchange and to economic interventions; this renders the markets elusive, cloaking the powerful agents and institutions shaping them. She turns to Polanyi’s claim that “religion and government may be as important for the structure and functioning of the economy as monetary institutions” (Polanyi quoted in Krippner 2001: 779), but she largely eschews religion for the institutions of government, examining only one of the two factors that she and Polanyi deem as structuring structures. She comes close to examining religion as she argues that cultural templates and political processes as co-constituting markets, but never addresses religion per se. Although Krippner and Alvarez (2007) acknowledge the (religious-like) entanglements and disentanglements in the marketplace, where the sacred presumably invigorates the former and the profane, the latter, the authors do not
address the role of religion and its ritual manifestations that undergird market institutions and economic action.

A number of sociologists have acknowledged the role of religious elements (including rituals) in economic life. Writing in 2003, Swedberg avers that the full implications of Durkheim’s work remain “largely unexplored in light of economic sociology” with the notable exception of Philippe Steiner (2009, 2010). Earlier Jeffrey Alexander (1982) outlined Durkheim’s economic program and its unexamined contributions to sociology in volume 2 of *Theoretical Logic in Sociology* where he compares the thought of Marx with that of Durkheim. Likewise, in *Economic Sociology: State, Market, and Society in Modern Capitalism*, Carlo Trigilia addressed the importance of Durkheim, asserting that economic facts come from society not from the individuals comprising it, but these arguments did not offer a pathway to study the ritual-like processes operating across a range of phenomena, especially in the domains of household budgeting, consumer demand, and marketing. While the introduction to the second edition of the *Handbook of Economic Sociology* refers to the role of religion for the constitution of private property (Smelser and Swedberg 2005), the *Handbook* does not go on to include chapters on the religious foundations of commodification or its role in the attraction that people have to specific objects. In a recent treatment of the worth of goods, Jens Beckert (2011b) has theorized about the rituals and the ritual-like processes that generate the worth of goods, but he and his collaborators have largely restricted the analysis of ritual-like processes to status (as opposed to standard) markets (Aspers 2011).

The ritualized markets approach is firmly rooted in Durkheim’s *Professional Ethics and Civic Morals* ([1900] 2005). Durkheim shows the historical record of sacralization in the marketplace and indicates how ancient beliefs as well as ritual practices undergird markets,
property rights, and work/occupations. Private property, for example, rests on “the right of a given individual to exclude other individual and collective entities from the usage of a given thing” (Ibid., p. 143). Such rights have religious (sacred) origins, because the capacity to distinguish private from common property is a feature of religious and sacred things:

[T]he sacred entities… are withdrawn from general circulation; they are separate and set apart. The common people cannot enjoy them. They cannot even touch them. Those who have kinship, as it were, with sacred things of this kind, can alone have access to them—that is, those who are sacred as they are: the priests, the great, and the magistrates, especially where these latter have a sacred character. It is these prohibitions that lie at the foundation of what is called taboo, as an institution…. Taboo is the setting apart of an object as something consecrated…. By virtue of this setting apart, it is forbidden to appropriate the object of taboo under pain of sacrilege…. [Ibid., p. 143]

One has to have the proper qualifications to approach, touch, and use a sacred object. Declarations of taboo were used to protect a diamond mine near Honolulu and fishing yields during fishing season. So long as a sacred character could be imbued in an object, it would be set apart and protected from violation. These justifications simultaneously could serve as cover for economic interests, could structure the interests of economic actors, and could firm up the categorical identities of supra- and subordinate actors in a historically-specific symbolic environment; some of these outcomes may not be recognized or easily recognizable for the actors involved in the transaction focused on their own goals, inattentive to latent goals in the symbolic environment or to emergent goals that are culturally particular; moreover, the emphasis
of religious beliefs on the inalienability and inviolability of sacred objects gets interwoven into legal beliefs about private property ownership.

Ritual practices function to make beliefs and notions of inviolability publicly visible. In agricultural societies, some landed properties were held in common and the rights of individuals to such commonly held properties was vague; however, clans possessed clearly defined property rights on pieces of land that they could inhabit permanently. The land was inalienable in that it belonged to the same family in perpetuity. The property was inalienable due to its sacred nature, and this sacred nature was generated and affirmed through the agricultural rituals observed among the Romans, the Greeks, and the Indians (of India). Singing hymns, the head of the household would walk along the boundaries of the property on certain days of the month and offer sacrifices: “What amounts to a magic circle is drawn about the field, which shields it from trespass or encroachment, because such intrusions, in these circumstances, become sacrilege” (Ibid., p. 152). Boundary stones would mark the limits of the owners claimed land and would serve as “so many altars” (Ibid., p. 151). In Rome, for example, myths about Jupiter and the Capitohne Hill affirmed the property’s inviolable nature. And burial places remained off the market, incapable of being sold to the highest bidder or to anyone else, for that matter. The contracts that indicate property ownership derive their power from “illusory beliefs and ancient notions which are held to have no objective foundation” (Ibid., p. 160). The ritual-like pronouncement of the oath marks the violation of the contract as taboo.

Market rituals can be positive (direct action) or negative (avoidance of action/abstention). Consider the source and functions of negative rituals in Radcliffe-Brown’s discussion of anxiety. Societies have a symbolic idiom and general rituals that impress themselves upon the individual. In some situations an individual ought to feel unease, and in
others the individual should feel a heightened sense of anxiety. These feelings are not idiosyncratic, individual-level responses to external events but are expectations that society has about how an individual ought to behave, given her role and her place in a ritualized script. Radcliffe-Brown (1939) writes: “In a given community it is appropriate that an expectant father should feel concern or at least make an appearance of doing so. Some suitable symbolic expression of his concern is found in terms of the general ritual or symbolic idiom of the society, and it is felt generally that a man in that situation ought to carry out the symbolic or ritual actions [positive rituals] or abstentions [negative rituals]” (p. 41). These rituals enable individuals to overcome paralysis, to generate energy, and to handle uncertain environments, but they are not merely the instrumental actions of individuals needing to overcome anxiety; these rituals exist prior to the individual who utilizes them and its appropriateness becomes inculcated in the individual from the group. Analogously, in an uncertain, sometimes volatile market, even weak beliefs in magic and half-scripted rituals facilitate economic action and actions of the other sort (See DiMaggio [2002] on animal spirits in the marketplace). The rituals or traces of them may remain long after the material threat has disappeared, leaving behind collectively available stories about the nature of the threat and the importance of behaving in a certain way to vanquish the source of anxiety.

Durkheim’s earlier discussion of positive (acts of piety) and negative rituals (acts of privation) is instructive. The acts of privation (fasts, vigils, retreats, silence) necessarily cause pain and suffering, sharp negative affective peaks. In the economy, just as in religion, “pain is held to be generative of exceptional forces…. The grandeur of man is made manifest by the way he braves the pain” (Durkheim [1912] 1995, p. 320). Economic interests, like religious ones, “are only social and moral interests in symbolic form” (Ibid., p. 321). Through rituals of production
and distribution in seemingly profane settings, *homo economicus* manifests the seeds of asceticism inculcated from religious life, and the variations in the types of emotions (as well as their intensities) consequentially maintain (or not) a sense of order in the ritual, as it does in the economy.

The importance of rituals (whether they are tightly or loosely scripted; positive or negative) and the identification of the sacred totem a tribe must protect present a contrast with the networks metaphor of differently positioned actors within a field acting strategically to increase their own, individual-level utility. Granovetter (1985) and the network-based studies of embeddedness he inspired rejected the over-socialized, highly scripted conceptions of humans and the functionalist paradigms steeped in societal evolutionary theory. The objects of study, he points out, should be observable relationships so that the social sciences could engage in empirical, substantive studies of markets rather than continue in an a-empirical, formal understanding of the economy. Taking Granovetter’s concerns seriously, the ritualized markets metaphor offers a holistic program for examining relationships, myth, shared stories, materials, feelings, and their movements as *a meaningful, observable, and contingently unfolding process*. Let us therefore begin with the objects of study, the role of religion, and the preferred methods for investigating ritualized versus embedded markets.

*Objects of study.* In the embeddedness perspective, markets are socially constructed phenomena in which social networks and the structure of social relations explain exchange outcomes. In the ritualized markets perspectives, markets are arenas where rituals unfold that make objects desirable and that attract people to worship, appraise, and protect those objects. Rather than networks, the object of study is the set of meanings and the corresponding ritual-like processes leading to sacralization. This leads to rather different objects of study. In the first, the
objects of study are networks and the structure of relationships along with the direction of transfers in the marketplace. In the second, the models are not so clean. There are collective representations (esp., symbolic binaries), negotiated (ritual-like) processes that resemble what Zelizer (2010, 2012) calls relational work, relational packages of exchange media, and dramaturgical enactments in dynamic/unfolding situations.

The role of religion. As Wuthnow (2005) points out, the embeddedness approach largely left religion out of the analysis of how markets operate; relationships affect economic action, not magic, spirits, or ritual-like ceremonies. Although Max Weber’s ([1905] 2002) thesis on the Protestant ethic gave a nod to the religious motivations for capital accumulation at a specific historical moment under specific institutional conditions, Weber ([1922] 1978) himself argued that religion and charisma precluded modern, rational markets (also see Collins 1980). In Stephen Kalberg’s assessment of Weber’s approach to religion and ritual, he argued that for economic rationality to take hold, magic and ritual had to decline in importance. In the Western rationalism eminent in Christianity, “insider-outsider dualisms, so common and unbending among clans, tribes, and ethnic groups and regularly ‘stereotyped’ by magic and ritual, could now be directly contested and, in some cases, abolished” (Kalberg 2009, p. 323).

In The Psychology of Social Class, Maurice Halbwachs ([1939] 1958, p. 128) also considered the role of religion on consumption and other economic actions. He affirmed Proudhon’s observations that “the organization of Sunday mass, and in general the organization of Catholic ceremonies” and other religious practices affect the “bearing and attitude” of a people, including their costume habitat. The relevant populations, however, seem unaware of the role that religion plays in their consumption practices. More recent studies of religion’s impact on economic action have found correlations between religious beliefs and the propensity to save
(Keister 2003), affirming Weber’s understanding that the religious ethos and associated practices can facilitate or hinder capital accumulation, but these studies do not investigate the ritualized mechanisms leading to different saving propensities.

By contrast, the ritualized markets view I propose acknowledges the interpenetration of the sacred and the profane along with ritual-like processes as leading to different material outcomes in the marketplace. Religion does for the marketplace what Friedland (2001) finds that it does for state institutions (See Dobbin [1994] for religion and public culture). In the market, as in the government, “faith undergirds… the saying so that makes it so” (Friedland 2001, p. 127). There are market rituals, symbols of membership, and totems tying together the members of a tribe. In such circumstances emotions intensify and feelings of righteous indignation resonate with the violation of the sacred; collectivities struggle for equilibrium and for protection from defilement; and economic strategies and outcomes shift in their course.

**Preferred methods.** The elements of a ritualized market should inspire an ethnographic pause. What exactly can we observe at close range of a sacralization process? And how does participant observation require us to question how situations are linked and how emotional energy stored in previous ritual events get drawn into an immediately observed ritual event. To what extent is the concept of emotional energy (as conceptualized by Collins [2004]) lacking in analytic differentiation, with intensifications of different emotional types perhaps leading to different ritual outcomes?

Likewise, when we see that there are collective representations of the sacred versus the profane, and we note how these representations shape institutionalized market practices, we should also ask whether there are moments in which collective representations are out of sync with the behaviors they are hypothesized to shape. People can contest what kinds of
representations are relevant to their circumstances (due to reputational threats, stigma management more generally, shifts in the markets for substitutes or complements, or geopolitics [Bandelj and Wherry 2011]). Ritualized markets operate in complex environments, but by taking its ritual components seriously and specifying its collective representations as analytically distinct and assessable, we can have a symbolic environment sometimes is in sync with political and material arrangements but sometimes out of sync. In short, we can rid ourselves of Durkheim’s functionalism and can emphasize meaningful, observable action bounded by ritualized situations.

Finally, consider how ethnography and in-depth interviews operate in the examination of ritualized markets. Ethnography helps us examine the visual indicators and discourse indicating the symbolic oppositions against which people make sense of their actions. Ethnography also provides the advantage of addressing how people act instinctually when required to respond quickly during consequential, unforeseen crises. What principles manifests themselves when people are thinking fast (automatic cognition) and what courses of actions or goals are feasible but foreclosed (DiMaggio 1997)? These qualitative approaches, coupled with network and quantitative analyses, can enable social scientists to capture ritually shaped decision heuristics and to observe the ritual equipment, scripts, and enactments that help to maintain barriers to outsiders and that enable resonance for branded symbols during rituals of attraction and valuation.

Table 1 summarizes the similarities and differences between the concepts of embedded versus ritualized markets. Each side represents a purview for analysis, and these approaches can predict similar or different outcomes for the same phenomenon. Because the ritualized markets framework presented here offers testable, empirically identifiable ritual components of market
situations, the framework facilitates competing explanations with differences in emphasis. In the next section we will turn to how the ritualized markets paradigm allows us to ask questions of economic decision-making and of consumer demand that we might not have asked, otherwise.

—Insert Table 1 About Here—

Applications

If we think about money, rituals, and the strands of meanings in which transactions are entangled, we can offer strong critiques of existing approaches to household budgeting, indebtedness, and the banking practices of the disadvantaged. Likewise, if we think about market transactions as populated by rituals that make objects inviolable and worthy of reverence, we can offer a sociological alternative to studies of market demand and to prior understandings of commodification. We begin with mental accounting.

An Alternative to Mental Accounting

Mental accounting has honed in on the decision heuristics that lead to sub-optimal financial decisions. Similar to the efforts to increase reading literacy so that people can make better decisions about their health, occupation, and well-being more generally, there are a number of efforts to improve financial literacy. It seems that people simply have bad habits and need to understand that they can get more rewards from engaging in other practices. If only they could read their situations properly or be nudged towards different understandings of their situation, the story goes, they would make better decision (Bertrand, Mullainathan, and Shafir 2006; DiMaggio 1997; Thaler 1999; Thaler and Sunstein 2009).
Before detailing how a ritualized markets framework would address the issues examined by mental accounting models, let’s consider Smelser and Parsons’ functionalist account of budgeting. Their account follows a Durkheimian lineage that identifies the various functions that budgeting fulfills beyond the manifest one of managing scarce resources. Sociologists need not discount what is valuable in functionalist accounts as we empirically examine the variation in ritualized, contingently unfolding scripts.

Through spending on consumption, the social system ‘household’ fulfills institutionalized demands to live according to a certain lifestyle. Expenditure levels are determined by a culturally defined basket of goods that determines the “cultural survival” (Parsons and Smelser 1956: 221) of the household. Beyond that, expenditures for entertainment, leisure, and vacations are given a function for intra-family conflict management and, with that, status symbols assume an integrative function by positioning the household in relation to other households and thus symbolizing membership in a group. [Beckert 2006, p. 171]

Household budgeting is both a positional and relational act, but the goal is not only to gain status but also to affirm solidarity with a group; it is to rally around a totem. And these totems and their associated imaginings of what the future should hold affect budgeting decisions.

In the Working Class and the Standards of Living (1913), Maurice Halbwachs adopted Durkheim’s theory of collective representations to explain the budgeting practices of families. Combining data from the Imperial Office of Statistics with that from the Union of Metal Workers, Halbwachs discovered that a future image (a representation) collectively held within a group affected 1) how families classified the categories in their budgets, 2) what percentage of
their wage workers paid into each category, and 3) how budget categories were prioritized. 

Halbwachs did not argue against the concept of fungibility, as Zelizer (1994, 2010) does, yet his attention to collective representations (what Zelizer calls cultural codes) remains underappreciated. One might summarize his argument thus: The individual imagined her current wants and future states (as collective representations); at the same time, the individual found herself taking into account the practices and desires of socially relevant others as she managed her budget (also see Georges Friedmann’s assessment of Halbwachs reprinted in Halbwachs [1939] 1959).

Indeed, financial decisions enable individuals enacting different role identities to manage their relationships with others (Zelizer 1994, 2010, 2012). The management of relationships, however, takes place during ritualized interactions where there are barriers to entry to the ritual and where there is a mutual focus of attention with bodily co-presence in specific sites. As people engage in social rituals, they affirm symbolic membership in a group and manage the meanings of their relationships with those who do and do not belong to that group (Collins 2004). These social rituals also short-circuit purely arithmetical forms of evaluation, as the financial decision-making is unfolding in a semi-scripted way, appropriately matched to the definition of the ritual and the individual’s role in the script. These scripts contend with overarching cultural meanings that the individuals involved do not construct from a void; therefore, it is not useful for policy makers to hone in so-called bad decisions while ignoring the meaningful rituals and the overarching meanings that render strategies of economic action salient for the situation at hand.

One such situation is a routine shopping trip. There are a number of ethnographers who have followed shoppers around, including Dan Miller and Elizabeth Chin, but what Jean Lave
did in her early work was to identify how individuals respond to what she and others have called the incorrigibility principle: some things are universal, unchanging (incorrigible), and untouched by human manipulation. Budgeting arithmetic, for example, is incapable of being reformed or corrected. Lave uses the term ironically in her reference to arithmetic. 4 plus 4 is always 8. 4 plus 7 will equal 11, no matter where you are. Lave and others challenge this, noting mathematics to be itself a social accomplishment par excellence. I interpret Lave’s work as an illustration that when individuals feel they have broken a simple rule of arithmetic, they feel the shame of having gone against the universal, the true. They are on the wrong side of a binary, moving away from something deemed sacred. And those on the sacred side of the binary might be at least bewildered if not angry at such a blatant violation. An example might be made of the incorrigibles. After all, 4 plus 7 is always (universally) 11.

By observing what people do in real time and at close range, one can deduce principles and symbolic boundaries, against which the individual makes sense of her performance. (For other treatments of mathematical calculation consider the following: average and percent understandings [arithmetic calculation] among a group of African-American basketball players during ritual interactions on the court [Nasir 2000]; the group assembly of Weight Watchers groups, their collective representations, and their modes of calculation [Rocha 1985]; or measurement and calculation among carpet layers [Masingila 1994].) Jean Lave does not use the language of ritual, yet the incorrigibility principle stands-in for the sacred, and individuals dramaturgically perform mathematical calculation as they demonstrate themselves to have cleansed their financial selves.

People who find themselves in danger of becoming calculating outcasts (a polluted caste) may attempt to cloak or diminish their incorrigible calculations. Lave describes a 45 year old
woman and her 15 year old daughter who take a trip to the supermarket accompanied by an anthropologist tasked with directly observing their shopping practices. The shopper’s daughter has pointed to barbeque sauce and remarks that they have almost depleted the sauce they have at home. The mother turns to the anthropologist to explain, “‘Heinz has a special… I have a coupon in here for that.’ The shopper discovers that her coupon, however, is for Kraft Sweet and Sour, not the [item] that’s on the shelf” (Lave 1988, p. 167). As the situation begins to frustrate her, she reaches for her eyeglasses, perhaps as a prop to deflect attention away from how slowly she is dealing with a new mathematical comparison. (For other observations of grocery shopping, see Murtaugh 1985.) Lave conjectures that the shopper is trying to use the calculator comment to abandon her arithmetical calculation, and she notes just how far the shopper’s statements about how often she uses a calculator do not line up with her observed practice of using the calculator only once during the shopping trip for the purchase of only one item. In these observations we also see 1) how late mathematical calculation enters in the process of decision making, 2) how uncertainties are dramaturgically diminished, 3) how seldom specific calculations are made (with a calculator), and 4) how calculation problems do not need to be solved in the moment because they can be transformed or foreclosed as the individual moves with the flow of her daily rounds (or her usual rituals).

A ritualized markets analysis of the grocery shopping scene would link grocery shopping to the rituals of family life, the symbols of family membership generated or made manifest during the unfolding of the ritual, and the performative ways that people present their morally-inflected financial selves. The mother’s presentation of self ties her to bundles of others (including her daughter), and these dramaturgical presentations rally around a totem of group membership, a recognition of a transcendent, sacred entity. The objects used in the shopping trip
function as ritual equipment, including the money used to make the purchase. The totem of motherhood is imagined and revered but it is not substantiated in the object of the sauce. That substantiation exists for objects over which there are collective struggles to protect from pollution or defilement. Instead, there is a revered acknowledgement of math as incorrigible, everlasting, and a dramaturgical attempt to pay reverence to it.

The economistic language of optimization or even satisficing does not capture the incessant efforts at correspondence in rituals. Because economic action happens in ritualized markets, optimization yields to correspondence. People are trying to correspond their demeanor, their categorized monies, and their presentations of self with what is appropriate for their ritual-like interactions and for members of their tribe, as it were. This process of matching brings us to what the mental accounting literature refers to as transaction utility.

Let’s begin with the two contrasting concepts of utility and examine them in light of people who pay exorbitant interest rates for PayDay loans or in other disadvantageous financial transactions. The well-known discussion of transaction versus acquisition utility presents the following scenario.

You are lying on the beach on a hot day. All you have to drink is ice water. For the last hour you have been thinking about how much you would enjoy a nice cold bottle of your favorite brand of beer. A companion gets up to make a phone call and offers to bring back a beer from the only nearby place where beer is sold (a fancy resort hotel) [a small, run-down grocery store]. He says that the beer might be expensive and so asks how much you are willing to pay for the beer. He says that he will buy the beer if it costs as much or less than the price you state. But if it costs more than the price you state[,] he will not buy
it. You trust your friend, and there is no possibility of bargaining with the (bartender) [store owner]. What price do you tell him? [Thaler 1999, p. 189]

Thaler discovered that people were willing to pay more for a beer purchased at a resort than at a run-down store, and he noted that it should not matter where the beer is purchased because in standard economic theory, the setting does not affect acquisition utility—"the value of the good obtained relative to its price" (Ibid., p. 188). The difference in the price the consumer is willing to pay for the exact same good differs by the setting of the exchange (transaction utility)—and "the perceived value of the ‘deal’" (Ibid., p. 189) is not equivalent to the ‘reference price’ (the known regular price).

What if acquisition and transaction utility were incorporated into studies of payday loans and predatory lending? The individual might be asked the following scenario.

You are worried that your car will be repossessed due to your payments being in arrears. You use your car to go to work, and you would rather get a loan from a financial institution than to ask for a loan from friends or kin. All the money you had is spent. For the last hour you have been thinking about how a short-term loan would bring you and your family relief. You go to fill out a loan application at the only nearby place where short-term loans are available to a person without a strong credit history (a Credit Union) [a PayDay Loan Store]. Your friend tells you that she saw on the news that loan rates were 8 percent on average but that some places charge more and others charge less. And upon arriving at (the Credit Union) [the PayDay Loan Store], you discover that there is a form on which you must first indicate the top percentage rate you will accept to obtain a loan. If you are at or above the rate the institution wants to charge, you will obtain the
loan; if you are below the rate, you will not obtain the loan. You will not be allowed to revise your estimate. What is the maximum percentage rate for the short-term loan you are willing to pay at (the Credit Union) [the PayDay Loan Store]? [Author]

The individual should try to get as close to 8 percent as possible (if this is an optimization problem), but what we expect is that the individual will try to match the right interest rate with the right situation. In other words, one might observe that paying a higher APR for a loan at a PayDay lending office might seem as if it is reasonable due to the setting in which the money is obtained. If the respondent took a deal at the PayDay Loan office that she would have deemed inappropriate at the Credit Union, she must have had derived transaction utility from PayDay Loan office setting. Second, one might suspect that the question of the interest rate will come late in the evaluation of the deal. Having gotten to the site of the transaction, the next question for the borrower is whether the loan will be granted, and the terms of the loan will come last and late. Deals are evaluated processually, and each performative component of the deal unfolds without seeming regard for an analysis of (and an attempt to manipulate) the entirety of the transaction. Third, the bundle of relationships implicitly requesting, or explicitly benefiting from, the deal would be of secondary importance in the scenario as presented here in a mental accounting framework (Zelizer 2012), but one’s feelings towards the members of one’s group might trump concerns for one’s future credit history. When behavioral psychologists do analyze social relationships in these deals, they study them as nominal dyads and without dynamic contestations about the nature of the relationship (e.g., McGraw, Tetlock, and Kirstel 2003). Finally, the behavioral scenario neglects the collective representations and the system of meanings
generating transaction utility (institutionalized interests) for differently situated persons. (For a critique of mental accounting, see Zelizer 2012.)

There are collective representations in the marketplace that repel some people from “the deal” while attracting others to it: This is the kind of deal that people-like-me take. In this set of collective representations are roles that should be played by actors whose affect matches the role; and historical struggles shape the sense of appropriateness for these roles. These relationally-oriented actors loosely remember the sequence of actions expected for the transaction; with improvisation they speak their lines and present for different audiences (or congregations) their financial selves, and these selves know their place; they’ve been in this set of ritual-like interactions before.

This means that a person can walk by a Credit Union, forgoing a lower interest rate, and select a PayDay Loan, even after being “educated” in better ways to budget her money. Some rituals feel familiar; some ritual sites draw her in just as they drew her socially relevant others in prior instances. She accounts for her decisions after the fact with explanations of comfort and exigency; she does not mention her role in the ritual transaction, the authority she granted the loan officer, and the appropriateness she deemed the site of the transaction for a person such as herself.

**Valuation Rituals and Consumer Demand**

While some consumer rituals are decentralized, enacted within households, other rituals occur in central sites. These rituals become ever more important as the status of the upper class becomes threatened by consumption imitation among the *arrivistes*. DiMaggio (1990, p. 127) writes:
[T]he adumbration of rituals and ideologies of appropriation […] render acts of consumption qualitatively different even if what is consumed is the same. As Bourdieu (1977) has argued, such rituals attempt to sacralize the items consumed by severing their connection to the market; when this cannot be done through a process of monopolistic closure, it is attempted through symbolic means.

Indeed, in *Outline of a Theory of Practice* (1977), one finds the ritualized processes of transactions as the basis of economic transactions. The wrong set of actions mismatched to the ritual can lower the value or change the significance of the object/monies exchanged. Bourdieu does a better job in pre-modern settings than in modern ones as he examines rituals versus the accumulation of different forms of capital, respectively. Indeed, Friedland (2001) argues that Bourdieu’s conceptual fields do not do justice to ritual processes as his fields and their accumulations of capitals flatten out and homogenize the diversity of meaningful experiences (and processes) otherwise observable in his class fractions of modern society.

What observations can be made of the symbolic differentiation process as ritual? Public relations teams gather together journalists for focused examinations of products. Charismatic figures such as television or music celebrities confer their approval on the product; the settings in which the products are unveiled convey a sense of iconicity—the snow covered terrain of Jackson Hole, Wyoming for the Jeep Grand Cherokee; the mountains of Tennessee for the Ram Truck. The journalists gather with a programmed itinerary to listen to the designer (authority figure), to test drive the cars while following a pre-set route, to generate energy and resonance, a feel, for the brand. These journalists act as demand intermediaries, expressing their own sentiments about the product while attending to the imagined sentiments of their audiences.
Public relations teams employ valuation rituals. In the marketplace, valuation rituals are the polar opposite of the degradation ceremony described by Garfinkel (1956, p. 420). Valuation rituals help to regulate expectations (moral regulation) in a commercial exchange, focusing moral esteem on those objects whose usage conforms to certain social norms. When the valuation ceremony succeeds, the object is dramaturgically rendered as supraordinary, leading to a premium being assessed to it in comparison to other objects in its class. The ceremony ritually removes the object from the mundane valuation order. As Goffman (1967, p. 54) examined degradation rituals, he acknowledged the dynamism of the ceremonial rules that allow “the individual to express his character or to convey his appreciation to the other participants in the situation.” Analogously, a valuation ritual enables the appraiser to affirm, modify, or reject the perceived collective judgment of others regarding the commodity-like properties of an object—its suitability to be produced for the purpose of commercial exchange and its relative standing among other objects also deemed to be commodity-like.

A ritualized markets approach to public relations would take into account the system of representation of places, making some sites appropriate for a brand’s identity. The team would also be attuned to the collective narratives about what kinds of hotels and presentation settings are appropriate for a Jeep versus a Town and Country minivan. The setting needs to tell a story; and the barriers to entering the setting (the invitation process; the exclusivity of the site) facilitate the focus of attention on the object, its signs, and implicit comparisons with signs antithetical to the brand. Images of the brand’s core followers and their commitment to the product (Bagozzi and Dholakia 2002; Cova and Cova 2002; McAlexander, Schouten, and Koenig 2002; Schau, Muniz, Arnould 2009) also influence the journalists’ evaluation of the newly unveiled object. For brands that have been resurrected from the dead, how have their revivals taken place? For
brands shamed by dramatic failure, how has faith been restored in them? These belief management strategies fall within the purview of a cultural economic sociology attentive to ritualized presentation, valuation, and exchange.

Consumer culture theorists in marketing departments have studied Jeep as a brand community, dependent on ritual and traditions, infused with a sense of moral obligation towards the brand, and characterized by a consciousness of kind among its consumers. One can see Jeep adherents gathering for the weekend (at their own expense) to participate in Jeep Jubilees; they rally along a rugged route, on a pilgrimage to affirm the group’s values. “Real” Jeep drivers abhor imposters but are quick to lend a hand to others who really care about the vehicle and what it represents. Perfect strangers flash their lights at one another as they encounter other users of the same brand. The most zealous know the Jeep’s history and are eager to share it.

What would consumer culture theorists gain from a ritualized markets perspective? Consumer culture theorists emphasize practices but de-emphasize their ritual character:

Practices link behaviors, performances, and representations through (1) procedures—explicit rules, principles, precepts, and instructions—(2) knowledge of what to say and do, skills and projects, or know-how (i.e., tacit cultural templates for understanding and actions); and (3) engagements—ends and purposes that are emotionally charged insofar as people are committed to them. [Schau, Muniz, Arnould 2009, p. 31]

The tacit cultural templates are not specified, nor are these cultural templates rendered autonomous, operating within a system of templates, influencing and being influenced by those who re-combine the templates in innovative ways (e.g., Stark 2009). In the ritualized markets paradigm, the procedures function as unfolding rituals that generate emotional energy; and the
procedures as well as the know-how in enacting them generate, reinforce, or challenge the barriers to entering the ritual. This results in what Schau, Muniz, and Arnould recognize as “(1) evangelizing and (2) justifying”:

Members of [the Star Trek and the Apple Newton brand communities] engaged in impression management, evangelizing and justifying ‘their devotion to manage stigmas associated with overt sci-fi fandom and reliance on an obsolete and abandoned technology, respectively’. [Ibid., p. 34]

The symbolic environment pits Star Trek believers and Apple Newton devotees against respective unbelievers. These consumers identify their totems, express their devotions to it, and act to protect the values they hold sacred. At the same time, they tend to spread the good news, offering stories of salvation where harrowing events were brought to heel, and stories of transformations, where a filthy, exhausted person became transformed into a new creature through her exposure to a sacred object (the brand).

The birth of the new person (a well known religious trope) finds itself applied to the arrival of new products. For the BMW Mini, the production week for the new model unfolds through a highly ritualized process. The customers name their cars, anticipate its arrival, and “create commemorative ‘baby books’ to document the new arrival” (Schau et al. 2009, p. 36). As the process unfolds, the emotional engagement of the customers increases and “a special dialect to speak about the impending arrival” (Ibid., p. 36) function as symbols of membership in an exclusive community. While the authors specify this process as one of social networking, they would benefit from an explicit theorizing of these processes through a ritualized market perspective. Rituals, unlike networks, include collective enactments of practices, demonstrations
of beliefs, and the generation of emotional energy along with symbols of membership. Social networks are not theoretically tied to symbolic environments; ritualized markets are. And theories of brand communities are not attentive to the (implicit, often unseen) bundle of relationships relevant to the purchases and use of a good; the ritualized markets paradigm would bring this relational work to the fore.

In less direct market rituals, symbolic performances allow the re-valuation of commercial collectivities, such as business districts or trading floors. The ritualized performance establishes the identity of the market, its appropriate procedures, and the principles protected from pollution. Consider a commercial business district where the business development corporation is trying to raise the economic value of the district’s businesses. Community leaders in their Sunday best, on a construction site wearing hard hats overturn dirt, sing hymns (as the landowners did in the ancient times described by Durkheim): they break ground; and holding oversized scissors, they cut a ribbon as they engage in a ceremonial ritual. Sometimes they even use music, the arts, and the ethnic character of places to re-capitalizetheir economic values (Zukin 1995; Wherry 2011). What would happen if these rituals did not accompany the opening of a business, all other things being equal (e.g., Friedland and Robertson 1990)? Consider too how the ceremonial ringing of the bell for the New York Stock Exchange—what DiMaggio (1990) calls a ritual of rationality—requires time, effort, and resources but seems to serve no explicit commercial purpose other than establishing the stock market as a collective endeavor tied to a variety of civil society publics (Meyer and Rowan 1977; Weber, Davis, and Lounsbury 2009). How are the ritual components of corporate gifts to places ravaged by natural disasters to be understood and how would attending to acts of piety along with acts of privation challenge existing studies of corporate gifting (e.g., Weinberger and Wallendorf 2012)? The variation in the sites of valuation and
consumer demand point to the range of phenomena the ritualized markets perspective can address.

**Conclusion**

In conclusion, it is the realm of ancient beliefs and religious rituals where the meanings of social life cannot be evacuated in favor of mathematical optimization exercises. Belief and ritual do not end at the altar but extend into, and undergird, a host of market processes. Examinations of rituals help us better understand how people make economic decisions and what generates and sustains the demand for commercial objects. As social scientists we are able to examine the binary oppositions between the sacred and the profane, but we analyze these binaries as imagined (though real), and we identify the observable practices these binary oppositions inspire. In these practices the interpenetration of the sacred and the profane is manifest; therefore, it is appropriate to examine commercial markets as interpenetrated phenomena, constituted by rituals, shaped by a symbolic environment that it re-shapes in due course, and amenable to empirical investigation in its own right. Markets react to and are constituted by rituals, and the rituals depend on collective representations that are exterior and prior to *homo economicus*. These conditions of exteriority should be understood in the context of (analytically) autonomous cultural structures. The analytic autonomy of culture enables its measurement independent of its hypothesized consequences, and analytic autonomy enables the possibility that cultural meanings and collective representations can have autochthonous origins and unexpected dynamics (Alexander 2004); the representations can take on lives of their own, sometimes divorced from the material conditions in which they are imbricated.
The contingent, micro-level unfolding of a ritual’s partially scripted dramas (Wherry 2008), the imaginings of future market states (Beckert 2011), and the symbolic codes crafted from overarching collective representations (Zelizer 2010; Alexander 2011) affect how social ties operate in markets and how their effects may wane or become more amplified in different historical time periods when institutional practices and opportunity structures change (see analogous discussion of networks and banking in Mizruchi, Stearns and Marquis 2006). And collective representations shaping market rituals are “amplified each time [they are] echoed, like an avalanche that grows as it goes along” (Durkheim [1912] 1995, p. 212). In the modern economy, “we speak a language we did not create; we use instruments for evaluation that we did not invent; we claim [and ritually reproduce] rights we did not establish; each generation inherits a treasure of knowledge it did not itself amass” (Ibid., p. 214); hence, attending to the elementary forms of religious life as the basis for economic action enables us to recast sometimes elusive, embedded markets (Krippner 2001) into tractable, ritualized ones.
Table 1. Religion and Economic Life in Embedded and in Ritualized Markets

<table>
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<th>Embedded Markets</th>
<th>Ritualized Markets</th>
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<td><strong>Objects of Study</strong></td>
<td>Institutions, categories and classification schemes, material/structural patterns</td>
<td>Ritual-like interactions, incessantly negotiated meanings; symbolic meaning systems; dramaturgical enactments</td>
</tr>
<tr>
<td><strong>View of Religion</strong></td>
<td>Occupying a separate sphere, traces from earlier historical period may remain, declining significance over time</td>
<td>Connected, imbricated practices; enduring significance of the sacred; interpenetration of sacred and profane</td>
</tr>
<tr>
<td><strong>Preferred Methods</strong></td>
<td>Comparative-historical, quantitative, network analyses</td>
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Adapted from Table 1 in Wuthnow 2005, p. 607

References


