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Institutional factors in the innovation of market ecosystems
A service-dominant logic perspective

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A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy in Marketing.

The University of Auckland, 2019.
Abstract

Ironically, although ‘the market’ is foundational to the marketing discipline, it has a long history of being under-studied by scholars. From a managerial perspective, markets have traditionally been conceptualized as entities that are external to the firm, relatively stable, and that can be ‘measured’, ‘segmented’, and ‘targeted.’ However, as disruption accelerates and new technologies exponentially grow, the managerial skills and concepts needed to cope with rapid change far exceed the conventional ‘toolboxes’ inherited by marketers and strategists.

Primarily drawing on institutional theory within a service-dominant logic perspective, this thesis examines markets as complex systems, comprising multiple elements beyond just firms, products, customers, value chains, and industries. The thesis comprises four discrete but intellectually-related research outputs, which investigate markets and the ability of market actors to deliberately shape or innovate them. Study 1 is a conceptual essay that explores service-dominant logic as a unifying lexicon for understanding innovation at any level of aggregation, whether it be technological, business model, or market innovation. Study 2 features a machine-based lexical analysis of three contemporary academic literature streams relating to the deliberate innovating of markets to learn which most accurately reflects contemporary, complex systemic markets. Studies 3 & 4 each feature a case study. Study 3 uses ‘systematic combining’, the abductive approach to case study research, to examine market disruption and innovation in the market for circus in North America during the 20th century. The role of different actor groups in influencing and performing market-shaping strategies are explored. Study 4 is a qualitative inductive investigation of rapid market-shaping undertaken by a small collective of collaborating competitors in the wine market.

The thesis concludes there is a dynamic relationship between the practices and performances enacted by market actors and the function and structuration of markets. Hence, markets are cocreated phenomena that may be deliberately shaped, especially through cooperation and collaboration. However, the efficacy of market-shaping is dependent upon the types of activities undertaken and the degree of collaboration, which ultimately affects how much market actors can influence others’ expectations, belief systems, assumptions, and practices.
Acknowledgements

Of course, the old adage of ‘standing on the shoulders of giants’ (*nanos gigantum humeris insidentes*) applies conclusively to the thesis contained herein. My thesis supervisory committee, Professor Roderick Brodie, Professor Kaj Storbacka, and Dr Sandy Smith have been wonderful. To Professor Roderick Brodie, my primary PhD supervisor, I cannot express my gratitude in words suitably here. Rod is a facilitator of others’ success and shows little need for personal reward. He personifies the definition of ‘service’ – “The application of specialized competences (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself” (Vargo & Lusch, 2004, p.2). His supervision far exceeded my expectations and included advice and counsel on conferences, networking, structuring articles (i.e., structuring thinking), theorizing, the publication review process (and its associated challenges), and so on. His advice, in late 2015, to pursue my doctorate via publication was wise and, I believe, the perfect apprenticeship for any aspiring academic – especially those of us at the older end of the age spectrum. The respect and awe with which others around the world hold Rod Brodie is testament to his intellect, warmth, work ethic, and contribution to the marketing discipline over so many years.

Professor Kaj Storbacka is an extraordinary intellectual who brings with him an incredible breadth of knowledge and dedication. His wise, patient contribution to the development and refinement (i.e., continuous improvement) of the research outputs that appear as Chapters 4 and 5 was an education in itself. He also brings with him a ‘Suvi’, in the form of Professor Suvi Nenonen, co-author in the research output that appears as Chapter 6 in this thesis. Together, Kaj and Suvi have done an excellent job ‘shaping’ my keen interest in, and perspective of, ‘market-shaping.’ Like Rod, they are held in such high esteem in the international community due to their extraordinary work focused on better understanding contemporary markets. They are also excellent role models for 21st century academics as they are passionate about closing the theory-praxis gap. Lastly, Dr Sandy Smith was invaluable in easing me into the conference context and the service researcher network, and provided many insightful, thoughtful, and encouraging comments throughout the PhD process.
I also wish to thank Dr Julia Fehrer, a co-author in Chapter 2 of this thesis. Julia is an emerging star, a keen intellect and wonderful collaborator. Over the last two years I had the pleasure of acting as a ‘Guest Professor’ twice at Julia’s alma mater, the University of Bayreuth, in the Department of Services Management under Professor Dr Herbert Woratschek. Both visits proved to be tremendously productive for my research. Herbert and I enjoyed long car trips and meals together, accompanied by wonderful conversations about theory, management, and the interface between them. Herbert has become a friend and now also a research collaborator, and I am grateful for the warmth, hospitality, and stimulation he and the other staff at Uni-Bayreuth showed me (especially Franzi).

I have been lucky to attend numerous conferences while pursuing this PhD. I would like to acknowledge the impact that some particularly inspirational professors had on me at these events through conversations and their presentations, including (in alphabetical order) Professors Michael Kleineltenkamp, Helge Löbler, Jörg Sydow, and Steve Vargo, among others.

I am grateful for the financial assistance I received while undertaking this thesis. First, I want to acknowledge the support of the Freemasons through the University of Auckland Post-Graduate Scholarship for 2018. I was also a recipient of a Publishing Award and Conference Funding from the University of Auckland Marketing Department, and a Doctoral Scholarship from the Postgraduate Office. Furthermore, I wish to thank the Marketing Department for their help and support in completing this thesis. Additionally, my colleagues at AUT have been wonderful conversationalists and supportive of my journey throughout.

Last, but definitely not least, I wish to express my love and gratitude to my family for their never-ending supply of encouragement and support in undertaking this thesis. My sister, Dr Sarah Baker, has been consistently positive and empathetic, and always a challenging and interesting conversationalist. My wife, Nicola, is a bottomless well of strength, love and compassion, and has no doubt been the glue that has held our family together over recent years. My two children, Emma and Kaede, have been understanding, supportive and encouraging (and sometimes a little concerned for my wellbeing despite the vicissitudes of their own young lives). Thank you, I am so lucky!
This thesis is dedicated to N, E & K.
Status of papers at time of thesis submission

Chapters 3 to 6 of this thesis comprise separate but interlinked research studies, all of which are at various stages in the publication process.

Chapter 3 is a book chapter accepted for publication in the *Routledge Companion to Service Insights and Ideas*, edited by Eileen Bridges and Kendra Fowler, due for publication in 2020. The chapter went through one round of review. The version that appears in this thesis features minor differences from that which will be published due to the different contextual requirements of the thesis from the book. Routledge allows for chapters to be published in theses providing the thesis is not copyrighted so copyright can be assigned to Routledge (based on personal communication between the book editors and Routledge).

Chapter 4 is an academic journal article that has been submitted to *Marketing Theory*. The article has recently received an invitation from the journal editor to revise and resubmit (as of late July 2019). However, the originally submitted version appears here. Sage Publications regulations allow authors to freely reuse published content in a dissertation or thesis\(^1\). A pilot study of this article first appeared as a paper at the *Australia New Zealand Marketing Academy* conference in Christchurch, New Zealand, in December 2016.

Chapter 5 is an academic journal article published in *Marketing Theory*. The article was published online in December 2018 and is due for publication in hardcopy form in Volume 19, in the third quarter of 2019. The article was first submitted to *Marketing Theory* in December 2016, then went through three rounds of review before acceptance in November 2018. Sage Publications regulations allow authors to freely reuse published content in a dissertation or thesis\(^1\). Various versions of this article have been presented at conferences: in June 2017 at both the 5\(^{th}\) *Naples Forum on Service* in Sorrento, Italy, and *QUIS 15* at the University of Portugal, Porto; at the *Australian New Zealand Marketing Academy* conference in Melbourne, Australia, in December 2017; and a portion of it in its final form at

\(^1\) See https://au.sagepub.com/en-gb/ocj/journal-author-archiving-policies-and-re-use
the *Forum on Markets and Marketing* at the University of Arizona, USA, in December 2018. The paper was also presented in part at the University of Bayreuth on January 15, 2018, as a research seminar.

Chapter 6 is an academic journal article finalized for submission to *Industrial Marketing Management*. As with Chapter 4, the paper included in this thesis is the pre-print version. *Industrial Marketing Management* is published by Elsevier which allows authors to share ‘pre-prints’ of their own work. This article first appeared as a conference paper at the *Australian New Zealand Marketing Academy* conference in Adelaide, Australia, in December 2018, and subsequently at the Naples Forum on Service in Ischia, Italy and QUIS 16 in Karlstad, Sweden, both in June 2019.

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2 See https://www.elsevier.com/about/policies/sharing#
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1 INTRODUCTION

1.1 Motivation and purpose

Markets have been a feature of human civilization for millennia and are remarkable for their wealth-generating capabilities. Markets also incentivize entrepreneurial activity (Hawken, 2010) and deliver superior societal outcomes than command economies – a factor that contributed to the collapse of the Soviet Union 30 years ago (Hunt, 2015). Indeed, markets are now ubiquitous in their presence around the world (Sandel, 2012; D. Slater & Tonkiss, 2001) and are increasingly enabled and lubricated by modern technologies such as the internet and smartphones. These technologies rapidly dissolve inefficiencies and emancipate multiple market actors with their numerous goals, desires, and cultural and social contexts, to come together and create value for themselves and each other (Taillard, Peters, Pels, & Mele, 2016). Hence, there are a growing number of complex markets today, comprising diverse groups engaged in market activity.

One of the most striking illustrations of the human need for markets is provided by Radford’s (1945) personal account of economic organization within a Prisoner-of-War (POW) camp during WWII – Stalag VIIA in Moosburg, Southern Bavaria. The fences of the camp and the German soldiers standing guard ensured strict ‘trade barriers.’ But even in this extremely compromised context, early attempts at bartering quickly gave way to formalized exchange mechanisms. Cigarettes emerged as the currency of choice, which enabled more efficient and transparent trade and exchange of Red Cross-supplied provisions. However, despite the seeming simplicity of this small bounded economy, exchange was not a simple affair. The pricing environment was unstable – as commodities dwindled or increased waves of inflation and deflation occurred, and arrivals of new packets of cigarettes unsettled incumbent valuations.

Although the small economy was largely bereft of both production and labor factors, social and cultural elements proved most critical in shaping the structure and function of the market. The value of a good was reflected not in its value-in-exchange but in its value-in-use, in-context (Lusch & Vargo, 2014) to the prisoners who were housed according to nationality (Strehle, 2017). For example, beef, tea and biscuits were desired by the English, who in turn were eager to sell their coffee to the French; butter and jam were needed by the mostly-vegetarian Sikh Gurkhas, who in turn were able to specialize in the trade of meat.
While the cigarette maintained its role as the medium for exchange, complexity arose around social and cultural practices; institutional norms and informal rules loosely governing these practices became established. For example, trading with German captors was socially condemned and middle-men were considered unsavory characters. Attempts at formal regulation – non-profit price-fixing – undertaken by senior British officers concerned at the health impact on heavy smokers incentivized to trade food beyond what was healthy, proved feeble and ultimately useless. Despite the presence of a formal military hierarchy, it was the informal institutionalized norms that shaped the function and structure of the market, while contextual social and cultural practices shaped these norms.

Even without accelerating change and innovation, modern communication technologies, and the surfeit of choices available today, this small contained context of a POW camp provides an eloquent illustration of the foundations of contemporary, complex market systems – a swirling collection of social, cultural, and institutional factors including belief systems, assumptions, expectations and practices. The interdependence of (formal and informal) institutions that govern a market, and the institutionalized practices and beliefs that exist within that market, are key areas for understanding how markets are constantly formed and reformed. Hence, the overall purpose of this thesis is:

*To explore contemporary perspectives of complex markets including the social and institutional factors that contribute to their shape, and to examine the way market actors can influence these factors to deliberately shape markets.*

From the outset, this thesis adopts Nenonen, Storbacka and Frethey-Bentham’s (2018, p.2) definition of markets as “complex adaptive socio-technical-material systems, consisting of institutions, actors, practices, and discourses that organize particular economized exchanges.” Hence, in this thesis ‘the market’ conceptualization includes not just the marketplace (either ‘real’ or ‘virtual’) where exchange of market offerings takes place, but also other constituent groups such as the ‘industry’ or ‘field’, the ‘value chain’, and other actors that drive (or resist) change or innovation in the market. Additionally, the practices, behaviors and activities of these market actors form part of the market. Lastly, while markets are complex systems that comprise multiple elements, at their core they “organize economized exchanges” (Nenonen et al., 2014, p.271).
In adopting this conceptualization of markets as socio-technical-material systems, this thesis is implicitly grounded in a service-dominant (S-D) logic perspective (Storbacka & Nenonen, 2011a; 2011b). S-D logic asserts value creation processes occur as actors, embedded in service ecosystems (e.g., markets), integrate resources through service exchange (Lusch & Vargo, 2014; Vargo & Lusch, 2008). Next in this introduction, S-D logic as a general theoretic perspective is discussed, including a description of S-D logic’s underlying principles and its application as a frame for theorizing about marketing phenomena. In connection to this, the need for further development of midrange theory for S-D logic is presented. Midrange theory provides a link between general theories and applied theories; hence, midrange theories enable generation of models or frameworks for undertaking empirical investigation in given contexts. Following this discussion of S-D logic, a summary of some of the extant marketing literature on markets and the ‘market innovation’ concept are presented. Finally, the introduction concludes with a presentation of the research objectives and structure of the thesis, including an introduction to each of the research studies found in Chapters 3 to 6.

1.2 Service-dominant logic as a general theoretic perspective

S-D logic (Lusch & Vargo, 2014; Vargo & Lusch, 2016) provides an inclusive, holistic, and dynamic conceptualization of markets and marketing. With their seminal publication on S-D logic in 2004, Vargo and Lusch articulated a paradigm shift in marketing, unifying a growing disquiet amongst numerous marketing scholars at the incumbent, dominant logic of marketing. Through most of the 20th century the marketing discipline had been largely underpinned by the principles of neo-classical economics – manifesting as (what Vargo and Lusch, 2004, called) a ‘goods-dominant’ (G-D) logic (Lusch & Vargo, 2014).

1.2.1 A goods-dominant logic

A G-D logic assumes that the production and exchange of (usually) tangible goods for money is the primary function of the firm (Koskela-Huotari & Vargo, 2018). Value is thought to be embedded in these goods by the producer and realized when goods are exchanged for as much money as the customer will pay. Hence, from a G-D logic perspective it is presumed the focus of the firm is on maximizing value-in-exchange and that value is based on output of products (goods) (Edvardsson, Tronvoll, & Gruber,
However, a manufacturer-centric G-D logic fails to acknowledge that “customers seek solutions and experiences, not products” (Lusch & Vargo, 2014, p.6), and that the value of any product (good or service) is the value-in-use that it provides (Michel, Brown, & Gallan, 2008), in a given social context.

In the latter half of the 20th century it became apparent that what was actually being exchanged in markets was not necessarily wholly goods-based (Lusch & Vargo, 2018). Instead, value offerings were either partly, or fully, comprised of numerous ‘intangible’ elements (e.g., the ambience of a fine restaurant). In response, the services marketing movement emerged in the 1980s as a subset of mainstream (product-focused) G-D logic marketing (e.g., Lovelock, 1983; Zeithaml, Parasuraman, & Berry, 1985). Services marketing sought to address the ‘shortcomings’ of service-related products by attempting to ‘tangibilize’ them through concretized symbols and representations, and reliable, replicable processes.

Concurrently, from the 1980s a number of influential marketing scholars began to actively question the assumptions that underpinned the G-D logic foundations of marketing thought. For example, the Nordic School of marketing (e.g., Grönroos, 1994; Gummesson, 1987; 1994) and the Industrial Marketing and Purchasing (IMP) Group (e.g., Håkansson, 1982) emerged due to frustration at perceived shortcomings in marketing concepts and research. These shortcomings included a lack of recognition of the interactive, close and interdependent relationships prevalent in business-to-business marketing between suppliers and purchasers, and the importance of offerings that are services as opposed to goods (Håkansson, 1982).

A decade later, Normann and Ramirez (1993, p.65) questioned the mainstream incumbent notion of the assembly line-like ‘value chain.’ The authors highlighted the idea that markets are value-creating systems, and as such, “the only two resources that really matter in today’s economy [are] knowledge and relationships or an organization’s competencies and capabilities.” Furthermore, Grönroos (1994, p.13) called for the development of a general theory of marketing, asserting that a systems approach would be well-suited as “it makes it possible to include all relevant actors, environmental influence, and even the process nature of marketing.” Later, pointing to the prevalence of highly-connected and informed 21st century customers who “seek to exercise their influence in every part of the business system,” Prahalad and Ramaswamy (2004a, p.5)
asserted the concept of value cocreation resulting from firm-customer interaction. Firms had previously been seen as autonomous in determining value, and groups of consumers simply represented demand for the firm’s products. Instead, the authors proposed value is actually jointly created and evolves through time through interaction of stakeholders. As such, value cocreation activities harness “open and social resources of individuals and their skills on the one hand, and enterprise and network resources of multiple private, public, and social sector enterprises on the other” (Ramaswamy & Ozcan, 2014, p.xvii). Multiple actors are involved in value creation through time, and it is the idiosyncratic, contextual experiences that different individuals have that defines derived value.

S-D logic serves as a unifying conceptualization for these various perspectives mentioned above (including G-D logic), by placing “more emphasis on (1) intangible resources in relation to tangible resources in value creation, (2) collaboration over competition, and (3) relationships over transactions” (Koskela-Huotari & Vargo, 2018, p.41).

1.2.2 The premises of S-D logic

S-D logic was originally expressed as eight foundational premises (FPs; Vargo & Lusch, 2004), but was later expanded to ten (Vargo & Lusch, 2008) and then eleven FPs (Vargo & Lusch, 2016). At the same time the FPs were expanded to eleven, five of them were elevated to axiomatic status (Vargo & Lusch, 2016). This was to give S-D logic improved clarity and parsimony. The remaining six FPs are implicitly embedded within the five axioms. The axioms and foundational premises appear in Table 1, some of which are referred to in this subsection.

S-D logic is underpinned by the concept that all value is cocreated by actors engaged in service-for-service exchange (Axiom 1, Table 1). Service is defined “as the application of specialized competencies (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself” (Vargo & Lusch, 2004, p.2). S-D logic asserts that even a tangible good acts as a mechanism or instrument for the delivery of service to the customer who purchased it (Vargo & Lusch, 2008), so the value-in-use of a good is what is desired. For example, an automobile provides a service to its driver and passengers – getting from A to B. And this service may also be experiential and affective, conferring status, providing comfort, etc. Further,
the realization of the value of this service involves considerably more than just those responsible for the good – the automobile engineers, manufacturers, designers and dealers, etc. Indeed, value realization also requires drivers and their skills and knowledge, passengers, and many others in the broader ecosystem (e.g., the knowledge and skills of road builders, roading providers, gasoline refiners and distributors, etc.). Hence, all value is cocreated through service-for-service exchange.

Furthermore, value cocreation occurs through time, through the exchange of service by any number of actors. This service exchange does not necessarily occur simultaneously or directly. Instead, one actor might offer service indirectly through a good, while someone else applies their knowledge and skills (service) later when using that good. Additionally, the services someone applies in their work to earn money enables them to pay for service provision from another. The nature of service exchange and resulting value cocreation, then, is processual, and is not necessarily limited to a single point in time, e.g., when money is exchanged for goods.

Table 1: The axioms and foundational premises of S-D logic
(Drawn from Vargo & Lusch, 2016, p.18)

<table>
<thead>
<tr>
<th>A</th>
<th>FP</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 /</td>
<td>FP1</td>
<td>Service is the fundamental basis of exchange</td>
</tr>
<tr>
<td></td>
<td>FP2</td>
<td>Indirect exchange masks the fundamental basis of exchange</td>
</tr>
<tr>
<td></td>
<td>FP3</td>
<td>Goods are distribution mechanism for service provision</td>
</tr>
<tr>
<td></td>
<td>FP4</td>
<td>Operant resources are the fundamental source of strategic benefit</td>
</tr>
<tr>
<td></td>
<td>FP5</td>
<td>All economies are service economies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A2 /</td>
<td>FP6</td>
<td>Value is cocreated by multiple actors, always including the beneficiary</td>
</tr>
<tr>
<td></td>
<td>FP7</td>
<td>Actors cannot deliver value but can participate in the creation and offering of value propositions</td>
</tr>
<tr>
<td></td>
<td>FP8</td>
<td>A service-centered view is inherently beneficiary oriented and relational</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A3 /</td>
<td>FP9</td>
<td>All social and economic actors are resource integrators</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>A4 /</td>
<td>FP10</td>
<td>Value is always uniquely and phenomenologically determined by the beneficiary</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A5 /</td>
<td>FP11</td>
<td>Value cocreation is coordinated through actor-generated institutions and institutional arrangements</td>
</tr>
</tbody>
</table>
As value-in-use holds primacy over value-in-exchange, and value is not something that is realized only at the time of sale but through time, firms must not just market to customers but must also interact with customers to realize value collaboratively (Ballantyne & Varey, 2006). Consequently, rather than value propositions being perceived as benefits to be provided to a customer by a company at a certain price, value propositions are instead “promises of value creation that build upon configurations of resources and practices” (Skålén, Gummerus, Koskull, & Magnusson, 2015, p.144). By recognizing the breadth of actors involved in value cocreation processes, the potential resources available for developing and realizing innovation opportunities (beyond just internal firm R&D facilities) are increased enormously (Michel et al., 2008). Examples of these premises in action every day are the Google or Apple app stores, where smartphone users, developers, platform providers, hardware manufacturers, and others come together to cocreate value in an ongoing fashion.

S-D logic also considers the resources that actors have available to draw on. Actors can be individuals, organizations or even social collectives. Whenever people act, they are involved in a collaborative process of integrating operant and operand resources (Axiom 3). Operand resources are those resources that are acted upon (e.g., machines or natural resources), while operant resources (e.g., people’s knowledge and skills) act upon operand resources (Vargo & Lusch, 2004). Like the G-D logic perspective of seeing products as having utility embedded within them, a traditional perspective of resources typically focuses on tangible, static operand resources such as plant and equipment. However, in S-D logic, resources are “anything, tangible or intangible, internal or external, operand or operant that the actor can draw on for increased viability” (Lusch & Vargo, 2014, p.121). Operand resources are only useful when operant resources act upon them. Hence, whether an actor in an ecosystem is a customer, an employee, a supplier, or any other involved in the cocreation process, value can only be realized when operant resources (e.g., human knowledge, skills, social capital, etc.) are applied to dynamic, tangible resources.

Another key concept of S-D logic is the service ecosystem, which comprises a network of multiple actors (Axiom 2) engaged in the process of value cocreation through the integration of operant resources (especially their knowledge and skills) and service-for-service exchange. Lusch and Vargo (2014, p.161) define service ecosystems as “relatively self-contained, self-adjusting systems of resource-integrating actors
connected by shared institutional arrangements and mutual value creation through service exchange.” The smallest service ecosystem involves one human individual interacting with another; the largest “comprises the global economy” (Maglio & Spohrer, 2008, p.18). Therefore, service ecosystems themselves are nested and layered within one another at micro-, meso- and macro-levels. For example, nested service ecosystems could be a department, within a company division, within a firm, within an industry, within a market, within a national economy, etc. (Koskela-Huotari, Edvardsson, Jonas, Sörhammar, & Witell, 2016); or alternatively a family, within a community, within a city, within a society, etc. Each of these are whole ecosystems in and of themselves yet are nested within larger ecosystems at other levels.

Adopting an S-D logic perspective, markets are also service ecosystems. This conceptualization contrasts with the traditional, G-D logic-based conceptualization of markets as primarily comprising dyadic economic exchanges between producers (as value creators) and customers (as value destroyers). In service ecosystems, all value is cocreated over time, wherever system actors intersect (Lusch, Vargo, & Gustafsson, 2016). Therefore successful value cocreation processes are dependent on access to the dynamic resources of other actors within an ecosystem (Chandler & Vargo, 2011; Vargo, Wieland, & Akaka, 2015; Wieland, Koskela-Huotari, & Vargo, 2016). It doesn’t matter if you are the Berlin Philharmonic Orchestra – arguably the best symphony orchestra in the world – unless musicians, listeners, concertgoers, funders, sponsors, producers, and others are engaging in service exchange with you, you are bereft of value.

No matter the size or level of ecosystem, value is perceived individually and uniquely by each beneficiary of service (Axiom 4), in the social context in which they reside (Edvardsson et al., 2011). Hence, multiple unique perceptions of value can occur as actors integrate resources with each other, each with their own value system, concerns and interests (Breidbach, Smith, & Callagher, 2013). In addition, as value cocreation occurs through time and not at any one fixed point, the perception of value can change or evolve through time as well. By extension, value propositions must be considered from the perspective of the service beneficiary through time, not the firm at the time of sale (Skålén et al., 2015). In sum, the value of any innovation is not judged by “what firms produce but how firms can better serve” (Mele, Pels, & Storbacka, 2015; Vargo & Lusch, 2008, p.5).
In more recent elaborations of S-D logic, both systems and institutional perspectives have been incorporated to enable ‘zooming out’ to a more dynamic and holistic perspective of value cocreation processes (e.g., Chandler & Vargo, 2011; Lusch & Vargo, 2014; Vargo & Lusch, 2016). One of the key theoretical integrations has been of institutions as the mechanisms that both enable and constrain the coordination of value cocreation activities, and the interpretation of value by embedded actors (Wieland, Koskela-Huotari, & Vargo, 2016). Importantly, the term ‘institutions’ refers to the formal and informal rules, schemas, mental models, practices, assumptions and behaviors that are taken-for-granted and guide people’s daily lives (Scott, 2001). The systemic and institutional orientation of S-D logic is reflected in its definition of a service ecosystem as a “relatively self-contained, self-adjusting system of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange” (Vargo & Lusch, 2016, pp.10-11); and in Axiom 5, “Value cocreation is coordinated through actor-generated institutions and institutional arrangements” (Vargo & Lusch, 2016, p.18).

S-D logic offers a transcendent conceptualization of markets, and overcomes many of the inherent tensions and dichotomies present in a G-D logic (Koskela-Huotari & Vargo, 2018), e.g., the ongoing use and experiential value of a material good. As a mindset, S-D logic offers scholars and practitioners alike, an opportunity to reevaluate traditional interpretations of phenomena. However, further development of S-D logic as a theory is still necessary and is discussed next.

1.2.3 Scientific theory

Hunt (1983, p.10) asserts a scientific theory (in the marketing discipline) must include some “law-like generalizations that are empirically testable.” He further argues “the purpose of theory is to increase scientific understanding through a systematized structure capable of both explaining and predicting phenomena.” For Gioia and Pitre (1990, p.587) a “theory is a statement of concepts and their interrelationships that shows how and/or why a phenomenon occurs.” Brodie and Peters (2019, p.6) further clarify by stating, “a scientific theory, therefore, must explain something, rather than state or make claims.” Hence, Vargo, Lusch, and others (e.g., Brodie, Glynn, & Little, 2006; Brodie, Saren, & Pels, 2011; Brodie & Löbler, 2018; Lusch & Vargo, 2014; Vargo, 2007; Vargo & Lusch, 2016; 2017) have repeatedly asserted S-D logic does not yet qualify as a general theory. However, Vargo and Lusch (2017, p.60) “have suggested S-D logic
would lend itself to a general theory, initially not so much through a general theory of marketing as through a more foundational general theory of the market.” Brodie and Löbler (2018) echo this assertion by arguing S-D logic currently functions not as a general theory but as a paradigm.

1.2.4 S-D logic as a foundation for theory

In contrast to theories, paradigms can function when theory is not yet present as paradigms are always precursors to theory (Masterman, 1982). Kuhn (1970, p.10) asserted paradigms “provide models from which spring particular coherent traditions of scientific research.” Hence, a paradigm operates as a foundation for theory; as a meta-theory (Brodie & Peters, 2019). Several features of a paradigm, in the Kuhnian sense, are reflected in S-D logic.

First, paradigm status is something that is bestowed by a unified collection of experts (Eckberg & Hill, 1979). So, to qualify as a paradigm evidence is required that research and scholarship is undertaken that attempts to understand conundrums or problems using the lens of that paradigm. The ready embrace of S-D logic by a multitude of international scholars would attest to this being the case. Second, so-called ‘paradigmatic shifts’ are indicated by a change in lexicon as new paradigms emerge (Masterman, 1982). S-D logic certainly represents a paradigmatic shift from relationship marketing, which in turn represented a paradigm shift from the marketing mix before that (Brodie, Löbler, & Fehrer, 2019). Third, S-D logic provides a set of rules or principles (i.e., its axioms and foundational premises), a formative narrative (i.e., of value cocreation), and a lexicon (e.g., including ‘actors,’ ‘service exchange,’ ‘resource integration,’ etc.) that guide research in a particular discipline (Brodie & Löbler, 2018). Lastly, S-D logic enables understanding and analysis of phenomena at multiple levels of aggregation, that manifest at a macro-level, meso-level, or micro-level (Brodie & Löbler, 2018). For example, macro-level phenomena might be present in societies, nations, trans-national or even global units of analysis; meso-level could be in communities or collectives; while micro-level phenomena might involve individuals, or individual organizations, etc., as units of analysis.

In sum, S-D logic satisfies the attributes to qualify as a paradigm (Brodie et al., 2019) in that it represents a “set of beliefs”, “a standard” or “something which determines a large area of reality” (Masterman, 1982, p.65), and does so for a vibrant
community of scholars (Eckberg & Hill, 1979). Hence, Brodie and Löbler (2018, p.568) argue S-D logic is “a metatheoretic perspective or lens which leads to a distinctive narrative to guide academic research and more specifically the development of midrange theory based on S-D logic.” It is in this sense that S-D logic is adopted in this thesis – as a meta-theoretical lens through which to examine phenomena that occur in markets.

However, for S-D logic to develop further, there is pressing need for the development of middle-range (midrange) theory (Brodie et al., 2006; Brodie et al., 2011; Vargo & Lusch, 2017). Vargo and Lusch (2016, p.20) concur, arguing S-D logic is “closer to fulfilling the need for midrange theory,” and that midrange theory will provide “the missing linkage between S-D logic and empirical research and managerial practice.”

1.2.5 Midrange theory

The concept of midrange theory was first introduced by the sociologist Merton (1967). Put simply, a midrange theory is a theory which offers a bridge or connection between general theories and theories in use. A general theory can be a logic, or general perspective, of high conceptual level that offers explanation in a particular domain (Brodie & Löbler, 2018). In contrast, theories in use, or applied theories, are those principles and taken-for-granted mental models that frame the actions and behaviors of actors embedded within a market system, e.g., marketers or customers. “Middle-range theory provides a theoretical bridge between empirical findings and general theory, providing a stronger foundation for theory development by showing explicit links between the process of theory formulation and verification” (Brodie et al., 2011, p.77). By extension, midrange theory enables analysis of context specific phenomena, which in turn allows for the generation of models or frameworks that will, further, allow for empirical investigation of marketing practices. The purpose of midrange theory is not to explain everything about a general context (e.g., markets), but instead to focus on a particular category of phenomena within that context (e.g., market-shaping) (Brodie & Löbler, 2018). Put differently, building the missing link between S-D logic and applied theory through the generation of midrange theory will enable S-D logic to become more practically useful (Vargo & Lusch, 2016).

Additionally, the generation of midrange theory for S-D logic will assist in overcoming a number of criticisms that have been leveled at it over the years. Included
are accusations of S-D logic being overly abstract and untestable (O'Shaughnessy & O'Shaughnessy, 2009; 2011); hence not useful to those in practice (Grönroos, 2011); e.g., because of a lack of focus on exchange-based marketing activities (Ballantyne & Varey, 2006). Others have accused S-D logic of being implicitly grounded in a ‘neo-liberal’ (in the pejorative sense) political-economic outlook (Hietanen, Andéhn, & Bradshaw, 2017); and being in constant iterative development since first proposed including instances of “lexical running repairs” and “moving […] goalposts” (Brown & Patterson, 2009, p.529). S-D logic has also been criticized for its lack of acknowledgement of cultural and political diversity. For example, as mentioned earlier Venkatesh et al. (2006), and Peñaloza and Venkatesh (2006), propose more attention be given to better understanding what actually is a market. The authors argue that, in the context of a globalized economy S-D logic does not suitably acknowledge the highly dynamic, variegated diversity of contemporary markets.

Further to this diversity issue, both Arnould (2007) and Flint (2006) draw comparisons between the focus on the ‘beneficiary of service’ in S-D logic, with the customer-focus evident in most consumer research. Like Venkatesh et al. (2006) and Peñaloza and Venkatesh (2006), both Arnould and Flint argue for more recognition in S-D logic of the socially-situated, symbolic aspects of consumption, because much modern consumption is inspired by people’s need to satisfy aesthetic and symbolic desires (e.g. through association with brands) rather than by simple utilitarian needs. Where Arnould (2007) argues for a ‘strategic partnership’ between Consumer Culture Theory (CCT) and S-D logic (represented by his proposed joint CCT/S-D logic lexicon), Flint (2006) argues for the integration of symbolic interactionism as an appropriate perspective in the continuing development of S-D logic. Through their critiques, these authors collectively assert that S-D logic does not sufficiently consider the macro- and meso-level socio-cultural contexts of dynamic, global markets.

The integration into S-D logic (and marketing scholarship generally) of both institutional theory and systems theory, as mentioned earlier, partially responds to these criticisms, (e.g. Vargo & Lusch, 2016; 2017; Vargo et al., 2015). These complementary general theoretic perspectives afford better understanding of the dynamic, symbolic and social aspects of markets, and potentially enable “the completion of a relatively coherent narrative of value cocreation through resource integration and service exchange, coordinated by shared institutional arrangements that define nested and overlapping
service ecosystems” (Vargo & Lusch, 2017, p.49). Furthermore, systems and institutional theory “will likely complete the core foundation for much of the continuing progress of S-D logic” (Vargo & Lusch, 2017, p.48).

S-D logic’s most recent Axiom 5 (Table 1) reflects this integration of institutional theory and provides abstract explanation for the social and cultural context of value cocreation activities (Vargo & Lusch, 2016, p.8). This Axiom provides a rich perspective from which to incorporate complementary theoretical perspectives with the goal of building the ‘missing link’ of midrange theory. This integration or synthesis of other general theoretic perspectives and midrange frameworks is discussed next.

1.2.6 Midrange theorizing

In response to the lack of attention given to theorizing processes in much research (Peters et al., 2014), Brodie and Peters (2019) and Brodie and Löbler (2018) point to possible interfaces with other theories for theorizing and theory development. These interfaces can involve the borrowing or integration of theories from other disciplines, a practice already particularly well established in the marketing discipline (Brodie & Löbler, 2018; Peters et al., 2014; Vargo & Lusch, 2017). Such an approach contributes to theorizing beyond a traditional approach of developing midrange theory from just empirical evidence.

Instead, within a given focal general theoretic perspective (i.e., S-D logic), theories of varying degrees of abstraction from other disciplines can be assimilated or integrated. These potential and novel interfaces for theorizing are depicted in Figure 1. Interfaces can be established with 1) other general theoretic perspectives or meta-theories (e.g., institutional theory or practice-theory); 2) other midrange theories (e.g., models from psychology or sociology); or 3) other theories in use (e.g., those being applied by practicing managers). The specific paths to theorizing adopted in the different research studies in this thesis will be discussed later, as the studies are introduced in sub-section 1.6.

In summary, in this thesis S-D logic functions as a general theoretic perspective for exploring phenomena in marketing – specifically markets and market change. However, S-D logic needs midrange theory building to further develop its status as a general theory, and to enhance its use for those in practice.
Figure 1: Interfaces for theorizing

(From Brodie and Peters, 2019, p.8)
Next, this introduction turns back to the topic at hand – markets and how markets are changed or innovated. First, a background is offered to the marketing discipline’s traditional tacit acceptance of ‘markets’ as relatively stable entities, exogenous to the firm, beyond the direct influence of market actors. Second, an overview is presented of the various conceptualizations that have emerged in more recent years of how markets might be changed or influenced. Lastly, this introduction concludes with the research objectives of the thesis, an outline of the research questions, and the thesis structure.

1.3 The market in marketing

Although the ‘market’ is a foundational concept to the marketing discipline, ironically it has a long history of being under-studied by marketing scholars (Diaz Ruiz & Kowalkowski, 2014; Ellis, Jack, Hopkinson, & O'Reilly, 2010; Mele et al., 2015). For most of the 20th century the primary focus of marketing researchers was on the study and development of functional marketing management. This absurdity of the market largely being ignored is probably most eloquently captured by Venkatesh, Peñaloza and Firat (2006, p.252) when they observe, “Paradoxically, the term market is everywhere and nowhere in our literature. We often write of this or that market yet have a restricted view of the market to economic exchange” [emphasis in original].

The perspective of marketing as a firm-level responsibility, carried out by managers keen to maximize the profitability of customer relationships, has relegated marketing to be a relatively mechanistic, functional discipline. Markets have traditionally been perceived by managers as exogenous entities that need to be ‘measured’, ‘segmented’, and ‘targeted,’ where success is dependent on learning “about the market” (Kohli & Jaworski, 1990; Storbacka & Nenonen, 2015, p.73). In addition, managers see their firms as so external to markets that strategies need to be developed to both ‘enter’ and ‘exit’ the market. Moreover, marketing managers have traditionally focused on the products they sell rather than the benefits (e.g., solutions or experiences) these products provide their customers (Levitt, 1960; Lusch & Vargo, 2014). In turn, markets are typically named after products or industries, e.g., the electricity market, the mobile-phone market, etc. (Mele et al., 2015; Storbacka & Nenonen, 2012). However, the value of any product (good or service) is in its value-in-use in-context (Michel et al., 2008), as illustrated by Radford’s POW camp example. Today, as disruption of incumbent ‘industries’ and ‘product categories’ further accelerates, and offerings
become increasingly experiential (Lusch & Vargo, 2014; Lusch & Nambisan, 2015; Pine & Gilmore, 1999), the managerial skills and concepts needed to cope with rapid change within and across markets far exceed the conventional business toolboxes inherited by marketers and strategists (Callon, 2010; Kindström, Ottosson, & Carlborg, 2018; Storbacka & Nenonen, 2015). Hence, seeking to understand markets as institutional and socio-material-historical contexts would “expand our discipline to a larger realm of discourse and practice where the issues are wider and deeper and their potential treatment is much more impactful” (Venkatesh et al., 2006, p.253).

Despite these shortcomings in both scholarly and managerial perspectives of markets, over the last several years interest in markets by marketing researchers has grown (e.g., Dolbec & Fischer, 2015; Humphreys, 2010; Jaworski, Kohli, & Sahay, 2000; Kjellberg & Helgesson, 2007; Nenonen et al., 2014; Rosa & Spanjol, 2005). This growing attention reflects the realization that markets themselves are capable of being innovated and deliberately influenced, sometimes fueled by new technologies (e.g., the internet, smartphone, blockchain, etc.), which enable new ways and means of market actors to integrate resources more efficiently (e.g., multi-sided platform businesses). Sometimes, however, market change is driven by changing social and cultural conditions, and the interplay of different groups of market actors beyond just firms (Giesler, 2008; Humphreys, 2010; Humphreys & Carpenter, 2018; Rosa, Porac, Runser-Spanjol, & Saxon, 1999).

The previous dominance of the dyad of producer and consumer in both managerial and scholarly thought is questioned in more contemporary perspectives of markets. Multiple actors, sometimes embedded within an array of cultural and institutional settings, come together in markets (Geiger, Kjellberg, & Spencer, 2012). These actors interact and engage in value creation activities, both economic and social, for themselves and others – known as ‘value cocreation’ (Vargo, Wieland & Akaka, 2015) – already mentioned in the previous sub-section on S-D logic.

In sum, new types and forms of markets are emerging around the world, that upend incumbent conceptualizations of industries and product categories; that are increasingly borderless and complex (Mele, Pels & Storbacka, 2015). This had led to an interest in research investigating the concept of ‘market innovation’ (Kjellberg, Azimont & Reid, 2015), discussed next.
1.4 Market innovation

There is no agreed definition of the ‘market innovation’ construct. Instead, it is an umbrella term for a number of different theoretical perspectives that have developed over recent years relating to the way in which markets are restructured or changed. These different perspectives include market driving (Jaworski et al., 2000), proactive market orientation (Narver, Slater, & Maclachlan, 2004), markets-as-practice (Kjellberg & Helgesson, 2007), and market-shaping (Azimont & Araujo, 2007; Mele & Russo-Spena, 2015).

However, the story of market innovation begins in the middle of the 20th century when attention began to turn to the ‘marketing concept.’ Put simply, the marketing concept implied the firm adopt three pillars of focus: 1) satisfying the needs of customers; 2) orientation towards profits; and 3) the coordination of marketing efforts that span the whole firm (McNamara, 1972). Rather than being merely a functional approach, the marketing concept was described as both a business ‘philosophy’ (McNamara, 1972) and an ‘ideal’ (Kohli & Jaworski, 1990) that should permeate the firm in its entirety. In response to calls for clearer guidance on the operationalization of the marketing concept, by the late 1980s, ‘market orientation’ became established as the means of implementation (Kohli & Jaworski, 1990; Narver & Slater, 1990; Shapiro, 1988), discussed next.

1.4.1 Market orientation

Over the years, various permutations of ‘market orientation’ emerged (Lafferty & Hult, 2001). Shapiro (1988) asserted market orientation was being ‘driven’ by the market (meaning a firm’s existing customers), while Kohli and Jaworski (1990) emphasized gathering, disseminating, and being responsive to market intelligence as key. Narver and Slater (1990) argued the right organizational culture was the critical component, and Deshpandé, Farley and Webster (1993) built on this organizational culture perspective, asserting that market orientation was actually synonymous to customer orientation and the requisite company culture to successfully achieve this. While the market orientation concept has remained popular to this day amongst scholars and managers alike (e.g., Conduit, Matanda, & Mavondo, 2014; Lam, Lee, Ooi, & Phusavat, 2012; Nguyen, Yu, Melewar, & Chen, 2015; Paladino, 2008; Urde, Baumgarth, & Merrilees, 2013), later in
the 1990s new perspectives began to emerge that questioned incumbent assumptions of markets as fixed entities.

1.4.2 Driving and proactive approaches to market innovation

Critics of market orientation approaches highlighted firms that were focused on market responsiveness either failed to become industry leaders (Christensen & Bower, 1996), or undermined their own innovation capabilities (Berthon, Hulbert, & Pitt, 1999). In response, market innovation concepts emerged. Kumar, Scheer and Kotler (2000, p.130) noted the most significant firms of the day (e.g., Starbucks, IKEA, Federal Express, Body Shop, etc.) successfully “revolutionized their industries by changing the rules of the game,” and created whole new markets. The authors called this ‘market driving.’ They assert market driving is achieved through radical innovations on two dimensions: 1) a leap in customer benefits (e.g., new technologies, much lower prices, a reduction in customer sacrifices, etc.); and 2) the application of new business systems (e.g., how products are created, produced or delivered). Put simply, Jaworski et al. (2000, p.47) assessed market driving “entails changing the structure or composition of a market and/or behavior of players in the market.”

Additionally, Narver, Slater and MacLachlan (2004) asserted while responsive market orientation had been the primary focus of marketing scholars, proactive market orientation also needed consideration. This proactive version they defined as when “a business attempts to discover, to understand, and to satisfy the latent needs of customers” (p.335). So rather than responding to just the expressed needs of existing customers, a business should also attempt to satisfy latent needs the customer does not yet know they have. A proactive approach requires companies to be skilled at activities such as customer observation, customer collaboration and consultation, and undertaking frequent market validation studies of new ideas and products (Atuahene-Gima, Slater, & Olson, 2005).

1.4.3 Markets-as-practice

Later, market studies took an interesting turn by adopting a practice-based perspective of markets (Schatzki, Knorr-Cetina, & von Savigny, 2001). This practice perspective had also come to prominence in consumer marketing with the examination of ‘consumption practices’ (e.g., Arsel & Thompson, 2010; Belk, 1988; Holt, 1995). However, consumption practices do not consider the exchange of products (Kjellberg &
Helgesson, 2006). The markets-as-practice approach was inspired by Science and Technology Studies, specifically underpinned by the principles of Actor Network Theory (e.g., Callon & Muniesa, 2005; Latour, 1987; 1996), which asserts constantly evolving networks of (both human and non-human) actants are the foundations of all social and natural phenomena.

In the study of markets, practices are defined as “routine, micro-level interactions between multiple actors seeking to create value for themselves and others” (Kjellberg et al., 2012, p.220). Market practices include all concrete activities in the market – relating to both marketing and market-shaping (Spencer & Cova, 2012) – and are classified on three dimensions (Kjellberg et al., 2006; 2012). The first set of practices are ‘normalizing practices,’ defined as those activities that create stability or shape markets, and that establish normative goals and rules for market actors (Kjellberg & Helgesson, 2007). Normalization may be undertaken by any number of bodies such as government, regulators or professional associations, but also includes all those practices that are taken-for-granted, routinized norms (Vargo et al., 2015). Second, ‘representational practices’ are the signs and symbols (including language) used to represent and re-present the market and how it functions (e.g., brands, market-specific jargon and terminology, etc.) (Araujo & Kjellberg, 2011). Last, ‘exchange practices’ are those practices that enable the exchange of market offerings (Kjellberg & Helgesson, 2007).

Market practices might be well-established and accepted, or alternatively, newly created and emergent or disrupted and made obsolete. As practices change the performance of the market itself is subsequently modified. Practices are connected through ‘translation’ as practices are disseminated and overlap with others through time and space (Kjellberg & Helgesson, 2006). Hence, markets are constantly performed by those practices concurrently enacted by multiple actors at any one time (Azimont & Araujo, 2007) far beyond just companies and customers (D'Antone, Canning, Franklin-Johnson, & Spencer, 2017).

Kjellberg and Helgesson (2007, p.144) assert “the conceptualization [of the markets-as-practice framework] is not intended as a descriptively accurate model of ready-made markets, but as a workable tool for addressing issues related to their practical shaping.” Furthermore, the three classes of market practices are not discrete or
‘siloeed.’ Instead, they are overlapping, interdependent, and interlinked – changes or disruptions in one will impact the other(s) (Kjellberg & Helgesson, 2007). For example, a change in the mechanism of exchange (an exchange practice such as a new technology like a mobile app) will necessarily influence both what is expected (normalizing practice), and how service providers will choose to represent a product’s standards (representational practice). Hence, clearly distinguished boundaries between each class of practice is unachievable, due to their overlapping and interdependent nature.

S-D logic scholars have later adapted the markets-as-practice framework to reflect the notion of value ‘cocreation’ by supplanting ‘exchange practices’ with ‘integrative practices’ (Lusch & Vargo, 2014; Wieland et al., 2016). As value cocreation is realized through actor-to-actor engagement, collaboration, and service-for-service exchange, actors are not limited to dyadic economic exchange as depicted by ‘exchange practices’ (Wieland et al., 2016). Indeed, an S-D logic perspective embraces both operant and operand resources as integral to value cocreation, which by extension includes all those actors in non-economic or indirect roles. For example, integrative practices might be enacted by non-paying service users and members of brand communities who, while not engaging in economic exchange, nonetheless engage in value cocreation (Vargo & Akaka, 2012; Wieland et al., 2016).

While the notion of ‘integrative’ (rather than ‘exchange’) practices has not been fully embraced by the markets-as-practice community, nevertheless, the role of non-economic actors (such as users) in influencing market performance has become a focus of those scholars (e.g., Harrison & Kjellberg, 2016; Kjellberg & Olson, 2017).

1.4.4 Market-shaping

Broadly encompassing the markets-as-practice approach (see Chapter Three of this thesis and Kjellberg & Helgesson, 2006), the market-shaping conceptualization first appeared when Rosa and Spanjol (2005, p.198) explored the origins and evolution of market definitions, and the way “market stories shape shared knowledge and evolving product markets.” The authors integrate theory from psychology and discover product innovation is driven by interaction between producers and customers, and that sensemaking is key to the beliefs and behaviors of market actors. People use sensemaking to achieve certain outcomes through goods and services, and to explain, retrospectively, why they consumed what they consumed. Later, scholars built on this
notion of market-shaping in an attempt at improving upon decades of marketing strategy constructed on neo-classical economics, with its concomitant reductionist supply and demand curves converging toward equilibrium (Rosa & Spanjol, 2005; Storbacka & Nenonen, 2011b). Criticisms of the traditional economic view of markets as pricing mechanisms were long-established, as in Granovetter’s (1985) seminal article on the social ‘embeddedness’ of markets. Hence, as with the markets-as-practice approach, market-shaping considers it is actors that shape markets, although other ‘levels’ beyond micro-practices are often taken into consideration.

In market-shaping, markets are emergent social phenomena that are ‘plastic’ – capable of both taking and retaining form (Nenonen et al., 2014). Hence, change occurs as markets vacillate through the tension-filled space between fluidity and stability, where change might occur at various ‘levels’ within the market system (Kindström et al., 2018; Nenonen et al., 2014). For example, modifications to market function might feature changes to exchange objects or the practices or resources of market actors, while modification to market structure might include changes to the number or type of market actors, or to market boundaries.

Market-shaping literature perceives any market comprises multiple, heterogenous actors who can have a shaping effect on markets (Kindström et al., 2018). Additionally, markets have a shaping effect on actors: “the ability to retain form allows markets to give form to other entities by, for example, affecting the shape of a particular exchange object, the mode of a specific economic exchange or the characteristics of an exchange agent” (Nenonen et al., 2014, p.272).

More recently, researchers have begun to work towards more explicit typologies of market-shaping activities. Bridging the markets-as-practice and market-shaping domains, Harrison and Kjellberg (2016) highlight the influence that users (rather than just buyers or customers) have on shaping markets. They argue market-shaping comprises five intertwined sub-processes that users may engage in when enacting markets. These are: generating market representations (the images and mental models in a market); fashioning modes of exchange (how and where exchange occurs); configuring exchange agents (who engages in exchange); qualifying exchange objects (determining the qualities of a good); and establishing market norms (how markets are regulated and the rules that companies adopt) (Harrison & Kjellberg, 2016, p.451).
Collectively, these five sub-processes reflect the involvement users may have in the shaping of a market beyond just involvement in new product development.

Other authors have focused on the actions that focal firms might take when trying to shape markets. These activities can be observed through different ‘levels’ that managers can influence, i.e., ‘system,’ ‘market-offer,’ and ‘technology’ levels (Kindström et al., 2018). First, at the system level firms must build legitimacy and confidence in their market offerings and new technologies with downstream users. Second, at the market-offer level firms must develop expertise in those responsible for selling and be understanding of customer needs. And third, at the technology level, demonstrating the reliability and appropriateness of the offering is key. Only by building legitimacy and taking action at all these different levels can a firm successfully shape a market (Kindström et al., 2018). Additionally, a firm’s ability to shape a market can be dependent on its ‘clout’ or position within a network, and the strength of its business model, coupled with its ability to translate its subjective definition of the market to a more broadly accepted meso-level concept of the market (Storbacka & Nenonen, 2011b).

In an attempt at being more managerially relevant while focusing on firms as focal actors, Nenonen, Storbacka and Frethey-Bentham (2018) have developed an index to measure the outcomes of market change by defining elements influenced through market-shaping. Importantly, the authors undertook a thorough validation process in developing their final formative indicators, relying on not just theoretical development but also managerial qualification. The authors assert six categories of change: “products & price, customers & use, channels, supply-side network, representations, and norms” (Nenonen et al., 2018, p.8). For example, changes to ‘product & price’ may involve bundling of products, changes to pricing structures or overall pricing in a particular industry; while ‘customers & use’ includes new customer demands or new types of customers. ‘Supply-side network’ includes changing numbers or types of competitors or suppliers; modified industry standards or regulations represent new ‘norms;’ and changed terminology or media representations of the industry reflect modified ‘representations.’ This study is the first to develop a scale for measuring market-shaping, and also reinforces the emergent nature of market-shaping strategies, which are inherently more reliant on learning and experimentation than planning (Storbacka & Nenonen, 2015).
Echoing this assertion, Kjellberg et al. (2015, p.6) summarize market innovation as “altering the way in which business is done.” And Storbacka and Nenonen (2011b, p.263) argue “successful market scripting [shaping] requires ‘marketing’ to be extended beyond traditional functional marketing.” Indeed, authors adopting a focus on market-shaping strategies delivered by firms assert new management practices will be required to engage in broad, boundary-spanning activities, with an emphasis on cross-functional cooperation within the firm (Kindström et al., 2018; Nenonen et al., 2018).

1.4.5 Market-shaping and institutional theory

Market-shaping studies have also integrated institutional theory with alacrity, which reflects the rise to prominence of neo-institutional theory in almost every field of social science since the late 1970s (Battilana & D’Aunno, 2009). For example, in organization studies, institutional theory has helped to explain how outcomes relating to firm structure and behavior are often not driven by rational decision-making and instrumental calculations but instead by multifarious social and cultural factors, and the need to appear legitimate to others (DiMaggio & Powell, 1983; Meyer & Rowan, 1977).

Although marketing scholars have been late adopters of an institutional perspective, they have now embraced institutional literature in exploring market phenomena. This institutional perspective recognizes markets are socially embedded processes, where the logics of institutions surrounding markets influence both the manner in which cocreation processes can be performed and the interpretation of value by socially embedded actors (Edvardsson, Kleinaltenkamp, Tronvoll, McHugh, & Windahl, 2014; Ertimur & Coskuner-Balli, 2015; Nenonen et al., 2018). From this view, market innovation “is driven by and drives the development of new technologies, but also requires the acceptance of a value proposition as well as the continued exchange, integration and application of a particular technology among multiple actors, over time (i.e., institutionalization)” (Vargo et al., 2015, p.67).

Hence, market change is embedded within higher-order institutional settings and is reliant on processes of institutionalization of new beliefs, expectations, assumptions, (formal and informal) rules, and practices. For example, adopting an institutional perspective, Ertimur and Coskuner-Balli (2015) explore the implications to brand managers of markets that feature tensions between multiple competing institutional logics and where brands subsequently become fragmented and incoherent. Brand
managers are encouraged to ensure they are always cognizant of changing social ideologies, and that their brands reflect current mores.

While not exploring markets specifically, Koskela-Huotari, Edvardsson, Jonas, Sörhammar and Witell (2016) also use institutional theory to examine how to achieve change to previously institutionalized rules and practices in service ecosystems. Using ‘institutional work’ (Lawrence, Suddaby, & Leca, 2009; Lawrence & Suddaby, 2006) as a theoretical lens, they explore the intentional activities enacted by innovators to change (break or create) institutional arrangements that guide resource integration in specific value creation contexts. Adopting a multi-case study approach, the authors illustrate how change to previously institutionalized arrangements, while being driven from the micro-level, may manifest at different ‘levels’ within the service ecosystem, e.g., on the (meso-) ‘industry’ level, or the (macro-) market level. Furthermore, the work of innovators does not just involve breaking old, or creating new, institutional arrangements. Instead, to be successful some incumbent institutional elements must be maintained to “make the new rules more recognizable and therefore easier to integrate as a part of the institutional structure guiding actors influenced by the reconfigurations (e.g., employees and customers)” (Koskela-Huotari et al., 2016, p.2968).

1.4.6 Systemic outcomes of market-shaping

Other scholars have taken a system-level perspective in examining market change processes through an institutional lens. For example, Humphreys (2010) traces the spread of casino gambling and learns that market emergence occurs through a process of legitimation (DiMaggio & Powell, 1983) – a search for cultural-cognitive, normative, and regulatory legitimacy (Scott, 2001) – by embedded market actors. She learns those in media and marketing undertake critical work by changing public discourse, and regulators play a key role in legitimation through legalization.

Likewise, Humphreys and Carpenter (2018) investigate the capacity of firms to drive markets when they do not have new disruptive technologies to launch. The authors examine the United States wine market and find social processes drive markets through the construction of relationships with numerous actors both within and beyond the ‘value chain.’ These relationships enable the shaping of many actors’ preferences including consumers, critics, retailers, and producers. Enhanced status leads to enduring success and even greater influence, and rather than firms operating with a highly
competitive mindset, cooperation in the form of selective knowledge sharing enhances success. Also adopting a systems-perspective, Giesler (2008) examines the development of the market for music downloads, and the antagonistic roles performed by both producers and consumers of music as they jointly negotiate the institutionalization of market structures.

Consumer researchers have also examined the role of consumers in market innovation at a system level. First, Scaraboto and Fischer (2013) explore the way marginalized (plus-size) consumers of fashion drive inclusion in the mainstream market by forming a shared identity, identifying inspirational institutional entrepreneurs as leaders, and collectively seeking alliances with other supporting movements adjacent to the focal market. Second, from a fashion-consumer perspective Dolbec and Fischer (2015) discover that highly engaged, digitally connected consumers can substantially influence market outcomes. Institutional roles previously the domain of paid experts (e.g., designers and commentators) can be amplified, distributed, and even replaced by democratized networks of connected consumers.

Lastly, adopting a system perspective when examining the role of adjacent market systems in market formation processes, Kjellberg and Olson (2017) explore the establishment of the legal cannabis market in the USA. The authors discover during periods of both emergence and establishment of a new market system, other interrelated market systems are involved and influential, i.e., no market is isolated from the influence of other adjacent (similar) markets.

1.5 Summary and research objectives

There is no clear or unified conceptualization for the market innovation construct. Numerous strands of literature are evident, including the market-driving and proactive market orientation perspectives, the markets-as-practice approach, and the market-shaping concept. In an assessment of ‘market innovation,’ Johne (1999, p.7) suggests market innovation is “concerned with the mix of target markets and how chosen markets are best served. Its purpose is to identify better (new) potential markets; and better (new) ways to serve target markets.” This quote demonstrates that some of the conceptual variations of the market innovation construct are underpinned by traditional understandings of markets and firms; that 1) ‘the market’ (comprising current and
potential customers) is given; 2) ‘the market’ is exogenous to the firm; and 3) the firm is the creator and deliverer of value.

More generally, the concept of innovation itself has a troubling background. Innovation has traditionally been imagined to be the domain of the lone genius or disruptive firm (Koskela-Huotari et al., 2016). But today, innovation processes are more often understood to be open, relational and collaborative (Chesborough, 2006; Lusch & Nambisan, 2015), involving any number or combination of actors, including research centers, universities, customers, fans, suppliers, etc. (Corsaro, Cantu, & Tunisini, 2012; Möller, Rajala, & Svahn, 2005). In parallel, as already described, there has been a growing awareness among scholars that, together with products, processes, and business models, markets are also capable of being innovated (Jaworski et al., 2000; Kjellberg, Azimont, & Reid, 2015; Nenonen et al., 2014; Storbacka & Nenonen, 2012).

As a result of innovation having been studied in multiple different disciplines and from numerous perspectives (Hauser, Tellis, & Griffin, 2006), there is no unifying lexicon or conceptualization for the innovation construct generally (Akaka, Vargo, & Wieland, 2017; Maglio & Spohrer, 2008; Siltaloppi, Koskela-Huotari, & Vargo, 2016). Instead, there are wide differences between perceived types and processes of, and approaches to, innovation in both scholarly and managerial thought (e.g., technological innovation, process innovation, business model innovation, market innovation, etc.) (Vargo, Wieland & Akaka, 2015). An innovative product, any subsequent institutionalized new market offerings, and the emergence, creation or modification of markets, have become a problematic discussion for those from diverse backgrounds or fields (Maglio & Spohrer, 2008). For example, understanding the role that radical new products (e.g., smartphones) have on business models (e.g., a multi-sided platform business like Airbnb) and the subsequent impact these new technologies and business models have on the creation of new markets (e.g., in the sharing economy) while disrupting incumbent markets (e.g., the hotel industry) is in need of a unifying conceptualization. This leads to the initial research objective of this thesis which is:

**RO1:** To explore how innovation, generally, and market innovation, specifically, might best be conceptualized through a service-dominant logic lens.

Furthermore, despite the lack of unity in different conceptualizations of market innovation, the markets-as-practice perspective elegantly highlights the influence that
ideas have on markets – known as ‘performativity’ (Araujo & Kjellberg, 2011; Kjellberg et al., 2012; Kjellberg & Helgesson, 2006; 2007). Popularized by Callon (1998b; 2007b), performativity in economics implies “economics, in the broadest sense of the term, performs, shapes and formats the economy rather than observing how it functions” (Callon, 1998a, p.2). To translate this into a marketing context, the concepts, theories, tools and devices that marketing managers or consultants bring to their work, such as the use of branding strategy frameworks, consumer behavior models, or market segmentation tools, play an important role in the definition and conceptualization of the market (Cochoy, 1998; Mason, Kjellberg, & Hagberg, 2015), e.g., what is the market, which other actors comprise the market, who are competitors, who are customers, what ‘industry’ we compete within, etc. In sum, markets are subjectively defined by those actors embedded within them – “markets are what actors make them to be” (Storbacka & Nenonen, 2012, p.184).

Hence, of critical importance to the marketing discipline is the currency and accuracy of academic concepts and theories of market innovation with regard the reality of complex, contemporary markets. If the concepts and theories of a discipline do not accurately represent reality, the discipline itself is in danger of fading into insignificance – an already well-established concern expressed by a number of scholars (e.g., Hunt, 2015; Palmatier, 2018; Reibstein, Day, & Wind, 2009; Shaw, 2012). This need for up-to-date conceptualizations is an important area of inquiry and inspires the second research objective of this thesis:

**RO2:** To examine the accuracy and currency of academic conceptualizations of market innovation.

Furthermore, how it is that markets are shaped by actors is still in need of considerably more exploration (Kindström et al., 2018; Vargo & Lusch, 2017). The proactive market orientation and market-driving perspectives reinforce the role of a focal firm as the creator of alternative value propositions for customers, hence these literatures emphasize the primacy of the firm-customer dyad, and the role of the firm as the creator of value and driver of innovation. But in complex contemporary markets many more actors are involved in market-shaping than just firms, and all value is cocreated (Lusch & Vargo, 2014; Vargo & Lusch, 2011). Some market-shaping studies have explored systemic change driven by the actions of focal firms (Kindström et al.,
2018; Nenonen et al., 2018). These studies very much embrace the cocreative role of market actors, however, generally do not explicitly consider the interaction of different actors as change occurs.

Meanwhile, the markets-as-practice perspective adopts a practice-based perspective to the enactment of markets (Araujo, 2007; Araujo & Kjellberg, 2011; Kjellberg & Helgesson, 2007), but does not consider the role of interaction at different levels. The emergent institutional approach in marketing, predominantly residing under the market-shaping conceptual umbrella, does consider the importance of processes of institutionalization. However, this approach has primarily investigated system-(macro-)level change, or the interaction between the micro- and macro-levels (Humphreys, 2010; Koskela-Huotari et al., 2016; Rosa & Spanjol, 2005). Little consideration has been given to the role of middle-(meso-)level actors. Lastly, other market studies have focused on narrow groups of actors and their influence on market outcomes, e.g., consumers (Dolbec & Fischer, 2015; Scaraboto & Fischer, 2013), users (Harrison & Kjellberg, 2016), and focal firms (Kindström et al., 2018; Nenonen et al., 2018; Ulkuniemi, Araujo, & Thätinen, 2015). However, these studies do not consider interaction and collaboration between different actor groups in shaping markets. Hence, the third and final objective for this thesis is:

**RO3:** To investigate how markets are created or disrupted, and how market actors collaboratively and collectively engage in the deliberate shaping of markets.

The next sub-section introduces the overall structure of this thesis including an outline of Chapters 3 to 6. The chapters feature associated questions that have been formulated to address the research objectives, stated above, which, in turn respond to the overall purpose of the thesis.

1.6 Thesis structure and research questions

As stated earlier, for many years markets have been understudied in the marketing discipline (Venkatesh et al., 2006) while a foundational perspective of markets as fixed and exogenous to the firm has traditionally dominated both scholarly and managerial thought (Mele et al., 2015; Nenonen et al., 2014). Hence, the overall purpose of this thesis is to explore contemporary perspectives of complex markets, including the social
and institutional factors that contribute to their shape, and to examine the way market actors can influence these factors to deliberately shape markets. Chapters 3 to 6 in this thesis are each standalone research studies and are individually introduced below. Although these chapters are discrete projects in themselves, they are intellectually connected, with each chapter contributing to the chapter that follows.

Taken together, these chapters are intended to respond to the purpose of the thesis and extend existing research along two basic vectors: 1) clarifying the currency and accuracy of existing conceptualizations of market innovation; and 2) exploring the ways in which actors undertake market-shaping. The research questions will be elaborated upon next. Figure 2 (on the following page) depicts a summary of the research framework of this thesis, with an overview of the research objectives, key research questions, and how they are linked. Following Chapters 3 to 6, the thesis concludes with Chapter 7 that provides a summary of the findings of each of the studies and details the overall contribution and implications of the thesis. Chapter 2, following this introduction, briefly sets out the philosophical position adopted in this thesis.

1.6.1 Research objective one

The first research objective of this thesis is, “To explore how innovation, generally, and market innovation, specifically, might best be conceptualized through a service-dominant logic lens.” This objective is in response to the fractured perspectives and approaches to conceptualizing innovation that have developed due to innovation studies having been undertaken in a variety of disciplines (Hauser et al., 2006). In response, Chapter 3 of this thesis, titled “Service-dominant logic and innovation,” asserts S-D logic’s potential to fulfil the role of a unifying lexicon and conceptualization for different types of innovation that may manifest at various levels of aggregation – be it a new technology, product, process, system, business model, or market. The research question this paper asks is:

RQ1: How is S-D logic a suitable lens for understanding innovation processes?
**Research objective**

**RO1**: To explore how innovation, generally, and market innovation, specifically, might best be conceptualized through a service-dominant logic lens

**RO2**: To examine the accuracy and currency of academic conceptualizations of market innovation

**RO3**: To investigate how markets are created or disrupted, and how market actors collaboratively and collectively engage in the deliberate shaping of markets

<table>
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<tr>
<th>Research question</th>
<th>Chapter title, paper type and research approach</th>
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| **RQ1**: How is S-D logic a suitable lens for understanding innovation processes? | **Chapter 3**: “Service-dominant logic and innovation”  
- Conceptual paper with illustrative examples |
| **RQ2**: What are the contrasting conceptual understandings in different academic corpora associated with (re)structuring and innovating markets? | **Chapter 4**: “Transforming markets: A lexicographic analysis of contrasting conceptualizations”  
- Corpus-linguistic analysis through machine-based content analysis examining three academic corpora related to innovating markets |
| **RQ3**: To what degree is the complex, systemic nature of modern markets recognized in these corpora? | **Chapter 5**: “Markets changing, changing markets: Institutional work as market shaping”  
- Historical, longitudinal illustrative case study using secondary data, adopting an abductive theorizing approach |
| **RQ4**: How do market actors respond to institutional factors in changing markets? | **Chapter 6**: “Rapid market shaping through competitor collaboration: Evolving market work”  
- Historical case study exploring primary and secondary data, adopting a qualitative inductive theorizing approach |
| **RQ5**: What kinds of market work do collaborating competitors engage in to disrupt and transform incumbent market beliefs, expectations and practices? | |

*Figure 2: Thesis research framework*
First, regarding product and process innovation, the paper argues technological innovation has predominantly been perceived as the responsibility of R&D departments in firms and heroic entrepreneurs (Koskela-Huotari et al., 2016). In turn, firms are seen as the primary creators and distributors of new innovations (Mele et al., 2015). However, all value is cocreated through resource integration and service exchange (Vargo & Lusch, 2004; 2008), as evidenced in contemporary open innovation processes (Chesborough, 2006) that sometimes involve multiple actors such as research centers, universities, customers, fan groups, etc. (Corsaro et al., 2012). Meanwhile, innovation researchers have often measured success through patents (representative of new types of tangible goods) or sales (representative of growth in value-in-exchange) (Michel et al., 2008). However, service (not goods) is the fundamental basis of exchange, and value-in-use, in-context (i.e., customer benefit) is what customers seek (Lusch & Vargo, 2014).

Second, regarding business model innovation, the business model literature is heterogeneous in both language and conceptualization (Zott, Amit, & Massa, 2011) with an agreed singular definition of the construct still yet to emerge (Wieland, Hartmann, & Vargo, 2017). The academic literature variously perceives business model innovation as either a process, an outcome, or evidenced by changes to organizational characteristics or contextual factors (Foss & Saebi, 2017). However, an S-D logic informed service strategy is what is required for conceptualizing a business model (Wieland et al., 2017), the basis of which is the understanding that all value is cocreated by numerous different actors engaged in resource integration through service exchange. Hence, primarily a business model must be an enabler of value cocreation processes to occur.

Lastly, regarding market innovation, it is critical that contemporary markets are perceived as complex service (eco)systems (Nenonen et al., 2018; Vargo et al., 2015), comprising multiple heterogeneous actors cocreating value for themselves and others. Embedded actors collectively generate the market through the practices they perform (Kjellberg & Helgesson, 2007). Furthermore, market systems are governed by formal and informal institutions, that provide the norms, rules and belief systems by which actors operate (Scott, 2001; Thornton & Ocasio, 2008). Institutional arrangements are constraining in that they mold actor behavior, expectations and assumptions, but also enabling in that they provide the frameworks and rules within which actors can innovate or change technologies, products, business models, or market systems (Battilana & D’Aunno, 2009; Loasby, 2000), and interpret value (Edvardsson et al., 2014). Hence,
any successful innovation (of product, process, business model, or market) is a product of processes of institutionalization – as an innovation diffuses and becomes taken-for-granted – and any disruption is a product of processes of deinstitutionalization – as previously accepted incumbent technologies, products or markets are usurped or replaced.

In summary, the paper argues S-D logic presents a compelling unifying conceptualization of innovation processes of all types through its perspective of value cocreation occurring within endogenously-generated, institutionally-governed service ecosystems. Based on the interfaces for theorizing model (Figure 1), the theorizing process used in this paper is depicted in Figure 3. Put simply, within an S-D logic general theoretic perspective, Step 1 involved the integration of other midrange theories (i.e., institutional work, open innovation studies and the markets-as-practice framework) to develop an argument for S-D logic as a unifying conceptualization and lexicon for innovation in all contexts and levels of aggregation (Step 2).

Figure 3: Interfaces for theorizing - Chapter 3

1.6.2 Research objective two

Research Objective 2 of this thesis is: “To examine the accuracy and currency of academic conceptualizations of market innovation.” Marketing concepts and theories are ‘performative’ in that they guide the behavior, approach, and activities of managers,
consultants, and other market actors (Araujo, Finch, & Kjellberg, 2010b; Callon, 2010; Kjellberg & Helgesson, 2007; Mason et al., 2015). However, it is important that any such conceptual framing of managerial thought and action reflects the reality of the world in which those managers are operating. In response, Chapter 4 features a scientometric paper titled “Transforming markets: A lexicographic analysis of contrasting conceptualizations.” This paper uses the lexical analysis software Leximancer (version 4.5) to explore the underlying conceptual bases of three sets of strategic marketing literature – ‘proactive market orientation,’ ‘market driving’, and ‘market shaping.’ This chapter asks two key research questions:

**RQ2:** What are the contrasting conceptual understandings in different academic corpora associated with (re)structuring and innovating markets?

**RQ3:** To what degree is the complex, systemic nature of modern markets recognized in these academic corpora?

Unlike other strategic orientations that firms might adopt, all three approaches investigated in the paper adopt broad conceptualizations of markets (Jaworski & Kohli, 2017). They accept markets, and not just products and processes, are capable of being innovated (Kumar et al., 2000; Narver et al., 2004; Rosa & Spanjol, 2005).

Between the three corpora, over 2 million words are processed in this study. Examination of the lexical bases of the corpora demonstrates both market-driving and proactive market orientation are underpinned by the language of micro-economics. First, the proactive market orientation literature perceives a firm’s innovation capabilities as key, while products (and new product development) are integral to strategic success. Also, an internal-firm focus on organizational culture and employees is of importance. Second, the market-driving literature adopts a traditional perspective of markets as highly competitive arenas primarily comprising dyads of firms and customers. Competitive advantage is dependent on firm capabilities and resources, and the functional marketing department is closely associated with products and customers. A major focus of this corpus has been on retailing and global brands.

In contrast, the market-shaping corpus adopts a contemporary outlook towards markets as systems comprising networks of actors and features a predominance of externally-oriented terminology (e.g., ‘institutional,’ ‘regulatory,’ ‘political,’ etc.).
However, this corpus is notable for its lack of concepts key to operationalizing innovation (e.g., both ‘strategy’ and ‘technology’), and for its relatively low attention to marketing.

In summary, both proactive market orientation and market-driving feature a traditional conceptualization of markets, perhaps not fully conducive to modern day market phenomena (e.g., multi-sided platform businesses). Meanwhile, it appears the market-shaping literature needs more empirical, field-based research. Based on the interfaces for theorizing model (Figure 1), the theorizing process used in this paper is depicted in Figure 4. Step 1 involved the selection of existing midrange theories associated with the innovation, restructuring, or influencing of markets. Then Step 2 was an examination of the lexical bases of the selected corpora (using the lexical analysis software Leximancer) and an assessment of how closely these conceptual bases reflected contemporary, complex market systems.

![Figure 4: Interfaces for theorizing - Chapter 4](image)

1.6.3 Research objective three

The third research objective of this thesis is, “To investigate how markets are created or disrupted, and how market actors collaboratively and collectively engage in the deliberate shaping of markets.” This research objective is responded to in both Chapters 5 and 6.

1.6.3.1 Markets changing, changing markets

First, Chapter 5 is titled, “Markets changing, changing markets: Institutional work as market shaping.” This study adopts an institutional approach to investigating the disruption of one market and the parallel creation of another. The paper integrates the ‘institutional work’ framework (Lawrence, Leca, & Zilber, 2013) to investigate, first, the decline of the market for traditional circus in North America through the 20th
century, and second, the creation of the market for what became known as new circus, starting in the 1960s. The paper especially focuses on the contextual and institutional factors that allowed the international entertainment behemoth Cirque du Soleil (Cirque) to establish.

Institutional work is defined as “the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions” (Lawrence & Suddaby, 2006, p.215). The framework is used as a lens in this paper to explore the deliberate actions taken by multiple market actors to both disrupt and create markets for circus. The study adopts an abductive theorizing approach (Dubois & Gadde, 2002; 2014) when examining secondary data from multiple sources including circus histories, websites, academic and trade publications. Hence, the research question this Chapter asks is:

**RQ4: How do market actors respond to institutional factors in changing markets?**

The paper is one of the first to empirically examine intentional actions of market actors to ‘shape’ the decline of a market, as well as those to ‘shape’ the creation of a market. It does so by exploring the interaction between evolving shared ideologies and belief systems of macro-level actor groups, and the micro-level practices performed within the market. Hence, the actions of any one focal group are not considered in isolation of others, and macro-level drivers of institutional action are included in the analysis.

This paper offers a theoretical framework of market-shaping activities. It proposes exogenous shocks and technological developments precipitate market disruption (Thornton, Ocasio, & Lounsbury, 2012), and the unresponsiveness of incumbent market actors drive market decline, especially when the ethical foundations of existing practices are questioned (Zietsma & Lawrence, 2010). This unresponsiveness is coupled with emerging alternatives, especially from the periphery of a market’s boundaries (Greenwood & Suddaby, 2006; Zietsma & McKnight, 2009), which then alter pre-existing market belief systems.

Market creation is driven by favorable policies and a growing complementary ecosystem enabling access to new resources (Lawrence & Suddaby, 2006). The new
market’s actors are inherently externally focused and responsive, and use education to legitimate and diffuse new practices (Lawrence & Suddaby, 2006). Education also has the dual effect of increasing the availability of operant resources. Novel intersections with other actors enhance the integration of new ideas and practices, while concurrently establishing new market boundaries and peer groups. However, not all elements of the old are thrown out. The new market’s actors engage in mimicry – maintaining some vestiges of the old – which helps to overcome cognitive dissonance associated with the new (Koskela-Huotari et al., 2016), while additionally drawing attention to the shortcomings of the old (Lawrence et al., 2009).

The paper finds market-shaping occurs through interdependent processes involving the institutional work undertaken by market actors, and the developing institutionalized practices, beliefs and expectations in a market. These processes involve many more actors than just dyads of customers and firms or those embedded in ‘value chains’ (Vargo et al., 2015). Instead, multiple, heterogeneous actors collectively interact to shape markets, including formal and informal actors, social collectives and micro-level individuals. Further, macro-level shared ideologies act as operant resources in market-shaping and value cocreation processes, rather than functioning as simple backdrops to activity. Lastly, emergent markets do not necessarily require fully formed product categories or tangible technologies, nor do they need actors working together in a fully orchestrated fashion. Instead, evolving normative associations and shared identities, and novel inter-organizational networks emerge iteratively, but are enhanced through vibrant complementary networks.

Lastly, except for some notable exceptions in the marketing literature (e.g., Burr, 2014; Ertimur & Coskuner-Balli, 2015; Giesler, 2008), this paper makes a methodological contribution in that it is a historical, longitudinal case study. Such an approach enables analysis of evolving, systemic processes through time, which is an important consideration if markets are to be conceptualized as plastic, evolving systems, rather than exogenous entities fixed in time. Based on the interfaces for theorizing model (Figure 1), the theorizing process used in this paper is depicted in Figure 5. Step 1 involved selecting neo-institutional theory as a suitable general theoretic perspective for exploring institutional factors in changing markets. As deliberate shaping of markets was the focal research area, the midrange institutional theory framework, ‘institutional work’ (Lawrence et al., 2009), was selected (Step 2) as a complementary lens through
which to examine evidence (secondary data; Step 3) about the chosen historical case study. Through an abductive process (going back and forth between the institutional work framework and the secondary data), the market-shaping activities framework emerged (Step 4).

![Figure 5: Interfaces for theorizing - Chapter 5](image)

1.6.3.2 Rapid market shaping

Chapter 6 also responds to research objective four and is titled “Rapid market shaping through competitor collaboration: Evolving market work.” This paper builds on the market-shaping activities framework proffered in Chapter 5 by adopting the ‘market work’ conceptualization (Nenonen et al., 2018) to examine the actions of an evolving collective of collaborating competitors when rapidly shaping a market.

Inspired by the institutional work framework (Lawrence et al., 2009), market work is defined as the “purposeful efforts by a focal actor to perform and transform markets” (Nenonen et al., 2018, p.1). However, the paper argues markets, as complex systems, are typically the product of interaction by market actors, not just the efforts of single actors (H. Simon, 1962). Hence the social emergence paradigm (Sawyer, 2005; Taillard et al., 2016) is integrated into the analysis to enable exploration of the different types of market work undertaken through different stages of an evolving collaboration. ‘Emergence’ means a system features capabilities and properties (emergent properties) not present in its constituent parts (Elder-Vass, 2010). Hence, the emergence paradigm
is used here to explore outcomes at different stages of collaboration that exceed the characteristics of the actors involved at any given stage.

The social emergence paradigm was proposed to overcome shortcomings in theoretical perspectives that adopt either of two views of system development. First is the Structurationist perspective that sees social structures as endogenously generated by micro-level practices (e.g., Giddens, 1984). This perspective does not allow consideration of how individual intentions collect through actor interaction and shared intentions. Second is the Interactionist perspective that sees systems as existing on micro-, meso- (middle), and macro-levels (e.g., Bourdieu, 1984); but this perspective does not enable consideration of how collective intentions become collective action (Sawyer, 2005). These shortcomings (in understanding the development and evolution of complex systems) are also present in the area of market research, where either a system (macro-level) perspective (e.g., Giesler, 2008; Humphreys, 2010; Rosa & Spanjol, 2005), or a practice (micro-level) perspective (e.g., Araujo, 2007; Araujo & Kjellberg, 2011; Kjellberg & Helgesson, 2007) have been predominant.

Instead, the social emergence paradigm sees systems evolving through five levels (from A to E). Level A features the intentions of individuals; Level B is where individuals interact (and intentions are shared); Level C is where ephemeral emergent collectives appear; Level D is characterized by stable emergent collectives; which then influence social structures (at Level E) (Taillard et al., 2016). Hence, in seeking to understand the roles of interaction and collective action, Chapter 6 asks the following research question:

*RQ5: What kinds of market work do collaborating competitors engage in to disrupt and transform incumbent market beliefs, expectations and practices?*

The paper examines an in-depth single case study – the New Zealand Screwcap Wine Seal Initiative (NZSWSI), from the early 2000s. Adopting a qualitative interpretative approach, the study draws on both primary data (almost 200,000 words of interview data and historic organizational records), and secondary data (websites, trade journals, books, etc.). As this research involved capturing primary data from human participants, University of Auckland Human Participants Ethics Committee permission was sought for this study. The Committee approved the research on July 2, 2018 (consent protocol number 021460). Information provided to research participants
appears in Appendix A in Section 8.1 of this thesis. This includes the Participant Information Sheet (provided to all research participants prior to an interview), and the Consent Form (signed by each of the interview participants prior to an interview being conducted).

NZSWSI was started by a small group of competitors based in Marlborough, New Zealand in late 2000, who were increasingly frustrated at continued unsustainable losses brought about through failures associated with cork closures on wine bottles. In response, the collaboration set about to institutionalize the screwcap seal as an acceptable closure on premium wine, both domestically and internationally. The outcome of the collective was substantial changes in the beliefs, assumptions, expectations, and practices in multiple wine markets globally. This was no mean feat considering the degree to which cork was deeply institutionalized as the only acceptable closure for fine wine, and conversely, screwcaps were widely institutionalized as a cheap alternative used on modestly-priced, lesser-quality wine.

The paper observes the critical role of the meso-level when attempting rapid market-shaping. Entities at the meso-level enable transmission of micro-level practices and ideas to the macro-level, and macro-level logics to the micro-level. Additionally, the paper presents the evolution of different types of market work as a collective forms and then stabilizes. It finds a collective evolving from the ephemeral to stable stages undertakes market work involving developing legitimacy (DiMaggio & Powell, 1983), enrolling others (Kraatz, 2009) and negotiating agreement (Zietsma & McKnight, 2009). In contrast, a stable collective working to impact market logics can instead be coercive (Marquis & Lounsbury, 2007) while concurrently engaging in educating market actors to change incumbent belief systems (Lawrence & Suddaby, 2006), and undermining the ethical foundations of old practices (Zietsma & Lawrence, 2010). In sum, the case demonstrates even small, geographically-isolated market actors can rapidly shape a market.

Based on the interfaces for theorizing model (Figure 1), the theorizing process used in this paper is depicted in Figure 6. This paper primarily followed an inductive research process, hence Step 1 involved the gathering of empirical evidence in the form of interviews and organizational records, and secondary data comprising web blogs, commentaries, critiques, etc. Through the analysis of the data (Step 2), the managers’
perspectives and practices of market-shaping emerged. As the case involved a growing collaboration of market actors to influence market outcomes, Step 3 featured the integration of another midrange theoretical framework as a complementary lens to (the nascent) market work framework (Nenonen et al., 2018). That complementary midrange theory is Sawyer’s (2005) social emergence ‘paradigm.’ Finally, Step 4 involved further expanding on the market work framework to include the different types of work undertaken as a collective forms and stabilizes.

Figure 6: Interfaces for theorizing - Chapter 6

Before presenting the four research studies that comprise the main body of this thesis in full, next, Chapter 2 provides a discussion of the philosophical position adopted in this thesis. This philosophical position relates to what constitutes knowledge and how the world is interpreted.
2 PHILOSOPHICAL FOUNDATIONS

When determining an appropriate path to undertake scientific enquiry, the researcher has to first explore their fundamental philosophical perspective in relation to how they interpret reality and what constitutes knowledge (Gray, 2014). This initial step ensures alignment between the nature of the question to be researched, the researcher’s personal outlook, and the methods to be employed. This chapter sets out the philosophical position and theoretical perspective adopted in this thesis. The chapter begins with a brief discussion of theoretical paradigms before attempting to reconcile the notion of paradigmatic incommensurability. Then a moderate constructionist epistemology will be declared, before finishing with a brief argument in favor of methodological pluralism.

2.1 Role of paradigms

Any set of shared philosophical assumptions can be referred to as a paradigm. A paradigm is representative of a person’s (or group’s) world-view and is a lens through which the world is interpreted and understood. In the field of scientific investigation, the set of shared assumptions that comprise a researcher’s paradigmatic view of enquiry are represented by four fundamental perspectives: their ontology, epistemology, theoretical perspective and methodology (Lincoln & Guba, 1994).

A researcher’s theoretical perspective results from their ontological and epistemological stance (Bryman & Bell, 2007; Crotty, 1998). An ontology is defined as the nature of reality (Gray, 2014, p.19) and defines how a researcher will categorize, identify and theorize about existence. Ontologies are largely (but not wholly) represented by two contrasting branches of thought: first, realists believe there is one true version of the world that everyone perceives alike and can be measured; while, second, relativists believe the world is perceived differently, and uniquely, by us all (Lincoln & Guba, 1994). What is the appropriate way to generate knowledge is represented by a researcher’s epistemological perspective, which also encapsulates the relationship between the researcher and the subject of research. Hence, ontology relates to the external, wider world, while epistemology relates to the theory of knowledge and what is thought to constitute valid knowledge (Creswell, 2009). Ontology and epistemology are entwined to the degree that Crotty (1998) chooses to largely remove ontology from the theoretical paradigm equation altogether, on the grounds that ontology is implicitly aligned with a researcher’s epistemological perspective. However,
this thesis perceives ontology as the roots, and epistemology the trunk, from which the other aspects of a researcher’s approach to enquiry grow. An objectivist epistemological stance pairs with a realist ontology, and a constructionist3 (and its related subjectivist) epistemology pairs with a relativist ontology (Lincoln & Guba, 1994).

2.2 Incommensurability?

Many researchers believe it is critical that a congruence exists between the area of research and the researcher’s instinctive paradigmatic view of enquiry, so as to avoid incommensurability in theoretical paradigms in the future (Tracy, 2013). However, this stance has contributed to a long-standing, historical debate between those that believe a quantitative (realist/positivist) approach to research is sounder, versus those on the ‘opposing’ qualitative (relativist/interpretivist) side. Within the marketing academy during the 1990s numerous high-profile scholars attempted to calm such disagreements taking place in academic journals between the interpretivists and positivists over “so-called ‘epistobabble’” (Davies & Fitchett, 2005, p.273).

Davies and Fitchett (2005, p.277) argue there are as many differences within research traditions as there are between them, and “highlight the logical and discursive inconsistency between the idea of scientific progress on the one hand, and […] incommensurability on the other.” Others have emphasized knowledge can be built equally well using either tradition, e.g., Bourdieu asserts, “of all the oppositions that artificially divide social science, the most fundamental, and the most ruinous, is the one that is set up between subjectivism and objectivism…[However] the modes of knowledge which [this division] distinguishes are equally indispensable” (1990, p.25).

Additionally, in their comparative analysis of two studies investigating the same consumer behavior phenomenon from opposite ends of the theoretical continuum, Davies and Fitchett (2005, p.286) discovered “a more fluid understanding of paradigms is desirable.” Furthermore, the authors concluded that in an effort to generate credibility

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3 Along with the term ‘constructionism,’ ‘constructivism’ is also frequently used, sometimes interchangeably (e.g. Velody & Williams, 1998). However, Crotty (1998, p.58) believed a distinction between the two terms was important. ‘Constructionism’ recognizes the role of collective culture in generating human interpretations of the world and should be used where the focus includes “the collective generation [and transmission] of meaning,” e.g., constructionism is congruent with an institutional approach. ‘Constructivism’ acknowledges each individual makes sense of the world on an independent, individual level in the first instance, and should be reserved for use when “the meaning-making activity of the individual mind” is prevalent, e.g. a constructivist epistemology is congruent with phenomenological research. Crotty’s classifying distinction has been adopted in this thesis.
for contrasting research approaches, the concept of incommensurability of paradigms has created fixed and oppositional viewpoints, even “when they are essentially undifferentiated and dynamic” (Davies & Fitchett, 2005, p.286). This more flexible and conciliatory position has led some scholars to explore the notion of multiple paradigmatic perspectives. For example, Gioia and Pitre (1990, pp.587-88) argue “that the provincialism that comes with paradigm confinement might instead be turned toward the production of more complete views of organizational phenomena via multiparadigm consideration.” Hence, even at the theoretical perspective level, multiple approaches to theory building by a researcher are valuable, especially when the goal is the generation of more comprehensive knowledge.

Gioia and Pitre (1990) also assert the boundaries of theoretical paradigms are indeed ‘permeable’, even if only somewhat. While the fundamental conventions of the different research paradigms are in opposition, the boundaries between them are blurred. If we turn to a social practice theorist like Giddens (1984), the principal developer of structuration theory, it is apparent social structure (from an institutional perspective) is both a product of, and responsible for, the social actions of humans. The ‘human action’ dimension of structuration implicitly aligns with the social constructionist perspective. However, the structures themselves can be considered from many perspectives including an objectivist one. Therefore, ‘structurationism’ is an example of a theoretical perspective that has potential as a bridging paradigm between the interpretivist and objectivist worlds (Gioia & Pitre, 1990).

In sum, while the collapsing of paradigms into one is not a realistic goal due to differences in their fundamental philosophical underpinnings, opportunities exist for researchers to reside in various bridging zones when wanting to drive the development of comprehensive knowledge. Indeed, the use of multiple paradigms may even ultimately assist with a form of triangulation of knowledge at a meta-paradigmatic level (Gioia & Pitre, 1990). Further, when considering research methods Creswell (2009) maintains that rather than being opposites, quantitative and qualitative approaches sit on either end of a continuum, with ‘mixed methods’ research spanning the center. Guba and Lincoln (1994) go even further by claiming either set of methods can be used successfully within either (post-)positivist or constructionist research. It is these more pragmatic perspectives to research approaches that have informed the development of the theoretical stance adopted in this thesis.
2.3 Moderate social constructionism

Based on conversations with others, previous experience, self-reflection and earlier exploration of theoretical perspectives, the ontological perspective adopted in this thesis is relativist. That implies the world is perceived as socially constructed, and that multiple realities exist based on the manner in which they are interpreted or represented by humanity. The relativist researcher believes the world is open to interpretation by people and that meaning can only be developed through enquiry with those involved in the social action being researched (Bryman & Bell, 2007; Gray, 2014). The researcher is responsible for listening to and interpreting a research subject’s descriptions and explanations of experiences.

However, this thesis does not adopt a purist (naïve) social constructionist stance. Rather, there are multiple methodologies (and methods) that can be employed to undertake comprehensive exploration of the world and many of these approaches might be appropriate for any given research topic. The essential ingredient of a constructionist’s perspective is the recognition that multiple realities of the same phenomenon may exist. Put differently:

[…] it is somewhat contradictory that those who subscribe to strong relativism or strong constructivism do not view the use of quantitative methods in general and quantitative analysis in particular as representing one such valid account of a phenomenon – albeit not their preferred account (Onwuegbuzie, Johnson, & Collins, 2009, p.125).

Hence, at an epistemological level this thesis is couched in a moderate constructionist outlook. As depicted in Figure 7, if rather than seeing epistemologies as siloes they are instead imagined to exist on a continuum from naïve realism to naïve relativism, moderate constructionism (and critical realism) sit toward the center of the continuum (Järvensivu & Törnroos, 2010). Moderate constructionists acknowledge both the rational and social dimensions of knowledge, but unlike critical realists do not believe there is one universal truth. Instead, what is considered to be true is defined by a community – comprising both researcher and research subjects – and derived from empirical data. This approach is embedded within a realization that multiple
**Figure 7: Continuum of ontological and epistemological worldviews**

(Taken from Järvensivu and Törnroos, 2010, p.101)
communities may exist, and that “research should proceed towards finding local, community-bounded, interacting forms of truth” (Järvensivu & Törnroos, 2010, p.101).

Moderate constructionism is underpinned by an abductive research approach, based on the philosophy of pragmatism (Peirce, 1905). Pragmatism defines “valid knowledge as that which helps us to take action and produces the desired results in an ethical manner” (Järvensivu & Törnroos, 2010, p.104). Pragmatic research is inspired by the anticipated consequences that the development of meanings for intellectual concepts will have, with the intention that the outcome of the research may be practically useful to others (Cherryholmes, 1992). Abduction flowed from the work of Charles Peirce (1839-1914), an American scientist and philosopher, respected as one of the greatest philosophers of all time (Nubiola, 2005). For Peirce, abduction was synonymous with the process of generating hypotheses, a creative process that allows for the generation of new ideas through wondering, that in turn, generates surprise and inquisitiveness (Magnani, 2005; Nubiola, 2005). Peirce contended that abduction “is the only type of inference from which new ideas are created” (Tschaepe, 2014, p.116).

The ontological assumptions of pragmatism remain contested (Brodie, Nenonen, Peters, & Storbacka, 2017). Some argue it sits considerably closer to the qualitative/relativist end of the ontological/epistemological continuum (Dubois & Gadde, 2002; Järvensivu & Törnroos, 2010), while others argue it resides more toward the realist/quantitative end (Brodie et al., 2017; Sosa, 1993). In this thesis, it is argued abductive research sits toward the constructionist end of the continuum due to the role and required disposition of the researcher. According to Guba and Lincoln (1994) the critical realist researcher denies any influence of personal values on research findings, and acts in the role of ‘disinterested scientist’. In contrast, as with inductive research, an abductive researcher performs an integral role in the discovery of innovative and insightful theoretical contributions (Timmermans & Tavory, 2012). Indeed, the researcher’s “disposition to perceive the world and its surprises – including the very reflection on one’s positions in this world – is predicated on the researcher’s biography as well as on an affinity and familiarity with the broader theoretical fields” (Timmermans & Tavory, 2012, p.173). Moreover, the pragmatic researcher’s “values, aesthetics, politics, and normative preferences are integral to pragmatic research, its interpretation and utilization” as these ultimately underpin the researcher’s
conceptualization of the consequences of their work (Cherryholmes, 1992, p.13). In turn, this guides the researcher in their choice of what and how to research.

Included in the required disposition of the pragmatic researcher is the creative dimension of abductive reasoning, grounded in the act of ‘guessing’. Guessing is a process of analysis that bridges conscious logic, and semi-conscious or unconscious perceptual judgement. Hence, guessing is defined as “the initial deliberate originary activity of creating, selecting, or dismissing potential solutions to a problem as a response to the surprising experience of that problem” (Tschaeppe, 2014, p.130). Rather than being a deliberate form of inference, abduction as a method of reasoning is informed by involuntary, unconscious, inference (heuristics), and perceptive judgement (Santaella, 2005). This process is reliant on the experience, knowledge and assumptions of the researcher; their willingness to be open to possibilities; and their ethical and aesthetic sensibilities that dictate what is thought to be possible (Timmermans & Tavory, 2012; Tschaeppe, 2014).

However, while abduction is considerably more inductive than deductive (Dubois & Gadde, 2002; Järvensivu & Törnroos, 2010), it does not qualify as purely inductive because the researcher relies on a considerable volume of \textit{a priori} concepts, theories and ideas to frame the research process. But it is certainly not deductive because the researcher undertakes an extensive process of going back-and-forth between the initial theoretical framework, empirical data as observed in real life, and subsequent emerging theoretical frameworks (Dubois & Gadde, 2002; 2014).

2.4 Methodological pluralism

The methodology employed by a researcher represents their theoretical perspective and is the way in which they can come to know reality. Methodology encapsulates the strategy and principles adopted to satisfy the aims of the research (Crotty, 1998), or, “the nature of ways of studying […] phenomena” (Gioia & Pitre, 1990, p.585). The practice of mixing methodologies, and indeed methods, is contested due to potential conflict at the ontological and epistemological levels (Sale, Lohfeld, & Brazil, 2002). For example, the concept of ‘validity’ is interpreted in a markedly different manner between a quantitative and qualitative researcher. For a quantitative researcher ‘validity’ refers to “results [that] correspond to how things really are” while to a qualitative researcher,
“‘valid’ is a label applied to an interpretation or description with which one agrees” (Sale et al., 2002, p.45).

However, for some time marketing academics and researchers have been encouraged to build practical models and conceptual frameworks that are useful to managers, and to employ pluralistic rather than homogenous methodologies (Day & Montgomery, 1999; Hunt, 1991; Kavanagh, 1994). Such an approach prevents researchers becoming stuck in paradigmatic siloes and enables the development of comprehensive knowledge.

The methodologies (and methods) adopted in the research studies in this thesis are individually outlined in each study. Collectively they represent a broad range of research approaches while still being generally couched in a moderate constructionist epistemological paradigm. Chapter 3 is a conceptual paper; Chapter 4 employs machine-based text analysis; Chapter 5 uses systematic combining (Dubois & Gadde, 2002; 2014), the abductive approach to case analysis; and Chapter 6 is a qualitative interpretative case study. The four separate research studies get underway now, beginning with a conceptual paper arguing for S-D logic as a unifying conceptualization and lexicon for different types of innovation that occur at multiple levels of aggregation.
Abstract

This chapter draws on Service-Dominant (S-D) logic to examine innovation processes at multiple levels of aggregation. We consider technological innovation, business model innovation, and ultimately, market innovation. We suggest there is a need to rethink markets by viewing them as ecosystems, comprising multiple heterogeneous actors (i.e. customers, firms and other stakeholders). These actors learn, discover, and acquire information from other actors in the system, and collectively generate markets through the practices they perform. Market systems, and the actors embedded within them, are governed by constraining institutional arrangements, both formal and informal, that dictate the rules and norms for how value cocreation activities can be coordinated. However, these same institutional arrangements also provide the rules and norms that enable actors to attempt to innovate incumbent technologies or practices. For any new technology to become accepted as an innovation it must become institutionalized. Likewise, as incumbent practices become deinstitutionalized, disruption is said to occur. Hence, processes of (de)institutionalization within socially embedded ecosystems are key to understanding innovation processes of different types and contexts.

Keywords: service-dominant logic, innovation, institutions, institutional work, markets-as-practice
3.1 Introduction

The dynamic, interdependent relationship between innovation and the (re)structuring of markets has been of interest to scholars for some time. However, as innovation and markets have been studied by scholars from numerous disciplinary backgrounds, there lacks a cohesive conceptualization of markets and innovation processes (Hauser et al., 2006). This is especially pronounced with the differentiation between product-related innovation (e.g., new types or examples of consumer goods), and market-related innovation (e.g., new geographic markets or new market structures); see Vargo, Wieland, and Akaka (2015). In response, there have been repeated calls for broader conceptualizations that enable examination and theoretical development of complex, contemporary innovation processes (Ordanini & Parasuraman, 2011); processes that manifest as new types of goods, services, systems, business models, or ultimately, markets. Such a perspective needs to reflect the features and challenges of contemporary times – the socially embedded nature of economic activities (Granovetter, 1985) and the importance of multiple actor groups in contributing to innovation processes. The ability of firms, collaborators, or social groupings to deliberately innovate markets is a research area that holds much promise for strategists, innovation practitioners, and many others (Kindström et al., 2018; Nenonen, Möller, & Storbacka, 2017; Nenonen & Storbacka, 2018; Storbacka & Nenonen, 2015). However, this remains a nascent area of research.

The way innovation is conceived of and managed by firms has radically altered in recent times. Traditionally, innovation processes were seen as an internal firm responsibility, secretive and closed (Mele et al., 2015). Now, ‘open innovation’ involves knowledge flows both within and across the boundaries of the firm (Alexy & Dahlander, 2014; Chesborough, 2006). Additionally, ‘innovations’ were generally thought of as tangible ‘products’ or ‘inventions,’ but many of the most visible, fast-growing, and valuable global firms today are primarily service providers and not goods manufacturers, e.g., the so-called ‘FAANGs’ (Facebook, Apple, Amazon, Netflix and Google’s parent company Alphabet).

In parallel, markets have traditionally been imagined to primarily comprise dyads of producers (as value creators) and consumers (as value destroyers), with both parties involved in exchanging goods for money (Vargo et al., 2015). However, global giants like Airbnb and Uber have no employees or capital invested in what are ostensibly their core service offerings, i.e., accommodation and transportation services respectively; but are notable for
their ability to bring together and coordinate a vast array of heterogeneous market actors on a
global scale. Numerous other firms are innovating, disrupting, shaping, and creating markets
through technology-driven service-delivery platforms in multiple industries. Examples
include education providers Coursera and Udacity, personal and professional services
platforms Upwork, crowdfunding platforms IndieGoGo and Kickstarter, peer-to-peer lenders
LendingClub and Zopa, and social enterprises such as the Food Assembly (cf. Owyang,
2014). The success of these businesses cannot be suitably understood while adopting a 20th
century perspective that sees firms as the primary creators of value that is realized when
tangible products are sold to a particular target market segment.

Another issue with understanding innovation is that contemporary research examining
collaborative innovation processes has a splintered approach. In trying to identify and explain
innovation drivers or antecedents, research has typically adopted either a macro- (economic
or institutional system), meso- (dyads or networks), or micro- (single firm) level perspective
(Corsaro et al., 2012). Although valuable research contributions in themselves, these
perspectives offer neither clear distinctions between the levels, nor a comprehensive multi-
level understanding of innovation. For instance, a macro-level research lens might ascribe
primacy to geographical or industrial network positions as drivers of innovation (Asheim &
Coenen, 2005; Su & Chen, 2015), whereas a micro-level lens might identify internal firm
competencies or product types as key (Garcia & Calantone, 2002). However, a
comprehensive perspective that encompasses the multiple levels of innovation activity
(micro-, meso- and macro-) is not possible with such diversity of approach and concept. This
is further complicated by the fact that every discipline adopts different conceptualizations and
lexica to examine technology, people, organizations, and societies (Maglio & Spohrer, 2008);
there are marked differences between the language and perspectives of sociology, economics,
management, strategy, marketing, etc.

In sum, there is a pressing need for a comprehensive integrative perspective of
innovation processes with some key characteristics. First, an integrative perspective must
incorporate consideration of different settings and levels of aggregation. Hence, any such
perspective must be capable of exploring the constraining and enabling social and
institutional contexts in which these processes occur and the practices of the multiple actors
that contribute to innovation processes (Vargo et al., 2015; Vargo & Lusch, 2016). Second,
an integrative perspective must enable comprehensive consideration of innovations of diverse
types including new goods, services, networks, business or social systems, processes, business models, or even markets (Wieland, Vargo, Akaka, & Barbeau, 2018). Lastly, and perhaps most importantly, such a conceptualization must provide a shared lexicon that enables people to coalesce around a collective perspective and understanding (Maglio & Spohrer, 2008). This allows scholars, managers, and others with different sets of practices and knowledge (from different domains), to benefit from a combination of unique perspectives.

As argued in this chapter, such a transcendent conceptualization of innovation is found in Service Dominant (S-D) logic (Lusch & Vargo, 2014; Maglio & Spohrer, 2008; Vargo & Lusch, 2016). Building on the introduction to this thesis, an S-D logic conceptualization of innovation processes is discussed in detail throughout this chapter, the remainder of which is organized as follows: in the next section, we briefly introduce S-D logic’s attributes as a unifying conceptualization for innovation. The third section outlines neo-institutional theory and the role of (de)institutionalization processes in the acceptance, normalizing, or embedding of innovations. The fourth section systematically reveals how the systemic and institutional perspective of S-D logic informs conceptualizations of technological, business model, and market innovation. The chapter concludes by presenting implications for theorists and practitioners alike.

3.2 S-D logic

An S-D logic perspective asserts all value is cocreated by generic actors (sometimes many) involved in resource integration through service exchange (Vargo & Lusch, 2008). These actors are embedded within adaptive service ‘ecosystems,’ that are coordinated by overlapping, interrelated societal institutions (or ‘institutional arrangements’) (Lusch & Vargo, 2014; Vargo & Lusch, 2016). Further, service ecosystems are layered or nested within one another (Koskela-Huotari et al., 2016). Examples of ecosystems include a household or firm (on a micro-level), a community or collective (on a meso-level) or a society or national economy (on a macro-level). Maglio and Spohrer (2008) argue the smallest ecosystem is two individuals, while the largest is the global economy.

Viewing all actors as embedded in ecosystems, involved in processes of value creation for themselves and others, enables an understanding of modern, open, consultative and inclusive firm-coordinated innovation processes (Vargo et al., 2015). These open
innovation processes frequently comprise a broad type and number of actors (Huarng, Cervera & Mas-Verdu, 2018). Additionally, an ecosystem conceptualization enables comprehensive understanding of innovation processes (and outcomes) at multiple levels. For example, this includes 1) innovation activities undertaken by (micro-) individuals, organizations or (meso-) business networks (Möller et al., 2005), and 2) innovations that manifest as new technologies, new business models (Fehrer, Woratschek, & Brodie, 2018), or new structures or shapes of markets (Storbacka & Nenonen, 2015).

Incorporating an institutional perspective into innovation processes is key as institutions shape the social contexts in which innovation occurs. Paradoxically, institutions constrain the ability of actors to innovate (i.e., to move away from taken-for-granted practices, processes, assumptions, etc.); while also providing the institutionalized rules and norms that enable such entrepreneurial activity (Battilana & D’Aunno, 2009). By extension, when incumbent practices and technologies are disrupted, processes of de-institutionalization effectively take place. Inversely, when innovative practices and technologies are diffused and established as accepted new norms and expectations, processes of institutionalization occur.

In sum, viewed from the S-D logic service ecosystems perspective, innovations – at any level of aggregation or in any context – reflect new, better ways for value cocreation processes to occur. Value is always cocreated, and value cocreation activities occur within institutionally embedded ecosystems. To elaborate on this argument, the next section will introduce institutions, and the mechanisms for undertaking institutional change.

3.3 Institutions
Institutions provide predictable structures and frames for people to go about their daily lives (Scott, 2001). Although often conceptualized simply as large organizations (e.g. universities or hospitals), institutions are the norms, practices, (formal and informal) rules, and shared understandings that provide psychological security and predictability for people within households, communities, countries, and even trans-nationally (Scott, 2001). Institutions can be both formal (e.g., parliament, the justice system, legal marriage) or informal (e.g., how people greet each other, or the act of applauding). They are generally stable and reproduced but are capable of disruption and change. Most importantly, institutions provide humans with cognitive ‘short-cuts’ as they go about their daily lives (Scott, 2001). Rather than having to assess and reassess every experience, action and decision, institutionalized norms, beliefs and
expectations allow psychological security and certainty through heuristic pathways and social schemata (DiMaggio & Powell, 1991b; Scott, 2001; Thornton et al., 2012).

All ecosystem actors exist within broader institutional contexts, where actors operating within a context may include individuals, groups, formal or informal organizations, collections of competitors, regulators, etc. (Edvardsson et al., 2014). Sets of interrelated institutions – institutional arrangements (Koskela-Huotari et al., 2016) – guide the manner in which firms (and other actors) operate within an industry, market, or economy. For example, a formal institution (e.g. an industry regulator) shapes the way value cocreation activities can be enacted by a firm. Additionally, institutionalization is a key topic when examining innovation. For an innovation to be successful it must become institutionalized (Vargo et al., 2015), which means that it must become an accepted, taken-for-granted norm, expectation, practice, or routine in people’s lives. Accordingly, as an innovative technology becomes institutionalized, incumbent or pre-existing technology might become disrupted and obsolete through deinstitutionalization.

As all actors are themselves embedded within certain institutionalized social and cultural contexts, all interpretation of value by any market actor (e.g. customers, product users, brand communities, etc.) takes place within this broader, institutionalized socio-cultural frame (Edvardsson et al., 2014). The assessment of value is unique to all individuals and takes place within a particular social and cultural context that comprises, amongst other things, institutionalized norms, understandings, expectations and rules. These institutional factors (e.g., that may manifest as trends, fashions, customs, etc.) constantly influence the interpretation of value by an actor (Edvardsson et al., 2011). Hence, not only are institutions integral to the existence of service ecosystems and how value cocreation activities can be coordinated, but also to the way value is uniquely interpreted by human actors embedded in market systems.

However, institutions do not simply have a top-down constraining influence on people, organizations and communities. Instead, they provide rule structures within which people may modify or even break incumbent elements (Battilana & D'Aunno, 2009). Hence, there is an inherent tension between the agency an actor enjoys and the governing or coordinating institutional structure. This is known as the “paradox of embedded agency” (Seo & Creed, 2002, p.226) and is best understood by remembering that institutions are structured
and reproduced by the very practices enacted by people as they go about their daily lives (Giddens, 1984).

For example, the formal institution of marriage, in any number of cultures and religions around the world, typically includes numerous formal and informal institutionalized behaviors, e.g., generally accepted dress codes, ceremonial activities, passages of text or scripture, etc. People adopt these behaviors and activities when they wed because time-honored institutionalized norms and customs influence and shape their decision-making. As such, the institution of marriage is constantly performed and enacted by those people who choose to engage with it. However, if all people in a particular culture collectively decided that formal weddings should take place in breweries with the bride and groom dressed as garden gnomes, that is what the institution of formal marriage would rapidly become in that culture. Furthermore, changes to formalized institutionalized rules around marriage in many parts of the world (such as same-sex weddings) have come about through changing social ideologies and political action such as advocacy for human rights.

Hence, institutions operate as a duality (Giddens, 1984); specifically, although institutional structures provide a governing or influencing framework within which activities take place, ultimately an institutional structure is a (re)production of the very practices of the institutionally embedded actors (Battilana & D'Aunno, 2009). There is a reciprocal and interdependent relationship between the practices adopted and performed by actors and the resulting institutionalized behaviors, norms, belief systems, and expectations. When considering markets from an S-D logic perspective, as institutionalized practices evolve and change through innovation activities, so do value cocreation processes, and vice-versa (Akaka et al., 2017; Baker, Storbacka, & Brodie, 2018). This is a key concept when understanding market stability or change, which result from processes of (de)institutionalization of incumbent technologies, processes and practices.

To understand how institutionally embedded actors might deliberately undertake institutional change, initially the theory of institutional entrepreneurship emerged (e.g., DiMaggio, 1988). Institutional entrepreneurship explores how actors embedded within a certain institutional context can break with accepted norms, rules, beliefs and behaviors and leverage available resources to create change or disruption. This perspective marked a key development in institutional theory: institutional entrepreneurship argues that while institutions themselves are deterministic in the way they structure and coordinate lives,
institutional actors are capable of creating change. However, institutional entrepreneurship has been criticized for positioning institutional entrepreneurs as endowed with extraordinary, super-human abilities (Lawrence et al., 2009) and for not suitably considering contextual influences on entrepreneurial action (Smothers, Murphy, Novicevic, & Humphreys, 2014). Accordingly, institutional entrepreneurship has been further expanded through the ‘institutional work’ framework (Lawrence et al., 2009; Lawrence & Suddaby, 2006).

Institutional work unifies various strands of sociology and institutional theory beyond institutional entrepreneurship (DiMaggio, 1988) including social practice theory (Bourdieu, 1984; Bourdieu, 1990; Schatzki et al., 2001), structuration theory (Giddens, 1984), and deinstitutionalization (Oliver, 1991). Institutional work is defined as “the purposive actions of individuals and organizations aimed at creating, maintaining and disrupting institutions” (Lawrence & Suddaby, 2006, p.215). Like S-D logic, the framework conceptualizes institutions as residing within “nested systems” at micro-, meso-, or macro- levels. However, these levels are arbitrary because they are interdependent and overlapping (Giddens, 1984).

Importantly, institutional work does not explore just the intentional activities of actors to undertake institutional change (i.e., by creating new or disrupting old institutions), but also institutional maintenance – maintaining stability or longevity in existing institutional arrangements. However, the dimensions of institutional disruption and creation are most pertinent to our discussion of innovation processes. There is no one definitive list of the types of institutional work (Nenonen et al., 2018). Nevertheless, a synthesis of various versions appears in Table 2. To illustrate institutional work, we use the crowdfunding platforms Kickstarter and Indiegogo as examples.
Table 2: Institutional work framework

[Compiled from Lawrence and Suddaby (2006), Battilana and D’Aunno (2009), Kraatz (2009), Zietsma and McKnight (2009)]

<table>
<thead>
<tr>
<th>Institutional outcome</th>
<th>Classification of work</th>
<th>Forms of institutional work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation</td>
<td>Political work</td>
<td>Vesting property rights through new rules</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New rules that redefine hierarchies and boundaries</td>
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<td></td>
<td></td>
<td>Advocatory activity through political or regulatory mechanisms</td>
</tr>
<tr>
<td></td>
<td>Change in actor belief systems</td>
<td>Constructing peer group relationships and functions within field boundaries</td>
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<tr>
<td></td>
<td></td>
<td>Building and sustaining support of constituents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Negotiating and envisioning common strategic objectives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Normalizing practices through newly established peer group</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Selecting from available alternative practices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Examining the ethical foundations of previously accepted practices</td>
</tr>
<tr>
<td></td>
<td>Change in meanings and boundaries</td>
<td>Preserving elements of pre-existing rules, technologies and practices makes change less abrupt</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creating acceptance by sharing information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Educating actors in required new skills and knowledge</td>
</tr>
<tr>
<td>Maintenance</td>
<td>Ensuring adherence to rules systems</td>
<td>Enabling continuation of institution through creating rules and agencies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Policing institutional actors through compliance monitoring and enforcement</td>
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<td></td>
<td></td>
<td>Deterring institutional change through coercive barriers</td>
</tr>
<tr>
<td></td>
<td>Reproducing existing norms and belief systems</td>
<td>Publicly valorizing positive and demonizing negative institutional actors</td>
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<tr>
<td></td>
<td></td>
<td>Mythologizing an institution’s history</td>
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<td></td>
<td></td>
<td>Embedding and routinizing accepted practices through education and ceremony</td>
</tr>
<tr>
<td>Disruption</td>
<td>Attacking or undermining institutional mechanisms</td>
<td>Disconnecting rewards and sanctions through state apparatus</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Undermining the ethical foundations of old practices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Disassociating moral foundations for practices, rules or technologies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Undermining core assumptions and beliefs reduces perceived risk of innovation</td>
</tr>
</tbody>
</table>
First, institutional creation can occur for a number of reasons. Political work is a particularly powerful instrument for the creation of new institutions, and so is change in belief systems, meanings and boundaries (Lawrence & Suddaby, 2006; Zietsma & Mc Knight, 2009; Zietsma & Lawrence, 2010). The crowdfunding platforms Kickstarter and Indiegogo have significantly influenced the change in meanings and boundaries of the traditional funding process. Crowdfunding refers to efforts by artists and entrepreneurs to fund their ventures by drawing on relatively small contributions from sometimes very large numbers of individuals (‘the crowd’) using the internet, without requiring financial intermediaries (Mollick, 2014). The idea of patronage – a way of funding artists through patrons – has existed for centuries in the arts scene. For example, Archduke Rudolph of Austria was Ludwig van Beethoven’s greatest patron, giving the famous composer funds to continue creating music. In turn, Beethoven composed music for him. However, the technological developments of the internet make the idea of patronage exponentially more dynamic and accessible to both a broader group of actors and to new actors (Chua, 2017).

Institutional creation also involves changes to both concrete and abstract belief systems that actors rely on for understanding and interpreting. As new peer relationships emerge, and new peer groups are structured, innovative practices become accepted, normalized, and routinized (Lawrence & Suddaby, 2006). Barriers created by resistance to driving abstract understandings and beliefs can be overcome if institutionalized elements of old ways of doing things are replicated or mimicked (Hargrave & Van de Ven, 2009). In the case of crowdfunding the funders establish new normalizing practices, such as pledging money for entrepreneurial projects, which is not new per se, however, it is executed by peers of ordinary people. Further, funders activate their social network to support crowdfunding campaigns, which is a replication of existing practices in contemporary business and social environments (Fehr & Nenonen, 2019). Kickstarter and Indiegogo, however, drove significant change in fundamental beliefs of what funding processes could look like and how they are executed. This includes mechanisms for evaluating the viability of start-up projects – a highly public setting in which experimenting and fast failing are executed – and how potential markets for new products and services are validated or shaped to be ready for an innovation (Fehr & Nenonen, 2019).

However, Kickstarter and Indiegogo also maintain several institutionalized elements of traditional funding processes. For example, entrepreneurs and artists still have to pitch
their project in the most convincing way to receive funding, and crowdfunding platforms receive a management fee for connecting founders with funders and potential customers – similar to business angels and venture capitalists.

Finally, disruption of institutions occurs as a result of actors attacking or undermining the mechanisms that maintain incumbent institutional arrangements (Lawrence & Suddaby, 2006). This may be achieved in various ways. The ethical underpinnings of incumbent practices may be questioned as social ideologies evolve and change (Zietsma & Lawrence, 2010), or actors might use institutional systems such as lawyers, judges and courts to question incumbents (Lawrence & Suddaby, 2006). For example, as crowdfunding grew in popularity and reached a significant turnover – rising from SUS2.7 billion in 2012 to SUS 34.4 billion in 2015 (Masssolutions, 2016) – and with its global impact expected to grow even further (World Economic Forum, 2016), its legal status was questioned. As with many other successful platform business models, the legal status of crowdfunding was not precisely defined and was open to interpretation. However, ambivalent legal status provides an opportunity for platform businesses to exploit, thereby disrupting incumbent institutions, even if it involves fighting legal battles. With crowdfunding, various legal issues arise including equity funding regulations, intellectual property and patent regulations, copyrights and trademarks (Murray, 2018). However, due to support from ‘the crowd,’ in the USA the government was put under pressure to adjust the law. In 2012, the Jumpstart Our Business Startups (JOBS) Act became law, and one of the key provisions was to instruct the Securities and Exchange Commission (SEC) to find ways to exempt crowdfunding from some of the more onerous provisions that restrict access to funds from non-registered securities offerings by non-accredited investors.

Most institutional work research has adopted the (meso-level) ‘field’ or (micro-level) organization as the focal entity, but actors may undertake ‘work’ that impacts any one of the institutional levels (Lawrence & Suddaby, 2006). For example, institutional work might manifest in the micro-level practices of individual people or organizations; at the meso-level in industry bodies, associations, or business networks; at the macro-level in national or even trans-national institutional arrangements (Battilana & D’Aunno, 2009; Scott, 2014). Hence, an important contribution made by institutional work has been the integration of a practice-based approach to understanding changes that manifest at any one of the institutional levels (Hargrave & Van de Ven, 2009). Hence, institutional work offers a fresh perspective when
exploring both the outcomes and the drivers of innovation at different levels of aggregation within a service ecosystem.

In summary, institutional considerations are key to understanding how actors can coordinate value cocreation activities in socially embedded ecosystems and how value is perceived and interpreted by ecosystem actors (Edvardsson et al., 2014). Additionally, the institutional work framework provides a means of understanding processes of (de)institutionalization of innovation in all contexts. The next section demonstrates how this institutional dimension is embedded in S-D logic, and how this institutional and systemic perspective enables S-D logic to provide a comprehensive consideration of the holistic and dynamic nature of innovation processes relating to technology, business models, and markets (Vargo et al., 2015).

3.4 An institutional and systemic perspective for market innovation

S-D logic views innovations that emerge from technological advancements as resulting from processes of (de)institutionalization. Likewise, Wieland et al. (2017) argue that a systemic and institutional approach similarly shifts business model innovation to the study of how institutions are (re)formed. That is, they suggest through “an iterative and dynamic process involving a broad range of actors (i.e., firms, customers, other stakeholders, etc.) that institutionalization – the maintenance, disruption, and change of rules, norms, meanings, symbols – enables and constrains resource integration and value cocreation practices” (p.11). Finally, S-D logic views markets as systems that emerge and continuously shape, and are shaped by, institutions and institutional arrangements (Vargo & Lush, 2016; Vargo at al., 2017). This provides a lens through which to explore how versatile actors can consciously construct and reconstruct and thereby innovate markets (Kjellberg & Helgesson 2006; Araujo, 2007; Storbacka & Nenonen, 2011; Mele, Pels & Storbacka, 2015). The following subsections elaborate on how the systemic and institutional perspective of S-D logic informs the conceptualizations of technological innovation, business model innovation, and market innovation, in order to provide a holistic framework for understanding market innovation.

3.4.1 S-D logic informed view of technological innovation

Traditional conceptualizations of technology and innovation have generally resided within different scholarly and practitioner disciplines and have largely been conceptualized within a G-D logic (Koskela-Huotari et al., 2016). Hence, the complex dynamics of modern markets
and accelerating change have not been comprehensively understood. Such traditional perspectives have provided only “incomplete knowledge about the true nature and impact of service innovations” (Ordanini & Parasuraman, 2011, p.4). Determining how to measure innovation success has also been heavily influenced by thinking grounded in neo-classical economics and a G-D logic. For example, the success of innovation initiatives has often been measured in terms of patents or sales (Michel et al., 2008). However, patents are generally sought for new tangible products and sales are associated with increased value-in-exchange. Further, “most textbooks continue to conceptualize individual companies (and their R&D departments) as the main innovators” (Mele & Russo-Spena, 2015, p.42). This is because traditional innovation practices have been typically closed – primarily comprising secretive R&D facilities in large corporations where company scientists imagine, design, build, and launch new ideas (Chesborough, 2006). However, such perspectives do not reflect the underlying reality that all value is cocreated through the integration of resources by many actors, where the firm is an important actor, but only one actor in the service ecosystem.

Innovation is very often implicitly linked to technology, however mainstream innovation literature often adopts a narrow conceptualization of technology; for instance, it may be related to digital and mechanical devices or artefacts. S-D logic, however, accentuates the interdependence of technology and innovation. S-D logic scholars have been drawn to Arthur’s (2009, p.28) more transcendent conceptualization of “technology as a means to fulfil human purpose… [which includes] technology as an assemblage of practices and components”. Arthur argues that both ‘hardware’ and ‘software’ qualify as technology, so technology includes not just machines, devices, products or artefacts, but also processes, organizations, institutions, etc. In sum, a technology is anything that achieves a human purpose. Hence, technology from an S-D logic perspective is seen in much the same way as products – both intangible and tangible.

Additionally, novel technologies are a product of evolutionary processes in that they are related in some way to the technologies that precede them, or as Arthur (2009, p.18) puts it, “evolution requires a mechanism of ‘heredity.’” Accordingly, all new technologies (innovations) result through the combination of pre-existing technologies as “existing technologies beget further technologies” (Arthur, 2009, p.21). From this perspective, it becomes obvious that technology is exclusively reliant on the development and deployment of human knowledge and skills (operant resources) to find solutions. Therefore, technology is
both physical and social (Akaka et al., 2017) and any ‘hardware’ is an expression or manifestation of operant resources. Hence, much like any tangible good, ‘hardware’ is an indirect service provider.

In the era of mass customization, and growing technological and market complexity, many of the operant resources needed to remain competitive are located outside the firm (Cesaroni & Duque, 2013). These may include customers, research institutes, universities, suppliers, partners, brand fan groups, product users, etc. (Möller & Rajala, 2007). While many of these actors play a critical role in enabling the process of value cocreation, when acting as a source of knowledge or inspiration for innovation, they also are operant resources for the firm (Ordanini & Parasuraman, 2011). For example, a group of customers might contribute ideas for service innovation through a focus group, while customer-facing staff might do so owing to on-the-job experiences with clients (Ordanini & Parasuraman, 2011). Meanwhile, actors with whom the firm has no financial relationship (e.g. brand fan groups) might be a source of inspiration for service innovation through ideas posted on blogs or social-media (Harrison & Kjellberg, 2016). For example, a participant in quirky.com might contribute an idea for a new product, and others in the Quirky community may comment or make suggestions to improve the idea. If an idea is chosen to be launched to market, both inventor and contributors earn money (Quirky, 2018). Another example is a ‘wiki’ (e.g. Wikipedia), which is cocreated by numerous heterogeneous, willing actors. In all cases, actors – internal or external to the firm – with a monetary or non-monetary relationship, can act as operant resources for innovation processes.

Contemporary perspectives on innovation perceive innovation processes as network activities, involving cooperation and collaboration by multiple actors both within and without the firm (Alexy & Dahlander, 2014). No longer is innovation perceived as primarily a closed, internal organizational act. Instead, an ‘open’ innovation perspective “assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market” (Chesborough, 2006, p.xxiv). Furthermore, the previous reliance on tangible goods as the vehicle for innovation has now been replaced with a focus on information-intensive offerings (Lusch & Nambisan, 2015) as experiential value assumes primacy over tangible product attributes, reflected in the success of firms like Facebook and Google. Indeed, the most innovative service firms are those that are the most collaborative, both with internal actors (especially customer-facing staff) and with external actors (especially business partners...
and customers), as described by Ordanini and Parasuraman (2011). In sum, actors participating in innovation processes individually and collectively act as operant resources. They bring their own unique goals, knowledge, capabilities and competencies, perceptions, power, position and culture to the table (Corsaro et al., 2012, p.786).

Adopting an S-D logic lens, innovation can occur through any one of four fundamental paths. These include (1) integrating existing resources and practices in different ways, (2) adopting new practices while using existing resources, (3) integrating new resources with existing practices, and (4) combining both new practices and new resources (Skålén et al., 2015). Any one of these combinations implicitly requires changes to service delivery or processes, which in turn, may require modifications to the competencies of both firm and customers (Ordanini & Parasuraman, 2011). Consequently, this perspective requires a fundamental shift in mind-set by firms. Rather than focusing on the maximization of value-in-exchange, instead firms need to focus primarily on maximizing the customer’s realization and interpretation of value-in-use, in context (Sebastiani & Paiola, 2010). Hence, it is the collaborative integration of operant resources by multiple contributing actors that best enables innovation and new value propositions to emerge (Vargo et al., 2015).

3.4.2 S-D logic informed view of business models

The business model and business model innovation literatures feature considerable heterogeneity and a lack of cohesion in language and conceptualization (Zott et al., 2011). A convincing singular definition of a business model has not yet been fully articulated (Wieland et al., 2017), and many of those that have are underpinned by a G-D logic. Teece’s (2010, p.172) definition of a firm’s business model is the “design or architecture of the value creation, delivery, and capture mechanisms”, which explicitly indicates the firm both creates and delivers value. Zott et al. (2011, p.1020) posit a generic definition of a business model as “how firms do business” (which is tautological as well as something of a firm-centric perspective), although they do assert a systems approach is needed. Foss and Saebi (2017, p.216) suggest that business models “can be conceptualized as ‘complex systems,’” intimating a need to adopt a systems perspective.

Studies of business model innovation tend to adopt one of several approaches (Foss & Saebi, 2017). Some perceive business model innovation as a process, others as an outcome; some focus on changes to individual organizational characteristics as evidence (like pricing
models or organizational boundaries), others on high-level attributes such as ‘targeted segments’ or changes to the ‘value-chain’ (Foss & Saebi, 2017). These studies all represent thinking grounded in the belief that firms create and deliver value to customers who are the consumers (‘destroyers’) of value. For example, a firm-centric perspective is present when defining business model innovation as “designed, novel, nontrivial changes to the key elements of a firm’s business model and/or the architecture linking these elements” (Foss & Saebi, 2017, p.201).

However, there is an emergent recognition of the importance of networks to business models. For example, Storbacka and Nenonen (2011a, p.248) assert that networks “define the resources that an individual market actor possesses and the ways that the market actor can interact with other market actors – and their resources.” Mason and Spring (2011) recognize the interconnectedness between network actors (e.g., those in a supply chain or innovation network), and that business models evolve through interactions with other institutional actors. Moreover, Coombes and Nicholson (2013) contrast ‘open’ models (that incorporate external stakeholders), with ‘closed’ models. Open models reflect firms’ reliance on customers for value realization (Prahalad & Ramaswamy, 2004a; 2004b), and the role of stakeholders (including customers) in open innovation processes (Chesborough, 2006). This contrasts with business models that exist as only internal to a single firm, where the firm is the sole actor responsible for innovation and value creation. Accordingly, this research recognizes the dynamic, systemic nature of value creation networks (Vargo & Lusch, 2016).

Fehrer, Woratschek and Brodie (2018) draw on this systemic perspective of business model design when they analyze the value creation and value capture processes of platform business models. As many of the world’s fastest growing companies are now peer-to-peer platforms that are representative of open models (e.g., Uber, Kickstarter, etc.), an actor-to-actor (A2A), rather than the firm-centric business-to-customer (B2C), perspective is needed. Platform businesses are enabled through sophisticated technology, and the institutionalized rules and norms that govern them are produced by the actors using the platforms. Hence, they operate as non-hierarchical entities (Fehrer et al., 2018). For example, both Uber drivers and riders get to rate each other after service experiences. Both sets of actors play a role as collective ‘micro-regulators,’ and governance of the ecosystem is democratized. In contrast, with taxi firms this role is traditionally performed by industry regulators and associations, and
through rules devised by taxi firms themselves. As such, governance of the traditional ecosystem is hierarchical.

With open business models, there is evidence of how value is cocreated and systemically captured by various actors in the service ecosystem (Coombes & Nicholson, 2013), and each socio-culturally-embedded service beneficiary has a unique interpretation of this value (Edvardsson et al., 2014). Hence, when adopting an S-D logic perspective of (1) service as the application of one’s competencies for the benefit of another (Vargo & Lusch, 2004), and (2) all value being cocreated through service-for-service exchange, “service strategy […] involves actors developing an understanding of how they can best serve themselves through service to others. The representation and performance of this understanding is captured in the *business model*” (Wieland et al., 2017, p.926)

In summary, a firm’s ability to coordinate activities between multiple actors requires considerably more recognition of systemic elements, including the institutional factors that both constrain and enable the practices of embedded actors, and the ability to connect and collaborate with various actors within the service ecosystem. So rather than being a firm-centric proposition, a business model is centered on the ability to maximize interaction between systemic actors (Wieland et al., 2017). This model is the bridge or conduit that enables firms to engage versatile actors in value cocreation processes.

3.4.3 S-D logic informed view of market innovation

There is an implicit relationship between innovation and market creation and change. However, ironically the ‘market’ has been under-researched in the marketing discipline for some years (Kjellberg et al., 2012; Vargo, 2007; Venkatesh et al., 2006). For example, Venkatesh et al. (2006, p.252) assert, “Paradoxically, the term *market* is everywhere and nowhere in our literature.” Initial research examining the innovation of markets focused on new product markets, new geographical markets, or the entrepreneurs that drive or adapt to change (e.g., Schumpeter, 1947). Later, the effect of changing (tangible) technologies on markets became a focus for researchers (Kjellberg et al., 2015), although still largely conceptualizing markets as primarily comprising producer-consumer dyads (Vargo et al., 2015). More recently, scholars have begun to explore how markets themselves are innovated (e.g. Kjellberg et al., 2012; Mele et al., 2015; Nenonen et al., 2014; Storbacka & Nenonen, 2015). This shifting focus reflects the need for research to adopt a considerably broader
perspective than simply viewing markets as places where buyers and sellers come together to engage in economic transactions. Giesler (2008, p.752) argues, “conceptualizing markets as systems of monetary transactions is a useful but distancing fiction. It should not give us license to forget our cultural embeddedness in, and social responsibility for, the action in the market theatre.”

Indeed, market change is a product of relational processes. For example, Rosa, Porac, Runder-Spanjol and Saxon (1999) highlight how market definitions (e.g. product categories) are developed over time as producers, consumers, and others negotiate shared meanings. Humphreys (2010) tracks the influence of those in marketing and media on changing public discourse and influencing perceptions of what is considered legitimate or normal. While Kjellberg and Olson (2017) demonstrate that no market is isolated, but instead adjacent markets in similar fields influence new markets as they search for regulatory legitimacy.

Traditional perspectives of markets, underpinned by neo-classical economics, have seen markets as pre-existing, generally stable, and out of the firm’s control. Instead, today markets are viewed from a systems perspective and conceptualized as complex adaptive service (eco)systems (Nenonen et al., 2018). These market systems involve multiple actors engaged in resource integration through service exchange. Markets are dynamic, malleable (Nenonen et al., 2014), and capable of great and rapid change (Vargo et al., 2015). Further, as ecosystems, contemporary markets feature multiple heterogeneous actors engaged in value cocreation activities, far beyond those conceived of in traditional industry-focused strategy literature (e.g., Porter, 1996). Indeed, ‘actors’ includes horizontal, vertical, economic, and social actors. For example, the successes of platforms (e.g. Google Play or the App Store) have hinged on recognition of this ecosystem character and on the open development responsibilities given to numerous contributors (Nenonen & Storbacka, 2018).

Adopting a neo-institutional theory perspective, markets are produced and structured (Giddens, 1984) through enacted micro-level practices, performed by market actors (Kjellberg & Helgesson, 2007). This approach to the study of markets runs parallel to the work of scholars in multiple disciplines within the broader social sciences who in recent decades have adopted a practice-level approach to understanding social phenomena (Scott, 2014) such as institutional change (Lawrence et al., 2009), etc. In the study of markets, a practice approach reflects the impossibility of clearly defining “the list of properties that is
typical of [all] markets” (Kjellberg & Helgesson, 2007, p.141), but instead recognizes that markets are generated through the practices enacted within them (Araujo & Kjellberg, 2011). Market practices are defined as “routine, micro-level interactions between multiple actors seeking to create value for themselves and others” (Kjellberg et al., 2012, p.220). These practices encompass all concrete activities in the market (Spencer & Cova, 2012) including both market-shaping activities, and marketing activities. This practice perspective reflects the duality of structure (cf. Giddens, 1984) – in that practices collectively generate the market while the structure and function of the market necessarily shape the practices.

Accordingly, Kjellberg et al. (2006; 2012) contribute a framework that specifies three classifications of practices in which market actors engage. First, normalizing practices are defined as those activities that shape, control, or create stability in markets and that establish normative objectives for market actors. While normalization might be undertaken by government, by a regulatory authority or a professional association or body, normalizing practices also includes all those practices perceived as standard and legitimate within a given field. Second, representational practices are the language, symbols and signs used to represent (and re-present) concrete depictions and demonstrations of the market and its function. Last, exchange practices are those practices that enable the realization of economic exchanges and the exchange of market offerings (Kjellberg & Helgesson, 2007).

S-D logic scholars have adapted the markets-as-practice framework to more accurately reflect the notion of value ‘cocreation’ (e.g., Lusch & Vargo, 2014; Wieland et al., 2016). As cocreation is realized through actor-to-actor engagement, collaboration, and service-for-service exchange, resource-integrating actors are not limited to simply dyadic economic exchange as depicted by exchange practices (Wieland et al., 2016). Indeed, an S-D logic perspective includes both operant and operand resources as integral to value cocreation, and additionally actors in non-economic or indirect roles. For example, non-paying service users and members of brand communities engage in value cocreation activities (Vargo & Akaka, 2012; Wieland et al., 2016). Thus, in S-D logic’s adaptation of the markets-as-practice framework, exchange practices are extended and re-classified as integrative practices (Lusch & Vargo, 2014; Wieland et al., 2016). In sum, the practices that market actors enact either normalize markets, represent markets (Kjellberg & Helgesson, 2007), or involve resource integration (Lusch & Vargo, 2014).
Ideas also play a part in the generation of markets in that they have a performative effect. Performativity implies ideas, concepts and theories do not just describe the market, but also create or format the market (Callon, 2007b; 2009; Cochoy, 1998). The concepts, theories and tools that managers (and other actors) bring to their work are not just used to interpret what is ‘the market’, but also perform the market and shape what the market becomes. For example, the adoption and application of measuring devices (like market segmentation tools) (Kjellberg & Helgesson, 2007) and models and frameworks (like consumer behavior models or brand strategy frameworks) (Mason et al., 2015) collectively define for managers what other actors populate the market, who is their competition, what is the ‘industry’ within which the firm exists, etc. Hence, as managerial models and devices, used to interpret or understand ‘the market,’ in turn shape and define the market, then markets are open to (re)definition and (re-)creation by managers (Callon, 2010).

In sum, markets are in constant development as socio-materi ally-constructed ecosystems (Araujo, Finch, & Kjellberg, 2010; Kjellberg et al., 2012; Kjellberg & Helgesson, 2007) and are ‘plastic’ in that they can both retain and change shape (Nenonen et al., 2014). And like all other ecosystems of varying sizes, markets are continually performed via actor-to-actor engagement and collaboration (Wieland et al., 2015, p.4). Market innovation can be driven by, and result in, considerably more elements than only changes to product and price (Nenonen et al., 2018). For example, representational elements such as symbols, terminology and industry or product categorizations can change (Rosa & Spanjol, 2005), while market structure can be disrupted as supply chains or the number of competing firms are altered (Jaworski et al., 2000). The types of customers, or the ways customers use or access products can evolve (Kumar et al., 2000), and industry norms or regulations can change (Nenonen et al., 2018; Vargo & Lusch, 2016). Additionally, it is important to note that not all technological innovations lead to new market creation (Akaka et al., 2017). As discussed earlier, innovations must become institutionalized for a viable new market to form – which is to say new value co-creation processes must become normalized, accepted and routinized, i.e., taken-for-granted.

Synthesizing the markets-as-practice framework (Kjellberg & Helgesson, 2007) and the institutional work framework (Lawrence & Suddaby, 2006) offers a powerful proposition for understanding (de)institutionalization processes involving technologies, business models, or market systems. This synthesis is depicted in Figure 8. Markets-as-practice categorizes the
types of practices undertaken by market actors while the institutional work framework categorizes the types of actions actors take to create, disrupt, or maintain institutional arrangements. Different forms of institutional work can impact multiple market practices simultaneously. Further, institutional arrangements do not have simply a top-down, deterministic effect by coordinating markets, but also provide the institutional rules and expectations that allow innovators to act (Battilana, Leca, & Boxenbaum, 2009a). Hence, institutions are both constraining and enabling (Battilana & D'Aunno, 2009). This theoretical synthesis of market practices (Kjellberg & Helgesson, 2007) and institutional work (Lawrence et al., 2009) is best explained with the use of an example.

Market innovation may occur as new business models emerge. Internet-streaming service providers like Netflix, Hulu and Amazon-Prime are responsible for substantial market shaping and have changed the way people watch television (Adalian, 2018). This is reflected in various examples of institutional disruption and creation work that has modified pre-existing institutionalized market practices related to traditional television network broadcasters or cable television providers. Internet-streaming companies are platforms that allow multiple actors, globally, to come together and engage in extensive value cocreation. The geographical limitations of network television and broadcaster middle-men of yesteryear are removed from consideration. Internet-streaming still maintains some institutionalized elements from traditional television watching (such as families gathering together around a television set; or collections of 43-minute episodes as ‘seasons’; a plethora of viewing choices; etc.). However, internet-streaming also introduces new elements that have become institutionalized (such as watching on-demand, watching on various devices, binge-watching, personalization of content, and a user account that allows continued consumption of content while travelling the world).
Figure 8: Market innovation processes
When considering the creation of the market for internet-streaming, the institutional work undertaken to change actors’ belief systems, associated abstract meanings, and field boundaries is especially important (Ellis et al., 2010; Lawrence & Suddaby, 2006). This has manifested in new peer group relationships such as production companies creating cinema-quality movies for the small(-ish) screen (e.g., big-screen TVs), and sometimes very small screen (e.g., smartphones). Accordingly, new integrative practices have emerged, such as commissioning and contracting of content from major production houses for small-screen consumption (Adalian, 2018) together with licenses to stream pre-existing content (Spangler, 2018), accessing video on-the-go, etc.

Normalizing practices have also changed; these include expectations of which companies produce content for the small-screen; the quality of actors who might be involved – with numerous ‘A-listers’ involved in big-budget, live-streaming content (Sturges, 2018); and the kind of device required to access content. Integrative practices have further been impacted for Netflix viewers as abstract understandings, skills and knowledge about behaviors such as ‘binge-watching’ and technologies like ‘smart-televisions’ have developed. Boundaries that existed between awards ceremonies (Usborne, 2018) – e.g., the Emmy Awards for television content and the Academy Awards for cinema – have been broken and blurred by Netflix content that can qualify for consideration in either (Sperling, 2017). Re-presentational practices now include apps, internet browsers, and advertising-free delivery. Meanwhile, as cable television and broadcasting regulators may not have the same control over Netflix content as they did once over television networks, normalizing practices are further transformed as internet-streaming services are more impacted by internet regulators.

In summary, and reflecting Arthur’s (2009) conceptualization of new technologies as novel combinations of pre-existing technologies, S-D logic sees new markets as ecosystems that result from dynamic reconfigurations of pre-existing markets (Vargo et al., 2015). Markets as ecosystems are the product of actor-to-actor resource integration through value cocreation processes (Wieland et al., 2016). As depicted in Figure 8, the practices that are enacted by actors when performing markets are integrative, normalizing, and representational in character (Lusch & Vargo, 2014). However, the institutionalized nature of these practices can be deliberately maintained, created, or disrupted through the purposive actions (institutional work) undertaken by
market actors. As practices change, so does the nature and shape of the market system, and vice-versa.

Although the institutional arrangements that govern value cocreation practices are constraining, they also provide rules, structures, belief systems, and norms that enable institutional actors to take action and generate change (Loasby, 2000) by engaging in institutional work (Lawrence & Suddaby, 2006). Hence, innovation of markets occurs through the (de)institutionalization of technologies and practices through changes to acceptance, normalization, and use by multiple actors over time, which manifest as new value cocreation processes.

3.5 Concluding remarks

This chapter set out to explore how best to understand innovation processes at multiple levels of aggregation – innovation that manifests as new products, services, processes, business models, and ultimately, markets. Vargo and Lusch (2008, p.9) characterize S-D logic as “a mindset, a lens through which to look at social and economic exchange phenomena so they can potentially be seen more clearly.” An S-D logic lens represents an encompassing, meta-theoretic perspective and integrative lexicon (Brodie & Löbler, 2018) that can embrace various, diverse midrange theoretical frameworks such as from the technology, innovation, and strategic marketing literatures (Wieland et al., 2017). Thus, S-D logic provides a paradigmatic lens through which to understand the networked, sociological phenomena reflected in multiple disciplines.

A key feature of S-D logic is the service ecosystem, defined by Lusch and Vargo (2014, p.161) as “relatively self-contained, self-adjusting systems of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange.” A service ecosystem exists on multiple levels: individuals engaging in service exchange are an ecosystem, an organization is an ecosystem, a market is an ecosystem (Koskela-Huotari et al., 2016; Wieland et al., 2016), a field is an ecosystem, and the global economy is an ecosystem (Maglio & Spohrer, 2008). The ecosystem concept is considerably more inclusive than related constructs such as value chains, supply chains, or industries. Instead, an ecosystem is nonlinear and includes all those heterogeneous actors involved in value cocreation activity involving material and cultural elements, whether ‘producer,’ ‘consumer,’
‘user,’ or any other actor (Mele et al., 2015; Storbacka & Nenonen, 2011a). Hence, ‘actors’ include all horizontal, vertical, economic, and social participants.

All ecosystems are coordinated by interdependent and overlapping institutions (Vargo & Lusch, 2016), which not only provide the rules, norms, behaviors and expectations for people’s lives, but are also in turn reproduced by the practices enacted by embedded actors (Kjellberg & Helgesson, 2007). These institutional arrangements influence not just the ability of firms to coordinate value cocreation activities (both formally and informally), but also the unique interpretation of value by each ecosystem actor (Edvardsson et al., 2014).

Paradoxically, institutional arrangements provide the rules and resources that enable actors to engage in institutional work (Battilana & D’Aunno, 2009) and change what are normalized and routinized practices or beliefs (Lawrence et al., 2009), replacing them with newly institutionalized alternatives – otherwise known as ‘innovations.’ It is only when a new technology is institutionalized that it can be considered a successful innovation, and it is a process of institutionalization that occurs when technology (both hardware and software, Arthur, 2009) or business models (Fehrer et al., 2018) or markets (Baker et al., 2018; Humphreys, 2010) are innovated.

There are important implications for managers when adopting an S-D logic lens. First, when examining incumbent innovation processes managers need to be aware of the dominant logic that frames their approach to, and evaluation of, the purpose of the firm and the means of maximizing value (Mele, Colurcio, & Russo-Spena, 2014). When operationalizing innovation processes, there is a need to consider the development of all value propositions from the perspective of the service beneficiary, principally the customer (Skålén et al., 2015). After all, value is cocreated with a service beneficiary, through time, in a particular social context. Value is neither embedded within tangible goods, nor is it realized at the time of sale. Hence, firms must become increasingly focused on maintaining and building relationships not just with customers, but also with other partners and collaborators within the broader value creation network (Wieland et al., 2017).

By extension, a managerial focus on cocreation with multiple other actors requires a move from a largely competitive to a largely collaborative mindset. Deep understanding is required of how value propositions are perceived and used in practice,
and of how value cocreation can be maximized for all actors. For example, when considering market innovation, a market that is growing in size or value will deliver growth to all actors even if each actor’s market share remains static (Nenonen & Storbacka, 2018).

Skålén et al. (2015) note that innovations to value propositions might involve changes to the resources to be integrated, or to the practices to be employed, when engaging in resource integration. Hence, firms must adopt flexibility not just in what resources are to be employed, but also the practices with which to integrate them. As practices or resources change, so do value cocreation processes. However, to be successfully embedded as an innovation, any new value cocreation process needs to be institutionalized. The institutional dimension of ecosystems and value cocreation processes is the overarching commonality between innovation processes associated with products, business models, or markets. The institutional work framework (Lawrence et al., 2009) provides a conceptualization of how actors create, disrupt or destroy institutions, i.e., by engaging in processes of (de)institutionalization.

Being cognizant of broader societal institutional factors (e.g., beliefs, norms and expectations) and systemic elements is critical for firms. As social ideologies change (sometimes radically, e.g., growing populism; concern for inequality), instability and complexity in markets can occur (Baker et al., 2018). In complex, fast-moving markets that feature frequent changes in technology and innovation, what presents are rapid processes of deinstitutionalization and institutionalization. In volatile contexts, these processes are recurrent, simultaneous, and overlapping (Zietsma & McKnight, 2009). It is critical that managers remember the importance of social construction of markets, through firm-customer dialogue (Rosa & Spanjol, 2005), inclusion of networked customers (Scaraboto & Fischer, 2013), or through the role of media and regulators (Humphreys, 2010; Kjellberg & Olson, 2017). In sum, market innovation is cocreated by multiple heterogeneous actors and does not result from the actions of a sole actor working alone, whether an entrepreneur or a firm.

Lastly, adopting an S-D logic perspective has implications for strategists. The distinction between manufactured tangible goods and intangible services disintegrates as, in S-D logic, all value is seen to be derived from service-for-service exchange. Therefore, rather than attempting to formulate and operationalize simultaneous goods
and ‘services’ strategies, a ‘service’ strategy is all that is required (Mele et al., 2014; Wieland et al., 2017). The focus of this service strategy must be on maximizing customers’ interpretation and realization of value in-use, in context, no matter the ‘tangibility’ of the value proposition. Additionally, by viewing markets as ecosystems, firms are embedded in contexts that are considerably more complex than often represented in the traditional strategy literature (e.g., Porter, 1996). Hence, strategic considerations must encompass considerably more elements than inherited wisdom dictates. Furthermore, a business model should not be perceived as a firm-centric proposition. Instead, it is the conduit to engagement and interaction with systemic actors (Wieland et al., 2017), one that enables firms to engage all actors in value cocreation processes, including those related to all types of innovation.
4 TRANSFORMING MARKETS: A LEXICOGRAPHIC ANALYSIS OF CONTRASTING CONCEPTUALIZATION

By Jonathan Baker, Kaj Storbacka, & Sandra Smith

Abstract

Modern markets are complex systems, where the fastest-growing businesses operate as platforms for actors to engage in cocreation activities. This study sets out to examine whether this systemic nature of modern markets is reflected in academic literature relating to strategic approaches to innovating markets. Using the lexical analysis software, Leximancer, we explore the conceptual bases of three sets of literature – ‘proactive market orientation’, ‘market-driving’, and ‘market-shaping’ – that all accept markets are capable of being innovated. However, we find ‘proactive market orientation’ and ‘market-driving’ feature the language of micro-economics, adopting traditional conceptualizations of markets primarily comprising dyads of customers and firms, where firms are searching for competitive advantage. Such a perspective narrows the possibilities for maximizing opportunities in complex market systems. In contrast, ‘market-shaping’ adopts a contemporary perspective with markets comprising actors, networks, and institutional change, but lacks key concepts relating to operationalizing innovation, such as ‘technology’ and ‘strategy’.

Keywords: Market innovation, market-shaping, market-driving, proactive market orientation, Leximancer, scientometrics
4.1 Introduction

There is increasing interest in how markets might be actively and deliberately transformed or restructured by firms and other actors. Traditionally, markets have been perceived as relatively stable, bounded backdrops to the efforts of marketing managers (Mele et al., 2015) who see ‘the market’ as exogenous to the firm (Johanson & Vahlne, 2011), as a mechanism for sequential value creation from producer through to consumer (Vargo et al., 2015). However, contemporary research questions this assumed boundedness and deterministic nature of markets, and the primacy of dyadic economic exchange between firm (as value creator) and customer (as value destroyer). Instead, markets are increasingly being seen as complex (eco)systems or networks (Adner, 2017; Johanson & Vahlne, 2011; Vargo et al., 2017), unfolding through time, produced and organized through the performance of practices enacted by multiple heterogeneous market actors (Kjellberg & Helgesson, 2007; Vargo et al., 2015). Such a view implies that value creation is not the domain of the firm only, but instead, all market actors are resource integrators who contribute to value cocreation processes (Lusch & Vargo, 2014; Vargo & Lusch, 2008). By extension, all market actors possess the ability to contribute to the transformation of markets as new types and ways of resource integration occur. This phenomenon is apparent in the disruptive reach of platform businesses like Uber and Airbnb, the influence of collaborative multi-actor crowdfunding platforms IndieGoGo and Kickstarter, and the multi-dimensional interactivity of the App Store and Google Play platforms.

Whether or not taken-for-granted strategic marketing practices derived from academic concepts and theories (e.g., market analysis, segmentation tools, brand strategy frameworks), reflect this systemic nature of markets is critical to success in contemporary times. Such practices are highly influential on managerial interpretations of what is ‘the market,’ how to engage with it strategically, and how to maximize opportunities (Mason et al., 2015). Consequently, academic concepts and theories assume a performative function on markets and the economy in that they guide and influence those in the consulting, managing, and marketing professions (Callon, 1998a; 2010; Cochoy, 1998). It is the currency of these concepts that is the focus of this study.

Numerous scholars have expressed concern at the troubled nature of the strategic marketing field with frequent accusations of it being conceptually splintered, increasingly irrelevant (e.g., Hunt, 2015; Jaworski, 2018; Varadarajan, 2010),
“inconsistent at its best, [and] incoherent at its worst” (Shaw, 2012, p.33). Palmatier (2018, p.985) notes “one of the greatest issues facing the journal [of the Academy of Marketing Science] and perhaps the discipline, is the shift exhibited by some marketing departments, away from marketing strategy.” In parallel, Reibstein, Day and Wind (2009, p.1) express concern at marketing’s lack of contribution to a number of contemporary issues, including “the impact of networked organizations, the impact and marketing of emerging technologies, the value of open innovation,” etc. This neglect has led to a concomitant inattention to the development of strategic marketing to reflect the realities of contemporary times. Nevertheless, “using an appropriate marketing strategy [remains] a critical element for business success” (Shaw, 2012, p.30). The question, however, is what concepts should inform marketing strategy in the 21st century?

We set out to examine three different sets of academic literature (corpora) that feature word strings relating to strategic approaches to influencing markets. All three corpora – ‘proactive market orientation’, ‘market-driving’, and ‘market-shaping’ – recognize markets, and not just products, processes or business models, are capable of being transformed, restructured, or reshaped – something we refer to in this article as ‘market innovation’ (Wieland et al., 2017). The notion of markets having the capacity to be innovated is reflected in the broad, all-encompassing perspective adopted by each corpus (i.e., perspectives that include firms, customers, competitors, suppliers, market structures, etc.). This contrasts with narrower perspectives in other strategy literature, e.g., customer-, entrepreneurial-, sales-, innovation-, or production-orientations. In sum, the corpora chosen herein, have the capacity to frame managerial beliefs and assumptions about numerous dimensions of strategic marketing, e.g., what is ‘the market’, who is the creator of value, what constitutes market innovation, and what strategies to employ when attempting to innovate, influence or restructure markets.

In analyzing the chosen corpora, we explore the contrasting lexical bases of each and the degree to which these reflect the features of contemporary markets. As language is central to how people develop shared meaning and understandings (Jameson Watts, 2018; Weber, 1994), we undertake a lexical analysis and ask: (1)” What are the contrasting conceptual understandings in different academic corpora associated with (re)structuring and innovating markets?” and (2) “To what degree is the complex, systemic nature of modern markets recognized in these academic corpora?”
This study does not rely on manual analysis or conjecture. Instead, we employ systematic machine content analysis of the three assembled corpora using the novel lexical analysis software, Leximancer (version 4.5), “a valuable tool for narrative inquiry of a research area” (Randhawa, Wilden, & Hohberger, 2016, p.754). The corpora studied collectively comprise over 2 million words and consist of multiple articles drawn from high-ranked academic journals. It is apparent from our research that the literatures associated with both proactive market orientation (PMO) and market-driving (MD) feature more traditional conceptualizations of markets as primarily comprising dyads of customers and firms, where firms attempt to achieve competitive advantage through a focus on building strategic capabilities and resources and the delivery of disruptive innovations. The market-shaping (MS) literature, however, adopts a more contemporary approach to markets, incorporating consideration of actors, networks, and institutional change. However, we also learn that MS is lacking key concepts relating to market innovation – most importantly ‘strategy’ and ‘technology’. Lastly, we argue the strategic marketing field needs to considerably broaden its implicit conceptualization of markets as complex systems should it wish to remain current in today’s climate of accelerating change and disruption.

The remainder of this paper proceeds in four sections. Section 2, next, details the research method – textual analysis using the lexicographic software Leximancer. Section 3 presents our findings as both discrete and integrative comparative discussions of the three corpora. Lastly, Section 4 offers our conclusions from a theoretical and managerial perspective and the limitations of our research.

4.2 Method

Language is a central medium through which people interact, and express and develop shared understandings (Jameson Watts, 2018; Weber, 1994). Furthermore, the conceptual meaning of words is best understood by examining their use in context, as there is generally a consistent, underlying structure and meaning in what authors write. Hence, how words travel together with other words in text contributes to the development and negotiation of a field’s knowledge and shared understandings (Jameson Watts, 2018). Content analysis is one such way to interrogate the conceptual meanings that underpin a corpus (Weber, 1994).
4.2.1 Content analysis using Leximancer

Leximancer (version 4.5) is a computer software program that enables “a comprehensive lexicographic analysis of bodies of text” (Young, Wilkinson, & Smith, 2015, p.112). Using statistical algorithms, the software generates output related to semantic meanings present in text through the frequency, co-occurrence of, and relationships between, lexical terms. (For more information on the algorithms used by Leximancer, see Smith and Humphreys, 2006).

Leximancer is steadily growing in popularity and has been used to examine changes in conceptual emphasis in various academic corpora. For example, Biesenthal and Wilden (2014) examine the conceptual underpinnings of the project-governance literature, while more recently, Wilden et al. (2017) employ Leximancer for co-citation analysis in examining two periods of literature that contributed to the foundation and development of service-dominant logic (Vargo & Lusch, 2004; 2008). Like the study herein, these scientometric studies analyze large bodies of literature comprising the very words of key contributors.

Leximancer’s output allows for three types of analysis – visual, statistical, and interpretative. The first, visual analysis, occurs through a graphical map of concepts, the ‘concept map’ or ‘map of meaning’ – “a bird’s eye view of the material, representing the main concepts contained within the text as well as information about how they are related” (Leximancer Pty Ltd, 2017, p.3). There are several important features of the concept map (Randhawa et al., 2016). First, the major concepts present in the text (those most frequent and most highly connected) are referred to as themes. The themes are depicted hierarchically by the ‘brightness’ of their representative colored ‘bubble’ on the map. Second, a thematic bubble also encapsulates the concepts most connected with that theme (i.e., the subordinate concepts that most travel in the text with that theme). The larger the grey concept dot within a thematic bubble, and the ‘hotter’ the color of the thematic bubble, the more prevalent and connected the concept and/or theme. Third, the physical colocation of concepts on the Map also signifies the closeness, or otherwise, of their relationship within the text, and the lines drawn between concepts depict their connections.

The second form of analysis is statistical. Leximancer provides data for exploration of attributes such as the raw occurrence of concepts. The raw frequency
output represents the proportion of times concepts appear in the entire corpus, rather than just within each theme. This enables comparison of the overall most predominant concepts between corpora.

Third, the researcher can engage in interpretative analysis of concepts by inspecting them, *in situ*, in the parent text. This allows for close inspection of concepts in use, and inspection of connections between concepts. Indeed, “interpretation is required and […] relies on the ‘craft skills’ of its users” (Dodgson, Hughes, Foster, & Metcalfe, 2011, p.1155). The exemplary quotes (from articles within each corpus) presented in Section 3 below (in Tables 4, 5 and 6), derive from this interpretative facility.

Leximancer has several strengths that enable a superior analysis of text to that undertaken manually (Smith & Humphreys, 2006). First, in a relatively short time-period Leximancer can process particularly large amounts of data (including millions of words), far more than a human researcher. In this study, the largest corpus features almost 1.1 million words (after removing all reference lists, tables, etc.). Second, human researchers can be prone to bias and subjectivity when interpreting text or conducting reviews (Podsakoff, Mackenzie, Bachrach, & Podsakoff, 2005; Randhawa et al., 2016) while Leximancer examines text in a fully automated fashion. Lastly, stability, reliability, and reproducibility of results – long a challenge in manual content analysis (Weber, 1994) – are achievable with Leximancer, providing text selection and data conversion processes have been undertaken systematically, and the program’s settings justified and defined (Cretchley, Rooney, & Gallois, 2010; Smith & Humphreys, 2006).

4.2.2 Extraction – semantic and relational

The process of extracting concepts from the textual corpora is conducted in two stages. First, ‘semantic extraction’ is an examination of the text for the most important “lexical terms on the basis of word frequency and co-occurrence of usage” (Smith & Humphreys, 2006, p.262). These words then comprise the initial terms that will populate a thesaurus, around which other concepts are assembled in the second stage – ‘relational extraction’. The researcher has the ability to refine or remove words at either stage.

The results presented, below, reflect the systematic removal of a set of research method-related terminology. This was to ensure examination of the market innovation-
related lexicon rather than the research-related lexicon. For example, the following terms were excluded as seed concepts: ‘analysis,’ ‘example,’ ‘literature,’ ‘model/models,’ ‘sample,’ ‘scale,’ ‘studies/study,’ ‘test,’ ‘survey,’ ‘validity,’ ‘variables.’ Whilst some of these terms might occasionally relate to the market innovation approach in question (e.g. “the scale of a firm” or a “business model”), examination of textual examples early in the analysis stage convincingly revealed that these concepts were overwhelmingly connected to research approaches, methodologies, and/or explaining findings. Other terms that may be used in relation to both the market innovation approach and research approach were not removed, e.g., ‘values’, ‘significant’, etc.

4.2.3 Description - the corpora

This study explores three corpora of academic literature, their lexical bases, and the degree to which the corpora reflect the nature of contemporary markets. The corpora feature word strings associated with innovating or (re)structuring markets and reflect three subtly different conceptualizations: proactive market orientation (PMO), market-driving (MD), and market-shaping (MS). There are two main reasons for the inclusion of these three corpora in this study.

First, there are numerous other literatures associated with strategic approaches or ‘orientations’ that firms might adopt that we might have included. For example, technology- (Noble, Sinha, & Kumar, 2002), sales- (Saxe & Weitz, 1982), production- (Schindehutte, Morris, & Kocak, 2008), customer- (Blocker, Flint, Myers, & Slater, 2011), innovation- (Siguaw, Simpson, & Enz, 2006; Simpson, Siguaw, & Enz, 2006), or entrepreneurial-orientations (Lumpkin & Dess, 1996). However, all these other orientations are narrow – primarily focusing on either firm capabilities (e.g., appetite for risk, aggressive marketing tactics, realization of efficiencies, innovation knowledge structures, openness to learning, etc.) or narrow stakeholder groups (e.g., customers) (Jaworski & Kohli, 2017). In contrast, PMO, MD and MS all feature a broad perspective when understanding market innovation (e.g., incorporating the wider competitive landscape, latent needs of potential customers, internal as well as external elements, etc.) (Hult & Ketchen, 2017; Schindehutte et al., 2008). By extension, each corpus reflects the fundamental notion that markets themselves are capable of being innovated, and that such innovation involves considerably more than just changes to firm capabilities or customer behavior. The second reason for their inclusion in this study is that scholars continue to actively contribute to each research stream.
The sourcing of the three corpora was executed systematically (in September 2017). The database Scopus was searched for the appearance of the exact phrases in academic articles, from databases associated with business or economics, and from highly ranked (A*, A, or B-ranked) peer-reviewed journals only (ABDC, 2016). Accordingly, articles appearing in C-ranked journals or lower, book chapters, and conference papers were discarded. Articles not readily available through Scopus (i.e., paid content) were also disregarded, however, this was minimal in number (less than five per corpus). To ensure as wide a capture of data possible, Google Scholar was also searched for the selected word strings. After removing articles duplicated from the Scopus search, a small number of Google Scholar articles was added to each corpus. The composition of the chosen corpora and volume of data processed is depicted in Table 3.

Table 3: Composition of the assembled corpora

<table>
<thead>
<tr>
<th>Exact phrase searched for</th>
<th>Articles from Scopus search</th>
<th>Added from Google Scholar search</th>
<th>Total articles in corpus</th>
<th>Total words processed</th>
<th>Total two-sentence blocks processed</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Proactive market orientation”</td>
<td>268</td>
<td>9</td>
<td>277</td>
<td>1,089,246</td>
<td>50,393</td>
</tr>
<tr>
<td>“Market driving” or “driving the market”</td>
<td>196</td>
<td>0</td>
<td>196</td>
<td>728,511</td>
<td>33,086</td>
</tr>
<tr>
<td>“Market shaping” or “shaping the market”</td>
<td>82</td>
<td>7</td>
<td>89</td>
<td>387,576</td>
<td>18,234</td>
</tr>
</tbody>
</table>

For optimal performance of Leximancer, all documents must be machine-readable (Wilden et al., 2017). Hence, all our downloaded PDF documents were converted into text files and ‘cleaned’, i.e., all extraneous, non-paragraph-like text was deleted, including: headings and sub-headings; headers and footers (e.g., journal name, volume and issue numbers, page numbers); reference lists; author information; and tables and figures. Leximancer’s settings were mostly left at the default setting (e.g., two-sentence blocks examined, and paragraph breaks observed), except the test for prose-like data was set to “off” as all data had been cleaned thoroughly.

Table 4 shows the number of articles published per year in each corpus. Articles featuring the word string “market-driving” (MD; also incorporating the word string “driving the market”), is the oldest of the three chosen approaches. The first article in the corpus argues globalization and embrace of technology by major retailers drove markets to transform (Kumar, 1997), reflected in modified consumer behavior and
expectations, rather than retailers being driven by the market. Scholarly activity in MD remained relatively modest until the mid-2000s with an average fourteen articles published each of the full calendar years since 2005.

The largest corpus, “proactive market orientation” (PMO), did not begin to attract scholarly attention until 2004 with Narver et al. (2004) contrasting the well-established responsive MO with the need for a proactive approach that leads customers by learning about latent needs. The PMO corpus features the most publications, averaging twenty-seven articles per year since 2007.

The smallest of the three corpora, “market-shaping” (MS; also incorporating “shaping the market”) like PMO did not emerge until 2005 (Rosa & Spanjol, 2005). Furthermore, scholars did not become particularly active until 2010 when eight articles were published that year. Since then, an average of ten articles have been published each full year.

Table 4: Articles by year of publication

<table>
<thead>
<tr>
<th>Year of Publication</th>
<th>Proactive market orientation</th>
<th>Market driving</th>
<th>Market shaping</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>0</td>
<td></td>
<td></td>
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<tr>
<td>1999</td>
<td>3</td>
<td></td>
<td></td>
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<tr>
<td>2000</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>2</td>
<td></td>
<td></td>
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<td>2003</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>1</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>2</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>2006</td>
<td>3</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>2007</td>
<td>7</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>2008</td>
<td>22</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>2009</td>
<td>16</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>2010</td>
<td>16</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td>2011</td>
<td>31</td>
<td>14</td>
<td>8</td>
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<tr>
<td>2012</td>
<td>37</td>
<td>20</td>
<td>5</td>
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<tr>
<td>2013</td>
<td>40</td>
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<td>7</td>
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<tr>
<td>2014</td>
<td>26</td>
<td>11</td>
<td>4</td>
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<tr>
<td>2015</td>
<td>26</td>
<td>19</td>
<td>23</td>
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<tr>
<td>2016</td>
<td>37</td>
<td>23</td>
<td>14</td>
</tr>
<tr>
<td>2017</td>
<td>13</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>277</td>
<td>196</td>
<td>89</td>
</tr>
</tbody>
</table>
4.2.4 Presentation - concept maps and concept data

The visual and statistical results, i.e., the concept maps for the three corpora, PMO, MD and MS, appear in Figure 9. To aid in clarity of depiction and discussion, the theme size on the maps is set at 50% (rather than Leximancer’s default 33%). The themes, together with the number of two-sentence text blocks in which the themes appear (‘Hits’), are included. Additionally, the raw frequency of the top-twenty concepts in each corpus appears in Table 5. In this table, the ‘relevance’ percentages represent the times a concept appears in a text block containing the most frequent concept of a corpus (labelled 100%). This secondary view provides a relational analysis of main concepts in comparison with the other top-twenty concepts within the entire corpus, rather than just within each theme. Lastly, Leximancer provides a search function that allows for inspection of concepts and associated words in situ. The results section incorporates some extracts from articles for illustrative purposes. Following Young et al. (2015), henceforth all themes appear in bold italics and all concepts in italics.
Figure 9: Concept maps and major themes
### Table 5: Top-twenty ranked concepts

<table>
<thead>
<tr>
<th></th>
<th>PMO top twenty concepts</th>
<th>MD top twenty concepts</th>
<th>MS top twenty concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PMO top twenty concepts</strong></td>
<td><strong>Count</strong></td>
<td><strong>Relevance</strong></td>
<td><strong>Count</strong></td>
</tr>
<tr>
<td>performance</td>
<td>5018</td>
<td>100%</td>
<td>6667</td>
</tr>
<tr>
<td>firms</td>
<td>4642</td>
<td>93%</td>
<td>4069</td>
</tr>
<tr>
<td>innovation</td>
<td>4242</td>
<td>85%</td>
<td>3900</td>
</tr>
<tr>
<td>product</td>
<td>3989</td>
<td>80%</td>
<td>3969</td>
</tr>
<tr>
<td>customer</td>
<td>3975</td>
<td>80%</td>
<td>3896</td>
</tr>
<tr>
<td>firm</td>
<td>3672</td>
<td>73%</td>
<td>3895</td>
</tr>
<tr>
<td>marketing</td>
<td>2950</td>
<td>50%</td>
<td>3829</td>
</tr>
<tr>
<td>knowledge</td>
<td>2827</td>
<td>50%</td>
<td>3642</td>
</tr>
<tr>
<td>customers</td>
<td>2811</td>
<td>50%</td>
<td>3475</td>
</tr>
<tr>
<td>value</td>
<td>2555</td>
<td>51%</td>
<td>3341</td>
</tr>
<tr>
<td>service</td>
<td>2483</td>
<td>49%</td>
<td>3087</td>
</tr>
<tr>
<td>relationship</td>
<td>2430</td>
<td>48%</td>
<td>2776</td>
</tr>
<tr>
<td>significant</td>
<td>2121</td>
<td>42%</td>
<td>2720</td>
</tr>
<tr>
<td>development</td>
<td>2114</td>
<td>42%</td>
<td>2579</td>
</tr>
<tr>
<td>effect</td>
<td>2111</td>
<td>42%</td>
<td>2529</td>
</tr>
<tr>
<td>business</td>
<td>2058</td>
<td>41%</td>
<td>2429</td>
</tr>
<tr>
<td>orientation</td>
<td>2006</td>
<td>40%</td>
<td>2306</td>
</tr>
<tr>
<td>managers</td>
<td>1963</td>
<td>39%</td>
<td>2247</td>
</tr>
<tr>
<td>process</td>
<td>1938</td>
<td>39%</td>
<td>2248</td>
</tr>
<tr>
<td>capabilities</td>
<td>1893</td>
<td>38%</td>
<td>2243</td>
</tr>
</tbody>
</table>
4.3 Analysis

In this section we first discuss the three different conceptualizations separately, by providing an overview from literature and discussing the findings from the Leximancer analysis. After this, we will provide a comparison between them and discuss our findings related to our two research questions.

4.3.1 Proactive market orientation (PMO)

From the late 1980s, various scholars began to articulate how marketing, as an all-encompassing concept, could span not just inter-firm (departmental) boundaries, but also intra-firm boundaries (e.g., Jaworski & Kohli, 1993; Kohli & Jaworski, 1990; Shapiro, 1988). Such integration of the marketing concept into a firm’s activities and internal culture was gathered together under the broad term ‘market orientation’ – MO (Hult & Ketchen, 2017). In reviewing developments in the disruptive marketing strategy literature, Hult and Ketchen (2017) assert, broadly speaking, MO culture and activities fit within proactive or responsive categories. In its responsive form, rather than marketing being seen as a mere function or activity within a firm, MO requires a firm to learn about and respond to the needs and desires of ‘the market’ (i.e., current customers), typically through improved market research (Kohli & Jaworski, 1990). However, responsive MO is criticized for undermining a firm’s ability to be a market leader (Christensen & Bower, 1996) and the generation of inflexibility in meeting customer needs that are changing (S. Slater & Narver, 1995).

Subsequently, PMO emerged (Narver et al., 2004), which requires a firm to consistently grow its experience, knowledge and competencies in an attempt at satisfying the needs and desires not yet identified or articulated by the firm’s customers (Lamore, Berkowitz, & Farrington, 2013; Narver et al., 2004). PMO involves the generation of disruptive innovations through customer observation, collaboration with key customers, frequent market validation experiments, and a nimble strategic mission (Atuahene-Gima et al., 2005). Where responsive MO requires a firm to be intimately engaged with current markets and customer preferences, PMO requires risk-taking and discovery (Tsai, Chou, & Kuo, 2008). Both PMO and responsive MO are thought to have a positive effect on the success of new products (Atuahene-Gima et al., 2005; Deshpandé & Farley, 1998). However, this can be dependent on environmental factors such as market volatility and rate of technological innovation (Tsai et al., 2008).
Specifically, a proactively-oriented firm benefits most when the external business environment is competitive, and the industry features rapidly evolving technologies.

Importantly, PMO has the potential to restructure markets as innovations to processes or products within a firm then migrate, first, to the rest of the firm, and then out into the marketplace to others (Hult & Ketchen, 2017). Some scholars assert both responsive and proactive MO should be delivered simultaneously (Narver et al., 2004) although the risks and costs associated with this approach can be detrimental (Tsai et al., 2008).

Due to the size of this corpus, the PMO concept map (Figure 1) features eight themes – the most of the three corpora. However, the bar graph in Figure 1 shows four themes clearly dominate: **product, performance, firms** and **customer**. Of these, **product** and **performance** are most prominent – almost equally – but **performance** is the most connected of the two (accordingly, it is represented in the ‘hottest’ color of red on the map).

Regarding the Leximancer output, Table 6 presents the analysis of the PMO corpus. A high-level summary of the analysis includes the importance of firm performance for competitiveness, derived from organizational resources and capabilities. Amongst those capabilities, innovation is key, and is closely related to positive strategic firm performance. Marketing and managers are closely related to product development, which stems from managerial knowledge and learning. Further, products, and related technology, assume a key role in meeting customer needs and delivering value. Relationships is an important dimension of this corpus, both in relation to customers and learning about customers, and other firms and suppliers. An internal organizational focus is represented through employees and firm culture, and an external focus includes industries and international growth.
Table 6: PMO corpus analysis

<table>
<thead>
<tr>
<th>Themes</th>
<th>Concepts</th>
<th>Exemplar quotes</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Knowledge</td>
<td>The results show that the drivers of new product success for businesses in Asia and other regions (such as North America and Europe) are different. In Asian markets, new product success is accrued to the firms with higher levels of market orientation, marketing and technological synergies, cross-functional integration, product development proficiency, technical-societal proficiency and top management support (Huang &amp; Tsai, 2013, p.316).</td>
<td>The major theme ‘product’ has a focus on functional marketing concepts including knowledge, marketing, development, process, and management. Managerial activities include an emphasis on products, and new product development. Managers and products are closely coupled, rather than products being related to customers or innovation.</td>
</tr>
<tr>
<td></td>
<td>Marketing</td>
<td>Furthermore, all in all the study notifies the need to put more focus on corporate level marketing management. Eventually it will then become possible to develop frameworks of innovation management from a corporate level marketing perspective, which is at the present is lacking and highly asked for in advanced marketing management education (Tollin, 2005, p.364).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Development</td>
<td>Exploitation marketing represents the generation of new marketing routines (e.g., sales, pricing, promotion, and distribution) to link a new product to customers (Kynskopendse &amp; Moormann, 2004; Libus et al., 261). New routines can only improve consumer fortunes to the firms and by connecting a new product to customers through innovative promotions and sales methods that provide customers with innovative and unique purchasing experiences (O’Cain, Heinti, Ngo, 2014, p.864).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Process</td>
<td>• This study suggests that the most proactive service firms have a greater participation of the client in the process of innovation and a lower level of formalization (Momo, Ocaria-Morales, &amp; Llorens Mornes, 2013, p.995).</td>
<td>Performance is the most connected theme, represented by the ‘customer’ color of red on the map. Innovation appears to assume primacy as a key concept to performance success in this corpus, clustered with many internally-oriented concepts related to strategic competitiveness of the firm, organizational, management, and innovation, competitive strategy focused, strategic, competitive. While some extracts point to involvement of customers in innovation processes, innovation capabilities are primarily seen as a firm responsibility. The resource-based view of the firm is a frequent feature of literature in this corpus.</td>
</tr>
<tr>
<td></td>
<td>Manager(s)/ment</td>
<td>• The empirical results provide support for our hypotheses that strategic type moderates the relationship between capabilities and performance. These results are consistent with the resource-based view (RBV) of the firm (Barney, 1986; Wernerfelt, 1984). According to the RBV, the possession of capabilities by a firm does not by itself increase performance. It is possession of the capability, and its correct deployment, that leads to superior competitive advantage and, ultimately, long-term success. We find that capabilities do not by themselves have a main effect on performance; this finding is consistent with RBV. Rather, it is the interactions between strategic types and capabilities that have significant positive effects on performance (Song, Di Benedetto, &amp; Nason, 2017, p.27).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information Activities</td>
<td>• Customer relationship capability is the ability of the firm to establish, maintain and leverage value-based relationships with end users and other stakeholders in the supply chain (Day, 2002; Mentzer et al., 2001). With increasing competition, it is imperative for firms to adopt a customer focus (Tjoa, Kim, Achten, &amp; Dejnjia, 2015, p.136).</td>
<td>Concepts in ‘firms’ collectively point to the need for good business relationships, with customers and others. International markets are seen as a source of growth, and market orientation concept is key. Minor concepts of social and network generally refer to the use of social networks in marketing.</td>
</tr>
<tr>
<td></td>
<td>NPD</td>
<td>• First, the analytical results confirm the hypothesis that relationship variables influence firm export market-oriented activities. The conceptualized by this finding recovers prior investigations that found that exporting firms need to establish network relationships to acquire and exploit resources to react to environmental changes and sustain their competitiveness (Wang &amp; Han, 2011, p.212).</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Instead, P&amp;O must be continuously implemented at high levels if a firm wants to benefit in a sustainable way and to avoid losing competitive advantage. Although this result may seem counterintuitive at first glance, one reason for this result may be that customers’ latent needs are highly volatile, so firms must collect them continuously if they are to serve as a foundation for radical innovations and new ways of doing business (Johner, Zacharias, &amp; Beetz, 2016, p.776).</td>
<td></td>
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<td></td>
<td>• A high degree of customer interactivity and dialogue is necessary to track evolving customer needs and reveal latent needs. Accordingly, it seems reasonable to argue that highly interactive customer processes are likely to result in an increased understanding of future customer needs (Storli &amp; Storli, 2013, p.1257).</td>
<td>The customer theme features an array of strategic marketing and customer-oriented marketing concepts. This includes a focus on customers, and satisfaction of latent customer needs (see exemplar quotes), and closely connected concepts like brand and value. Products and technology also reside closely together. From companies flows industry related terminology and the concept employers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Latent needs are universal. They exist in every customer and can be discovered by a seller who engages in focused, disciplinary research (e.g. Hauser and Prahalad 1994; Leonard and Rayport, 1997) – often by simply carefully observing customer behaviors to enable inferences of customer problems and possible solutions (Nurver et al., 2004, p.336).</td>
<td></td>
</tr>
</tbody>
</table>

Less prominent themes: Industry (includes companies, industries and employees); Approach (includes information and communication); Significant & Site largely refer to research results.

Concept frequencies (see Table 3)
• The top six concepts have high relative value (performance 190%, firms 93%, innovation 85%, product, customer).
• Marketing is a top-twenty concept (7th most prominent); market does not appear as a top-twenty concept.
• The most frequent concepts are more focused on firm performance, customer(s) and product(s), reflecting the primacy of the firm/customer dyad.
• Innovation is a not relevant concept, managers appears as a top-twenty concept.
4.3.2 Market-driving (MD)

MD came about as an extension of being ‘market-driven’ and fits loosely within the domain of the market-orientation literature (Hult & Ketchen, 2017; Jaworski et al., 2000). Like MO, ‘market-driven’ originated in the 1990s (Jaworski et al., 2000; Kohli & Jaworski, 1990; Narver & Slater, 1990) and involves a firm understanding and responding to existing market actors (especially customers) embedded within existing market structures (Chen, Li, & Evans, 2012). This is achieved primarily through the better gathering of market intelligence (Jaworski et al., 2000). Shapiro (1988) even asserts ‘market-driven’ and ‘customer-oriented’ are interchangeable terms. Critics contend being ‘market-driven’ implicitly assumes the structure of the market and fundamental preferences of customers are given (Jaworski et al., 2000; Storbacka & Nenonen, 2015).

In contrast, market-driving (MD) enables a firm to maximize its competitive position by actively setting about to change the structure of the market, or behavior or roles of market actors (Tarnovskaya, Elg, & Burt, 2008). Jaworski et al. (2000) assert three generic approaches to successful MD. First, restructuring markets by eliminating other market actors (e.g., competitors); second, constructing new markets around new participants; and third, changing the role of incumbent participants (Kumar et al., 2000). Hence, MD can include consideration of a broad array of actual and potential market participants (including competitors, regulators, policy makers) and business activities (marketing and product development, advocacy and production) (Chen et al., 2012).

Jaworski et al. (2000) equate ‘market’ with ‘industry’ – defined as the players embedded in a ‘value chain’ (Porter, 1996). The ‘chain’ metaphor reflects a traditional perspective of markets as places in which value is sequentially developed and delivered from producer to consumer (Lusch et al., 2016; Vargo et al., 2015), a perspective not conducive to complex systems. Contrary to Jaworski et al. (2000), Kumar, Scheer and Kotler (2000) assert MD is largely achieved by visionary, entrepreneurial action delivering radical innovation and improvements to customer benefits, business models and systems. Core to this strategy are activities like reimagining incumbent segmentation models, educating customers, and radically remodeled products, often antithetic to what current market research is indicating and often at reduced prices to previous standards.
Importantly, like the MO construct, a firm might deploy a ‘dual strategy’ (Abell, 1993) of MD and ‘market-driven’ simultaneously, e.g., releasing a new technology that drives market creation while continuing to satisfy an existing market. Indeed, both approaches enhance competitive advantage (Atuahene-Gima et al., 2005; Tuominen, Rajala, & Möller, 2004).

Regarding the Leximancer output, Table 7 presents the analysis of the MD corpus. The MD corpus delivers a tightly packed, overlapping map, which signifies a unity in lexicon and conceptualization. A high-level summary of the analysis reflects a highly competitive outlook with a traditional conceptualization of markets (dominated by dyads of firms and customers), with firms as the creators and providers of value, and the drivers of innovation. Firm capabilities and resources are critical to achieving competitive advantage, as are capabilities relating to innovation reliant on technology and knowledge (including the firm’s capability to adapt to a market-driving approach). The customer and customer relationships are of critical importance, a responsibility associated with the functional marketing department, and customers, products, and technology are closely-linked. External focus of this corpus includes international markets, with a recognition of their different culture and values. A major focus of this corpus has been on retailing and the study of global brands.
<table>
<thead>
<tr>
<th>Themes</th>
<th>Concepts</th>
<th>Exemplar quotes</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>Business Value Marketing Relationship Process Development Product(s) Sales Service(s) Management</td>
<td>• Creating and delivering customer value is seen as a cornerstone of marketing and competitive strategy (Khalifa, 2004; Lidgren &amp; Wynastra, 2005) and relationship management (Payne &amp; Holt, 2001) (Berghman, Mattilainen, &amp; Vandenburghe, 2006, p.962).</td>
<td>The wood most likely to appear within customer value is value. Concepts also consider the general business environment (such as industry) and internally-focused concepts management, process, development, clustered around customer(s) are functional, marketing management-related terminology, e.g., marketing strategy, product, and the sales(s). Numerous extracts reflect the organizing practices of marketers to understand and conceptualize markets. Extracts clearly indicate the firm is perceived as the creator and provider of value.</td>
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<td></td>
<td></td>
<td>• The case gives a number of illustrations of the extensive exchange and sharing of resources that can enhance the final customer value offered by the market-driving firm (Elgin, Deligios, Gaurani, Danis, &amp; Tarnovskaya, 2012, p.926).</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• As a consequence, companies need to understand not only what each customer values but also the drivers behind changing perceptions of value over time (Flint, Woodruff, &amp; Gidalt, 1997). Marketing strength lies in understanding the forces which affect the way in which customers perceive value (obtaining market and customer knowledge), finding out the differing needs of customer groups (market customer segmentation), translating them into product and service packages to meet those differing needs (customized product/service development) and marketing the packaged customer value propositions (pricing, branding, communication, promotion) (Juttner, Christopher, Baker, 2007, p.378).</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• The identification and exploitation of the differences between groups of consumers presents organizational benefits and facilitates improved decision making and the development of strong marketing strategy (Hooley et al., 2004; Mohindra et al., 2012) (Gallagher, O'Connor, &amp; Gilmore, 2016, p.396).</td>
<td></td>
</tr>
<tr>
<td>Market</td>
<td>Firm(s) Orientation Performance Competitive Advantage Innovation Strategy(ies)/Capabilities</td>
<td>• Essentially founded on the cultural definition by Narver and Slater (1990) and the behavioral [ ] definition by Kohli and Jaworski (1990), market orientation has evolved towards an extensively studied marketing construct (Berghman et al., 2006, pp.962-3).</td>
<td>Market is focused on traditional strategic performance concepts and innovation capabilities of firms. Concepts are clustered into two main groups, e.g., resources, learning, innovation, capabilities (all internally-focused terms), all linked back to another concept with competitive advantage near strategic and firms (all traditional strategy terms) which then connect back to market orientation. Both ‘dynamic capabilities’ and the ‘resource-based-view’ of the firm feature as complementary theories in many extracts. Extracts clearly point to the firm as the driver and producer of innovation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• […] the complementarity effects of entrepreneurial orientation and customer orientation enable a firm to create product innovations that will offer greater customer value. Building on the resource-based view of the firm (Barney, 1991; Wernerfelt, 1984), both orientations represent a unique set of resources in a form of dynamic capabilities and entrepreneurial and customer oriented logics that allow firms to achieve superior performance through product innovation (Thomunrrojo &amp; Raela, 2013, p.147).</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reactive defenders score low on competitive aggressiveness, market proactiveness, and innovation. They display very low risk tolerance. Their projects are rarely new and familiar with most firms in their industry (Baladi, 2014, p.196).</td>
<td></td>
</tr>
<tr>
<td>Brand</td>
<td>Corporate Brand Retailer(s) Company Social Consumer(s) Store(s).</td>
<td>• The successful adoption of the “fast fashion” concept by these international retailers has drastically altered the competitive landscape in the apparel retailing. Consumers’ expectations are also rising with these improved retail offerings (Filieri, 2015, p.246).</td>
<td>The brand theme features a number of retail-focused concepts including retailers, store(s), and consumers. Extracts reflect one of the key themes of MD research, that the enshrine of technology by global retailers created a market-driving effect (e.g., Kumar, 1997; and the first extract, left). Internally-focused terminology features in minor employee extracts (see concept map).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Our results indicate that it is important for managers to choose the right type of channels based on the kind of retail firm that is to be marketed (Johnsson &amp; Kask, 2017, p.331).</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Referring to Starbucks’ market-driving strategy:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• […] a hegemonic landscape provides a constellation of objectified meanings (i.e., discourses, material goods, and servicescape stereotypes) that consumers can incorporate into their worldviews and put to a wide variety of interpretive and identity-constructive uses (Thompson &amp; Arsel, 2004, p.632).</td>
<td></td>
</tr>
<tr>
<td>Approach</td>
<td>International Change Culture Values</td>
<td>• […] by integrating an entrepreneurial approach with marketing, the firm is able to engage in market-driving behavior. The organizational culture that drives this behaviour is the essence of creative destruction of Schumpeterian entrepreneurial action […] (Morris, Miles, &amp; Doson, 2010, p.310).</td>
<td>Here, the concept culture refers to both organizational culture (e.g., internal disposition towards innovation), and international cultures (see first extract, left). Regarding the importance of global business, culture is closely clustered with markets, the theme approach, and is connected to international.</td>
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<td>• A firm cannot ignore local culture if it is to succeed with a market-driving approach. In Russia, suppliers normally operate under conditions of great uncertainty, and are reluctant to enter into long-term commitments (Tarnovskaya et al., 2008, p.953).</td>
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</table>

Concept frequencies (see Table 3)

- Market appears most frequently, and by a large margin over the second-placed concept of firms (with 61% relevance); marketing is highly-placed - 5th place (with 58% relevance).
- Innovation is 13th most relevant concept.
- Strategic and competitive appear as top-twenty concepts.
4.3.3 Market-shaping (MS)

MS first appears in our assembled corpus in reference to the shaping effect that shared knowledge has on product markets. This knowledge is generated through stories about products told by consumers, and between producers and consumers (Rosa & Spanjol, 2005). Additionally, researchers integrated the MS appellation when building on the ‘markets-as-networks’ approach from the IMP scholarly tradition (e.g., Finch & Geiger, 2010; Harrison & Kjellberg, 2016; 2007; Kjellberg et al., 2015; Kjellberg & Helgesson, 2006; Lusch & Vargo, 2014). This newer approach, known as market-practice studies (Azimont & Araujo, 2007; Kjellberg & Helgesson, 2006), integrates complementary research streams such as science and technology studies (Callon, 1998b) and the value cocreation concept (Vargo & Lusch, 2004; 2008). Recognizing the impossibility of defining the core properties of generic markets (Harrison & Kjellberg, 2016), markets-as-practice sees markets as generated by the practices of those embedded within actual or real markets. These practices are grouped as normalizing (the rules and norms that govern behaviour), exchange (practices that enable economic exchange), and representational (practices that depict market structure and function) (Kjellberg & Helgesson, 2007). By adopting a practice perspective, changes that occur at a macro-level can be understood through exploring micro-level practices (Mele & Russo-Spena, 2015). Accordingly, market innovation may occur due to changes in market practices (Wieland et al., 2017).

In recognition of the socio-technical view of markets, MS literature reflects any number of heterogeneous actors can undertake market structuration. For example, Ulkuniemi, Araujo, and Tähtinen (2015) show demand-side actors (e.g., B2B buyers) play a role through internally-oriented activities (e.g., clearly defining one’s own needs prior to procurement) and externally-oriented activities (e.g., contributing to industry standardization processes). Likewise, Harrison and Kjellberg (2016) show how product users (not just buyers) can impact market structure beyond just involvement in new product development. User influence includes contributing to market representations through involvement in market research; (re)establishing accepted norms through advocacy or lobbying; and defining exchange objects through probing product quality and efficacy. And Fuentes and Fuentes (2017, p.532) explore the construction of a mass market for sustainable vegan substitutes for dairy products in Sweden, through the “marketisation of alterntiveness.”
Additionally, MS reflects the importance of metrological devices used by marketers when subjectively exploring or measuring markets – and the contribution of such devices to resultant market conceptualizations, e.g., segmentation practices allow marketers to classify current and potential customers. However, unwittingly such practices also then ‘construct’ perceptions of what is ‘the market’ (Harrison & Kjellberg, 2010). Accordingly, changes in segmentation logic equate to changes in market construct and definition, hence (re)shaping the market.

Regarding the Leximancer output, Table 8 presents the analysis of the MS corpus. A high-level summary of the analysis reveals little focus on competitive terminology such as ‘competitive’, ‘advantage’ or ‘capabilities.’ Furthermore, a multi-level lexicon is apparent. On a macro-level, multiple externally-oriented macro-level concepts include institutional, regulatory, political and global, and meso-level concepts industry and companies. Little internal, firm-focused terminology appears except relating to firm resources, processes and knowledge. Nevertheless, both customers and products do figure in the corpus. Innovation is a key concept in this corpus, but primarily related to market innovation through new network structures. Interestingly, two concepts are prominent in their absence from this corpus: first is, ‘strategy’ and second is ‘technology.’ Importantly, ‘marketing’ is not a top-twenty concept in the MS corpus (Table 5).
<table>
<thead>
<tr>
<th>Themes</th>
<th>Concepts</th>
<th>Exemplar quotes</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>Value</td>
<td>• The proposed market conceptualization allows market complexity to be addressed by integrating conventional and new market forms. It also offers new avenues for research and invites managers to emancipate themselves from product-based marketing, to create subjective market definitions and to think in terms of nonpredictive strategies (Mele et al., 2015, p.100).</td>
<td>Business is a more general term than 'firm'. The frame contains two main clusters of concepts, e.g., customer includes solution(s) and services. Business includes more internally-oriented concepts, process, development, system(s).</td>
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<td></td>
<td>Process</td>
<td></td>
<td>Neo-classical economics-related terminology is present in economic and exchange. However, these generally relate to discussions questioning the traditional focus of firms and marketers (see extracts, left). Otherwise, contemporary market studies conceptus features, e.g., actors and practices( ). The heterogeneity of market participants is reflected in the concept actors (which connects through to institutional and change in network), Regulatory reflects a macro-level external focus. Collectively, these concepts reveal a broad conceptualization of markets and industries. There is no direct connection between the business and market themes.</td>
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<td></td>
<td>Customer(s)</td>
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<td>Service</td>
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<td>Development</td>
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<td>Activities</td>
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<tr>
<td></td>
<td>Firm(s)</td>
<td></td>
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</tr>
<tr>
<td>Market</td>
<td>Actors</td>
<td>• Further users can contribute to configure market-shaping agents that are not directly involved in economic exchange. For instance, the successful creation of a user community may be a basis for engaging in establishing market norms (Harrison &amp; Kjellberg, 2016, p.457).</td>
<td>The concept innovation is directly connected to the frame network, and clustered around network are relationships, view, perspective and approach. Externally-focused macro-level concepts include institutional and change.</td>
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<td></td>
<td>Practices</td>
<td>• Value-in-exchange is exemplified by the neoclassical economic view in which value is created by the firm and distributed in the market, usually through the exchange of goods for money (i.e. value is evaluated in monetary terms). Value-in-use, on the other hand, highlights that value is not embedded in firm-produced outputs and cannot be measured sufficiently in monetary terms (Wieand, Koskela-Rhottai, &amp; Vago, 2016, p.212).</td>
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<td></td>
<td>Different</td>
<td>• Stated differently, institutional arrangements, or integrated clusters of institutions, influence and are influenced by the ongoing value-creating actions and interactions among the actors (Vargo et al., 2013, p.69).</td>
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<td></td>
<td>Exchange</td>
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<td>Marketing</td>
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<td></td>
<td>Work</td>
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<tr>
<td>Network</td>
<td>Innovation</td>
<td>• Market innovation may also require actors to have access to completely different networks or to control certain strategic information or resource flows. Hence, market reconfiguration may necessitate inclusion or exclusion of actors in the market network or the formation of novel relationships between the actors (Storbacka &amp; Nenonen, 2015, p.76).</td>
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<td></td>
<td>View</td>
<td>• The established market studies tend to take markets as their principal objects – as 'calculating devices' – such that the market’s objects (for example, cartons of orange juice or financial derivatives) are subsumed in the market’s web of comparisons. Actor network theory provides a perspective from which objects can be understood as being defined and stabilized as they are defined and stabilized as they connect with, define and stabilize other objects. Markets (as objects) are inherently unstable (Finch &amp; Acha, 2008, p.46).</td>
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<td></td>
<td>Perspective</td>
<td>• The organisations can be institutional in kind (firms, associations, and institutions) or parts of formal organisations (just a part of the organisation participates in the network), or informal organisations. Actors in the network may even be alliances between organisations forming constellations (Cova, Pivovar, &amp; Spencer, 2010, p.855).</td>
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<td>Relationships</td>
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<td>Resources</td>
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<td>Approach</td>
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<td></td>
<td>Change</td>
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<tr>
<td>Product</td>
<td>Products</td>
<td>• Markets are diverse, they are organised differently across contexts and change over time. In light of this, we are faced with the difficult, but important, task of analysing and critically discussing specific alternative market-making efforts and dynamics (Puentes &amp; Puentes, 2017, p.550).</td>
<td>Comprises traditional manufacturer-like concepts: production(ion) and quality, with the general business environment concept industry.</td>
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<td>Time</td>
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<td></td>
<td>Important</td>
<td>• The empirical material in the following sections will focus the ways on the market manufacturers define the boundaries and the dynamics of the NAB market. Because manufacturers try to influence the perceptions of their key account on product category classifications, we take this annual event as an important market in market-shaping, namely because it consolidates or changes existing classifications and market definitions (Aznar &amp; Armijo, 2007, p.852).</td>
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<td>Industry Quality</td>
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<td></td>
<td>Less prominent</td>
<td>Consumers is the smallest theme with splintered concepts; intersects with international and macro-level terminology: world and political. However, product and customer(s) have little direct connection.</td>
<td></td>
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<tr>
<td>Concept frequencies (see Table 3)</td>
<td>Market is the most frequent term in this corpus, by a very large margin over the next most relevant term, actors (at 54% relevance); marketing is absent as a top-twenty concept altogether.</td>
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<td>Contemporary perspective of markets reflected in concepts (beyond firms/industries/customers) actors (2nd most relevant concept), practices, service and network (7th, 8th and 9th most prominent concepts respectively).</td>
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<td>Innovation 15th most relevant concept.</td>
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4.3.4 Comparative discussion

Our first research question is, “What are the contrasting conceptual understandings in different academic corpora associated with (re)structuring and innovating markets?” It is apparent there are underlying conceptual themes that are common to all three corpora. However, these themes are generally associated with different related concepts. For example, in Figure 1, concepts connected to ‘customer’ differ over the three corpora. In MD, customer (a theme) is associated with value, technology, and marketing, while in PMO, customer (again a theme) is associated with needs, value and brand. In MS, customer (a concept) is associated with solution(s), services and relationship. Additionally, ‘network’ and ‘relationships’ nestle together in all three corpora but are less prominent in MD and PMO than in MS (where network is a theme). In PMO, the concept firms bridges network and relationships; in MD, network and relationships appear close to strategy and management; and in MS, relationships connects through to business, activities, and value. However, in terms of raw frequency (Table 5), the concept relationship appears at 12th place in both PMO and MD but does not appear as a top-twenty concept in MS at all. Table 3 shows ‘innovation’ features in all three corpora. However, in PMO innovation is highly placed (at number three), in 13th place in MD, and 15th in MS. The concept maps also reflect this relative importance of ‘innovation.’ In PMO and MD, innovation connects with capabilities, (an internal firm-focused concept) while in MS it nests with network (an externally focused concept).

Several other similarities present in PMO and MD contrast with MS. For example, both PMO and MD feature product(s) and customer as related concepts; however, this does not feature in MS where customer(s) is instead connected to solution(s) and services. PMO and MD both feature marketing and performance as top-twenty concepts (Table 3) – neither of which appear in MS. Further, PMO and MD feature ‘orientation’. In PMO orientation connects to important and resources, and in MD to market and firms. However, orientation does not appear on the MS concept map (Figure 1), i.e., the focus is not on a firm ‘orienting’ itself to the ‘market.’ Indeed, both PMO and MD seem informed by earlier contributors to ‘market orientation’ in the 1990s (e.g., Jaworski & Kohli, 1993; Narver & Slater, 1990; S. Slater & Narver, 1995), also reflected in our literature review where some authors see market-driving as a form of proactive orientation (e.g., Hult & Ketchen, 2017; Jaworski et al., 2000). This relationship between ‘market-orientation,’ MD and PMO, is reflected in the bottom-
The right corner (market theme) of the MD concept map (Figure 1), which features a micro-representation of key concepts present in PMO: MO, performance and effect. Both PMO and MD feature two key terms for operationalizing market innovation: employees and technology. Importantly, neither of these concepts appear in the MS corpus, signaling less focus on actual firm operations. Additionally, in comparison to both PMO & MD, MS is interesting for the relatively splintered nature of its lexical base, reflected in the white space in the center of the MS map. This is perhaps unsurprising due to the relatively late arrival and comparatively small size of the MS corpus.

The way language referring to competition differs over the three corpora is significant. MD features the most competition-focused language including concepts competitive, advantage, capabilities, and resources, while PMO includes closely nestled concepts like capabilities, resources, strategic, etc. Of these, only the concept resources appears on the MS map. In sum, both MD and PMO adopt a more traditional conceptualization of markets. Here, markets are thought of as primarily comprising dyadic economic exchanges between firms and consumers (Vargo et al., 2015), and markets are seen as arenas of competition requiring certain firm capabilities and resources. In contrast, MS is more relational and social, focusing on innovation to networks and delivering solutions and service.

The second research question of this study is “To what degree is the complex, systemic nature of modern markets recognized in our chosen corpora?” Market innovation involves more than just the opening up new markets; it involves “altering the way business is done” (Kjellberg et al., 2015, p.6), including considerations beyond customers, industries, competitors and products, such as changing social institutions, institutional mechanisms (e.g., regulators) (Scott, 2014), collaboration, and coopetition. Much contemporary literature on innovation takes a systems perspective (e.g., Akaka et al., 2017; Vargo et al., 2015; Wieland et al., 2017), which recognizes innovation processes occur beyond simple dyads, within networks of multiple, heterogeneous, collaborating actors, e.g., universities, research groups, science institutes, customers, brand and fan groups, and product users (Vargo et al., 2015). This conceptualization has given rise to the notion of actor-to-actor resource integration over business-to-customer (Vargo & Lusch, 2011), and the role of generic actors and customers in open innovation processes (Chesborough, 2006; Mele & Russo-Spena, 2015). The success of these
approaches is reflected in many of the world’s fastest growing, high-value companies, e.g., Facebook, Airbnb, Uber, Alphabet, etc.

Furthermore, markets and innovation are embedded in social structures, namely, institutions. Institutions are enduring frameworks for human social interaction (Scott, 2014), providing both psychological security and predictability to entities at all levels including individuals, organizations, communities, societies, nation-states, and even trans-nationally (DiMaggio & Powell, 1991a; Scott, 2014). Institutions can be formal and informal, and both constrain and enable the way market actors cocreate value (Loasby, 2000), including the way value cocreation activities can be coordinated (e.g., the influence of regulators or professional bodies) and how value is interpreted (Edvardsson et al., 2014). The institutionalization of innovations is a key consideration when understanding market innovation. What is seen as the best available option in a market is in a constant state of change (Callon, 2007a) as subjective definitions of boundaries, networks, and relationships evolve. As market actors (e.g., customers, users, suppliers, etc.) introduce new practices or solutions, innovation does not occur until that change is institutionalized (Vargo et al., 2015). Processes of institutionalization are non-linear, iterative, and recursive, and dependent upon actors collectively framing shared meanings and understandings (Zietsma & McKnight, 2009). This multi-actor, institutional setting is reflected in the MS corpus. MS includes elements of economic sociology (e.g., actors, practice[s]), and a more multi-level lexicon (e.g., macro-concepts such as institutional, political and regulatory). Lastly, MS reflects innovation sits within networks that comprise heterogeneous actors. Hence, MS would seem to accurately reflect the complexity, volatility, sociality, and diversity of modern markets.

In contrast, generally both PMO and MD are informed by the language of micro-economics with a focus on customers and products, marketing and management, and achieving competitive advantage. These corpora reflect more traditional conceptualizations of markets as primarily comprising dyads of firms and customers. They reflect that innovation and value creation are primarily firm responsibilities, and that firms operate in competitive landscapes with reliance on brand building and entering of international markets.
4.4 Conclusions

Academic theories and tools assume a performative function on markets and the economy in the way they frame the thinking of managers and other market actors (Callon, 2009). Hence, how a manager strategically approaches a market is influenced by the fundamental conceptualizations that underpin theories. However, numerous concerns have been expressed about the lack of coherence and currency in contemporary strategic marketing theories (e.g., Hunt, 2015; Palmatier, 2018; Shaw, 2012, p.33; Varadarajan, 2010) and with marketing’s inattention to serious social and business challenges (Reibstein et al., 2009). It is this currency of conceptualizations of markets and market innovation that has been the subject of this study. Here we summarize our theoretical and managerial contributions.

4.4.1 Theoretical contribution

This research provides three theoretical contributions. First, in times of increasing complexity and growing disruption in markets, scholars must be careful to avoid myopia in their theoretical framing or theory struggles to keep up with reality (Suddaby, Hardy, & Huy, 2011). This study shows both PMO and MD are underpinned by a traditional conceptualization of dyadic markets that are competitive arenas, where value is delivered by firms to customers through products. Might MD and PMO authors be guilty of a singular conceptualization of markets – where innovative firms are perceived as the creators of value for current and future customers (the consumers of value), where the realization of economic exchange reigns supreme, and beating the competition equates to growth and success? However, what happens when a volatile market is shrinking, or others redefine the reality of the market – be it competitors, regulators, or changing social ideologies? Moreover, this traditional conceptualization of markets is not leading to more pro-social, desirable markets. Instead, reframing conceptualizations to include factors such as externalities and actor groups not involved in transactions is required (Doganova & Karnøe, 2015) but this is not possible when the dominant consideration is economic exchange within the producer-consumer dyad.

Second, we conclude the academic field of strategic marketing needs to address some fundamental issues with the underlying conceptualization of what actually is a ‘market.’ Varadarajan (2015, p.87) rightly asserts “any conceptualization of market strategy should build on and relate to the meaning of ‘market’ and ‘strategy.’” Hence,
Varadarajan’s (2010; 2015) analyses of the scope of marketing strategy includes some factors relating to ‘market scope.’ While making a passing reference to “market driving (shaping/influencing/modifying the market environment)” as an “overarching strategy” (Varadarajan, 2015, p.88), he nevertheless adopts a narrow definition of ‘market strategy’ underpinned by an implicit conceptualization of markets as exogenous to the firm and fixed. He posits elements embedded within the market strategy dimension include markets in different geographic locales (‘where’ to compete; an exogenous element); various permutations of market types (i.e., B2B, B2C, etc.; exogenous elements); and numerous approaches to market segmentation (the act of [re]interpreting given, fixed markets). Additionally, Varadarajan (2015) includes market ‘entry’ and ‘exit’ strategies as key elements in market strategy, both of which imply ‘the market’ is exogenous, given and fixed – something that is beyond the influence or control of market actors, firms or otherwise.

Instead, market innovation “is driven by and drives the development of new technologies, but also requires the acceptance of a value proposition as well as the continued exchange, integration and application of a particular technology among multiple actors, over time (i.e., institutionalization)” (Vargo et al., 2015, p.67). Rather than market innovation involving just new geographically situated markets or markets that emerge around new technologies, market innovation may additionally include new market devices, and changes in market behavior, structure, or actor groups (Wieland et al., 2017). Hence, market innovation can manifest through cooperation and collaboration by multiple actors beyond just the firm, e.g., broad innovation networks comprising diverse groups like universities, fans and product users, collaborating competitors or suppliers, or regulators and professional associations through rules and regulations (Jones, Suoranta, & Rowley, 2013; Möller & Rajala, 2007; Partanen, Chetty, & Rajala, 2014). In sum, to respond to contemporary challenges and radical new technologies, we assert considerably more attention must be paid to market innovation as the ‘overarching strategy’ in the strategic marketing discipline.

Third, we find MS features little evidence of empirical inquiry in contrast to PMO and MD. This finding reflects the assertion by Jaworski and Kohli (2017, p.11) that “the idea of shaping, molding, and managing the evolution of markets… has not taken off in terms of systematic inquiry.” This lack of empirical enquiry in MS is perhaps most apparent in the exclusion of two critically important managerial concepts
to market innovation – technology and strategy. Hence, MS requires more systematic, field-based, empirical research. The lack of technology is especially troublesome, given the role of digital technologies in enabling the success of so many valuable, fast-growing contemporary firms. Connecting MS research with contemporary literature on systemic and radical innovation (e.g., Hauser et al., 2006; Partanen et al., 2014; Sood & Tellis, 2005; Tellis, Prabhu, & Chandy, 2009; Wieczorek & Hekkert, 2012), and business and innovation networks (e.g., Möller et al., 2005; Partanen et al., 2014) could provide new insights while still reflecting the network and innovation connection embedded within MS. Providing contemporary perspectives in market studies have currency, and Jaworski and Kohli (2017) are right, research opportunities in MS will be ascendant in the future. However, different authors, journals, and academic ‘tribes’ will resolutely remain a major influence on research foci in the future, no matter how relevant a particular perspective might seem (Vogel, 2012).

4.4.2 Managerial implications

From a managerial perspective, this research has numerous implications for strategists. As markets have become more complex, diverse and volatile, the skills required of those who operate and manage within them have become increasingly more varied and demanding (Callon, 2010). Those that have relied previously on the principles of the market-orientation concept (from whence came PMO and MD) may be struggling to keep up with the volatility of modern markets and technological progress. Integration of MS concepts – such as the realization that markets are subjectively constructed, defined, and measured – may assist in updating approaches to strategic analysis and planning. As markets are subjectively defined, they may equally be subjectively re-defined, enabling greater flexibility in how managers interpret the role of their firm. Concepts such as macro-marketing (Humphreys, 2010; Kotler, 1986) are early iterations of what a MS approach might contribute to strategic initiatives. However, further considerations need integration, e.g., the roles of users, fans, broader stakeholder groups, ethical proclivities, etc.

In contemporary times, many of the world’s most valuable, fast-growing firms are service providers that engage with multiple actors through multi-sided, technology-powered platforms. These disruptive firms are remarkable for the degree of institutional change they bring about. For example, Uber has effectively institutionalized hailing and paying for rides through a smart-phone application, and Netflix has institutionalized the
ability of viewers to watch when, where, how, and at what rate they choose. The impact these firms have had supersedes the introduction of simply new versions of pre-existing products. Through adopting more of a MS inspired perspective of markets, managers can avoid a modern-day myopia that extends from defining themselves as part of a particular ‘industry,’ or producer embedded in a particular product category. Such a broadening of managerial perspective can potentially drive more creativity in the degree to which a firm might drive disruption (Nenonen & Storbacka, 2018).

In sum, undertaking market innovation requires more than just entering new geographical markets or delivering new products, but a wide-ranging reassessment of all business activities including business models, systems of exchange, (re)configuring networks of market actors (Wieland et al., 2017), awareness of changing social and ideological landscapes, and focus on influencing how media, consultants and researchers refer to your business (Nenonen et al., 2018). The need for markets to be able to better compensate for externalities and move toward more sustainable practices is one of the most pressing reasons for new perspectives of market innovation (Onyas & Ryan, 2015). Lastly, at the intersection of scholars and managers, it is beholden upon researchers to ‘translate’ MS perspectives into more accessible language, although some examples are beginning to emerge (e.g., Nenonen & Storbacka, 2018).

4.4.3 Limitations and further research

Regarding the limitations of this research, the three corpora were compiled by searching for word strings relating to the research of market innovation in Scopus and Google Scholar. Accordingly, the phrases could be used anywhere in the articles that appeared in the searches. As such, some articles are duplicated in more than one corpus, especially when an article features a comparative discussion of two or more of the different approaches. For example, Jaworski, et al. (2000, p.47) posit “driving markets entails shaping the market structure and/or behavior of players in the market”; while Hult and Ketchen (2017) assert market-driving is a form of market-orientation. Furthermore, Narver, Slater and MacLachlan (2004) state the market-orientation concept implicitly encompasses both responsive and proactive forms. Hence, the boundaries between the three corpora are somewhat fuzzy. Additionally, some articles may have made little mention of our searched phrases or have not been fully applicable to strategic marketing, e.g., the ‘shaping’ of European Union markets. Nevertheless, these conflicts were not such an issue that required a manual removal of articles from the assembled
corpora. Indeed, in the context of the more than two million words processed in this study, the different concepts surrounding the key phrases still contributed positively to our findings.

A number of related articles that do not explicitly use the searched word strings were, by necessity, not incorporated into the corpora. This is especially apparent in the MS corpus where, for example, a number of consumer research articles (broadly about market shaping) were not captured (e.g., Epp & Velagaleti, 2014; Martin & Schouten, 2014; Scaraboto & Fischer, 2013). This would seem to reflect the relatively nascent nature of MS literature as a cohesive concept. Grounding the MS literature in more agreed terminology is a task for MS researchers in the future and undertaking more empirical work is needed, although this is already underway (e.g., Doganova & Karnøe, 2015; Kjellberg & Olson, 2017). Additionally, PMO and MD researchers might benefit from exploring markets from a broader conceptual base, even if only through the consideration of also driving regulatory, political, and social factors when empirically considering market innovation.
MARKETS CHANGING, CHANGING MARKETS: INSTITUTIONAL WORK AS MARKET SHAPING

By Jonathan Baker, Kaj Storbacka, & Roderick Brodie

Abstract

There is increasing interest in the marketing discipline to adopt an institutional perspective when examining markets. This requires seeing markets as complex systems that evolve through time, rather than as pre-existing, stable structures. Using a historical, longitudinal case study, we integrate the ‘institutional work’ framework as a lens to understand the process of market change in the novel, historic case of circus in North America through the 20th century. We explore the decline of the market for traditional American circus, and the emergence, in the 1970s, of the adjacent market for new circus, with a specific focus on the world’s preeminent new circus company, Cirque du Soleil. Theoretical contributions of the paper include a ‘market-shaping activities’ framework that illustrates market-shaping involves considerably more actors than the dyad of producer and consumer. Market-shaping occurs through an interdependent process involving institutionalized practices, beliefs and expectations, and the intentional activities of market actors at any institutional level. Market change is shared, iterative and recursive, i.e., cocreated, and undertaken by market actors both formal and informal. Market-shapers do not necessarily work in an orchestrated fashion; nevertheless, vibrant networks of complementary actors contribute positively to the construction of shared identities and normative networks. From a managerial perspective, we find implications for policy-makers, funders, strategists and marketers.

Keywords: market shaping, market creation, market decline, institutional work, Cirque du Soleil
5.1 Introduction

It is only recently that marketing scholars have paid attention to understanding the relationship between ‘the market’ and social institutions that interact and overlap (Mele et al., 2015; Vargo & Lusch, 2016). This is despite Schumpeter’s encouragement, some seven decades ago, that, “the interaction of institutional forms and entrepreneurial activity, the ‘shaping’ influence of the former and the ‘bursting’ influence of the latter, is… a major topic for further inquiry” (Schumpeter, 1947, p.153).

Put simply; institutions provide the structures within which human interaction takes place (Scott, 2001). They are “those (more or less) enduring elements of social life that affect the behaviour and beliefs of individuals and collective actors” (Lawrence, Suddaby, & Leca, 2011, p. 53). Institutions exist as both formal arrangements (e.g., the legal system) and informal arrangements (e.g., how people greet each other on the street). Although institutions are typically resilient (Scott, 2001) they are capable of change as they are (re-)produced by the activities of those actors embedded within them (Battilana & D’Aunno, 2009). Hence, activities actors undertake to effect institutions can be thought of as ‘institutional work’, defined as “the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions” (Lawrence & Suddaby, 2006, p.215). This conceptualization can also be applied to the efforts of market actors – as the activities of market actors change, the institutions that overlap and interact with that market change, and vice-versa.

Vargo and Lusch (2017) have called for research that adopts an institutional perspective on understanding the decay of industries and markets and the emergence of new ones. Hence, the purpose of this paper is to explore the way market actors can respond to, influence, or manage institutional arrangements in declining and emergent markets. We conceptualize markets as socially-embedded, complex adaptive systems (Storbacka and Nenonen, 2015). This enables examination of markets as processes that evolve through time, rather than as pre-existing, stable structures (Kjellberg & Helgesson, 2007; Mele et al., 2015). In such a view, markets offer “institutionalized solutions” (Lusch & Vargo, 2014, p.25), and are “nested or embedded within a particular service ecosystem” (Vargo et al., 2017, p.265).

We use a longitudinal case study to examine markets that are both novel and historical. First, we explore the decline of the market for traditional American circus
and, second, the emergence of the market for what became known as *new circus* (*nouveau cirque*). While our research looks at the circus field generally, the focal organization of our case study is *Cirque du Soleil* (*Cirque*), which has emerged as the world’s preeminent *new circus* company. Although *Cirque* is celebrated for its ‘blue ocean strategy’ (Kim & Mauborgne, 2005) and distinctive service experiences (Berry, Shankar, Parish, Cadwallader, & Dotzel, 2006), one of the key figures in the development of *Cirque* has said:

> People might think that we set out to reinvent the circus, and then just did it. But things don’t happen that way. We were just a bunch of crazy people who wanted to do things and little by little we came to a vision of what the modern circus could be (René Dupéré, Cirque composer, quoted in Babinski, 2004: 89).

Thus, the success of *Cirque* provides valuable insight that goes beyond illustrating and documenting entrepreneurial flair.

In the broadest sense, this study contributes to the emergent literature within the marketing discipline examining markets as socially constructed, complex systems comprising relational processes (Giesler, 2008; Hietanen & Rokka, 2015; Koskela-Huotari et al., 2016; Vargo et al., 2017). However, there has been little attention paid to the interdependent interplay between heterogeneous market actors and different institutional levels when markets change or are changed. Hence, empirically this study is one of the first to examine market change that occurs through the interplay of 1) the evolving shared understandings, ideologies and belief systems of social collectives at the macro-level, and 2) the adoption of new practices, expectations, and behaviours at the micro-level. Furthermore, we examine this process not just in the creation of the market system for *new circus*, but also in the disruption and decline of the market for traditional circus.

This paper proceeds in five parts. First, an outline of the theoretical background of the study is provided including a brief review of literature about markets and a description of the institutional work framework. Second, our research method and an overview of the case is presented, along with an outline of our ‘market-shaping activities’ framework. Third, our findings are elaborated upon in two sections. We conclude with a discussion of theoretical and managerial implications and suggestions for future research.
5.2 Markets and institutional work

In this section, we briefly review the literature on markets and then describe the institutional work framework.

5.2.1 Markets

The foundational conceptualization of markets by the marketing academy has been of relatively stable, bounded backdrops to the efforts of marketing managers (Mele et al., 2015). This conceptualization and the primacy of dyads comprising producers (as value creators) and consumers (as value destroyers) also framed the literature examining innovation, e.g., resulting from new geographical or product markets, or entrepreneurial actors that adapt to, or create, change (Kjellberg & Helgesson, 2006). Later, the impact of technological developments on innovations became a primary focus of scholars (Kjellberg et al., 2015) although still mainly seeing markets as comprising dyadic economic exchange (Vargo et al., 2015).

Now there is a growing stream of marketing research using neo-institutional theory, exploring market change due to relational processes, and innovations to markets themselves (Kjellberg et al., 2012; Mele et al., 2015; Storbacka & Nenonen, 2015). This research reflects several important characteristics of markets. First, many actors within a service ecosystem can drive innovation (e.g., innovation networks including research institutes and universities), not just producers and users (Möller & Rajala, 2007). Second, as markets are not fixed in time, they are always in development, generated by the practices performed by those actors operating within them. Third, any innovation is in effect a reconfiguration of value cocreation processes (Vargo et al., 2015). Therefore, to be successful, innovation requires changes to previously institutionalised practices, norms, and rules (Koskela-Huotari et al., 2016). Hence, markets are socio-materially-constructed plastic entities, open to manipulation by those actors who collectively generate their form (Hietanen & Rokka, 2015; Kjellberg et al., 2012; Storbacka & Nenonen, 2011a; Vargo & Lusch, 2011). In sum, this sociological view recognises that 1) micro-level practices collectively shape a market, and 2) as practices change so does the market, and vice versa.

However, much of this institutional theory-inspired research still largely focuses on narrow actor-groups. For example, Rosa et al. (1999) research the institutionalization of product categories and learn market definitions are socially-constructed, negotiated
through time by both producer and consumer. Humphreys (2010) traces the legitimation of casino gambling that occurred through a search for cultural-cognitive, normative, and regulatory legitimacy. She finds those in media and marketing undertake critical work by changing public discourse, and regulators inspire legitimation through legalisation. Ertimur and Coskuner-Balli (2015) explore the implications to brand managers of markets that feature multiple competing logics, where brands can become fragmented and incoherent. Brand managers are encouraged to ensure their brands reflect current social ideologies.

Researchers have also examined institutional change driven by fashion consumers. Scaraboto and Fischer (2013) explore the way marginalized (plus-size) consumers of fashion drive inclusion in the mainstream market by collecting under a shared identity. Additionally, Dolbec and Fischer (2015) discover highly-engaged, digitally-connected consumers can substantially influence market outcomes, replacing or reducing the institutional role previously taken by paid experts. Entrepreneurial innovation has also been examined by integrating a conceptualization of institutional levels but through bottom-up (or inside-out) actions (micro- to meso- to macro-level) by entrepreneurial firms (Koskela-Huotari et al., 2016).

The research contributions, above, have no-doubt been invaluable in drawing attention to market creation from social processes. However, there has been little attention paid to the interdependent interplay between multiple heterogeneous market actors and different institutional levels when markets are created or disrupted. This requires a theoretical framework, with a multi-level perspective, that enables exploration of the process of (de)institutionalizing innovation. Thus, we draw on the institutional work framework (Lawrence & Suddaby, 2006; Lawrence et al., 2011).

5.2.2 Institutional work

The ‘institutional work’ framework is an attempt at bridging the gap between institutional entrepreneurship and institutional determinism. It recognises institutionalized practices and understandings are the product of activities enacted by individuals and organizations (Battilana & D'Anno, 2009; Lawrence & Suddaby, 2006). These activities sometimes sustain and reproduce institutionalized practices and meanings, and sometimes transform or translate them (Barley, 2008; Lawrence et al., 2009; Zilber, 2008). The work that takes place within institutions implies some sort of
intentional effort or action by an actor that may shape an institution or social structure (like a market), or manage (including maintaining) a given situation (Lawrence et al., 2011).

According to institutional work, institutions are conceptualized as residing in “nested systems” that exist on micro-, meso- or macro-levels. However, levels are arbitrary as they oscillate and fluctuate between, within, and amongst themselves, interdependent in both form and function (Giddens, 1984). While most institutional work studies have focused on changes that occur at a field or organizational level, ‘work’ undertaken by actors can occur at any institutional level (Lawrence & Suddaby, 2006). For example, at a micro-level work by an individual human or organization; regulatory, government or organizational field bodies at meso-level; and social collectives at macro-level (Battilana & D'Aunno, 2009). Therefore, a key contribution of the institutional work framework has been the integration of a practice-based perspective about changes that occur at all levels of institutions (Hargrave & Van de Ven, 2009).

Institutional work is categorised by the institutional life-cycle: institutional disruption, creation, and maintenance (Lawrence & Suddaby, 2006). In this study, we incorporate the first two only as they most readily lend themselves to better understanding the decline of an incumbent market and emergence of another. The institutional work framework is depicted in Table 9.

**Table 9: Institutional work framework**

<table>
<thead>
<tr>
<th>Institutional change</th>
<th>Nature of work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disruption</td>
<td>Attacking or undermining institutional mechanisms</td>
</tr>
<tr>
<td></td>
<td>Political work</td>
</tr>
<tr>
<td>Creation</td>
<td>Change in actor belief system</td>
</tr>
<tr>
<td></td>
<td>Change in meanings and boundaries</td>
</tr>
</tbody>
</table>

5.2.2.1 **Institutional disruption**

Table 9 shows institutional disruption results from “attacking or undermining the mechanisms that lead members to comply with institutions” (Lawrence & Suddaby, 2006, p.235), ultimately because of a reduction in the risks associated with non-compliance (including cognitive, social and economic risks). The actors responsible for disruptive behaviour may occupy a variety of contrasting forms. They might be
unconventional or counter-cultural actors with an original, innovative perspective, but may not be socialized in existing norms and accepted practices; or they might be actors highly sophisticated, well-resourced, and well-versed in existing norms and beliefs (Zietsma & McKnight, 2009).

Disruption often occurs against a broader backdrop of economic, social, or environmental pressures (Lawrence & Suddaby, 2006; Thornton & Ocasio, 2008) which can often encourage institutional entrepreneurs to act (Battilana & D'Aunno, 2009; Battilana, Leca, & Boxenbaum, 2009b). Institutional disruption may also occur when the accepted ethical, normative foundations of a field are challenged (e.g., by social collectives such as environmental activists). Questioning the morality of practices can be achieved through a particularly disruptive type of institutional work – ‘practice work’ – undertaken by actors wishing to change accepted practices (Zietsma & Lawrence, 2010). Practices are shared routines considered legitimate, that collectively define a field. Lastly, when institutional entrepreneurs perceive incumbent organizations feature heterogeneity, such as inconsistencies in form, scope or behaviour, they may attempt to disrupt the status quo (Battilana & D'Aunno, 2009) as lack of standardization implicitly allows for increased flexibility.

5.2.2.2 Institutional creation

The process of institutional creation can be the result of a variety of activities within three basic areas – political actions; changes to actor belief systems; and changes to boundaries and abstract meanings (Lawrence & Suddaby, 2006).

First, political actions may feature an interdependent cycle of definition and redefinition of resource allocation, norms, and rules (e.g., regulatory structures or standards), or include persuasive techniques (e.g., lobbying or advocating). Institutional innovation can also be enabled through the creation of temporary platforms that allow for testing or experimentation (Zietsma & Lawrence, 2010).

Second, creation can result from changes to the perceptions, beliefs or expectations of actors at any level (i.e., macro-, meso- or micro-level). These can be due to the reconfiguration of an actor’s role or relationship with others in its field; or because of changes to previously accepted institutional structures (Lawrence and Suddaby, 2006). Additionally, changes in the perception of the success of a new actor can be
dependent on the degree of legitimacy they earn through their actions, and as new practices are subsequently adopted and normalised.

Third, institutional creation can occur on an abstract level as meanings and boundaries are reinterpreted or redefined (Lawrence and Suddaby, 2006). This change in meanings can include the reconceptualization of ideas and practices, and their renaming and redefinition. Additionally, as new types or models of institutions develop, incumbents within the same or similar field are naturally scrutinised and compared, especially when new actors mimic some aspects of existing structures or practices. Lastly, on an abstract level, educating other actors assists in the increased legitimation and adoption of new ideas and practices.

5.3 Research process

We employ ‘systematic combining’, the abductive method of case study research (Dubois & Gadde, 2002; 2014) when examining the historical case of circus. Here we briefly outline our theorizing process and describe the case. For clarity, our emergent ‘market shaping activities’ framework will then be introduced.

5.3.1 Case study approach

To investigate market decline and creation we use 20th-century North American circus as an illustrative case study. Such a historical case allows for richness when examining emergent processes (Siggelkow, 2007).

In abductive theorizing, unlike induction, the researcher constantly alternates between empirical observations and the initial theoretical framework, the research activities of analysis and interpretation, and the developing theoretical framework (Dubois and Gadde, 2014). As the researcher goes back-and-forth, questions evolve, and synthesis takes place, allowing for the emergence of the new framework. It is imperative to remain open to discovery through the interpretation of data, which allows the data to take on an active role in the development of any new framework. The researcher is therefore encouraged to let the case boundaries emerge (Dubois & Gadde, 2014), then consult literature for theory-based explanations. Hence, we combined case observations with insights from continuous exposure to literature, while nevertheless assigning primacy to the empirical world (Van Maanen, Sørensen, & Mitchell, 2007). As an example, we initially set out to examine the institutional factors in 1970s Quebec that
had enabled the creation of the Cirque phenomenon. However, as further discovery took place, it was apparent that the study needed to encompass the broader, rich context of 20th-century North American circus, generally.

This historical case allows for an examination from two perspectives. First, the exogenous, macro-level institutional influences on both market decline and creation; and second, the micro- and meso-level purposive actions that actors took that shaped institutional arrangements. Additionally, the case demonstrates the markets for traditional and new circus are strongly contrasting in numerous ways (e.g. content of core service offering, scale, price, profitability, business model, customer profile, geographical location, employee training, etc.) but change did not come about due to any significant technological or processual innovation. Lastly, the case is large enough to see patterns emerge yet bounded enough to have a manageable scope, with a wealth of secondary data available.

Contextual evidence and a broad array of information are required about the subject of any case study to allow for triangulation and to increase validity (Creswell, 1998; Yin, 2014). This study draws research materials from numerous secondary sources, e.g., circus histories, academic and practice publications, media and audio-visual materials, websites and blogs. The most instructive of these sources examined during the exploratory phase appear in Appendix B (in section 8.2 of this thesis (numerous others are not listed). However, Dubois and Gadde (2002; 2014) and Siggelkow (2007) encourage parsimony when writing up a case, so only data necessary to support the theoretical contributions and allow for reader evaluation are included. Accordingly, we present a selection of data for illustrative purposes, while Appendix B (in section 8.2) also provides detailed information about the main cited sources to better enable reader evaluation.

5.3.2 Circus – market decline and market creation

The story of 20th-century circus begins with the *growing disruption of traditional American circus* (e.g., Barnum & Bailey’s “The Greatest Show on Earth”). The traditional circus format was established in the mid-19th century. Performances were on a grand scale, featuring three or more circus rings in Big Top tents holding up to 20,000 people. The adoption of three-rings had been an American innovation of the European-
style one-ring by ‘Circus King’ P.T. Barnum in 1881 (Truzzi, 1968), which, while contributing a sense of spectacle, was also criticised for its impact on artistic worth:

The only drawback to the performance was that the spectator was compelled to receive more than his money’s worth; in other words, that while his head was turned in one direction, he felt he was losing something good in another (New York Herald, 1881, in Truzzi, 1968, p.318).

Appearing in these rings were numerous, isolated but simultaneous short acts – high-wire and acrobatic spectacles, (mostly unspoken) slap-stick clowning, and a veritable menagerie of circus animals (Albrecht, 1995; Jando, n.d.; L. Simon, 2014). The ‘Golden Age’ of traditional circus was the early 20th century. In 1903 there were 98 full circuses in North America, and in 1910, 38 of these were touring full-time by rail (Truzzi, 1968). By 1956, other entertainment options and exogenous shocks had taken their toll, and only 13 full circuses remained, two traveling by railroad.

The disruption of traditional American circus was followed, in the 1970s, by the creation of an alternative style of circus under the moniker new circus (‘nouveau cirque’), e.g., Pickle Family Circus (established San Francisco, 1975), Big Apple Circus (New York, 1977), and Cirque du Soleil (Montréal, 1984) (Albrecht, 1995). New circus is notable for theatricality and expressiveness, considerably smaller scale (at least in the early years) with one ring only, typically no circus animals, and overarching theatrical narratives. The cloming style is also considerably more sophisticated – characterful, sometimes speaking, and often functionally replacing the top-hat-, tails-coat-wearing ringmaster of traditional circus (Schechter, 2001). Customers for each style of circus are also in stark contrast. Traditional circus delivered large spectacles to thousands of ticket-buyers at a time, many paying extremely modest sums, and frequently in small towns accessed by railroad. In contrast, by the end of the 20th century, the market for new circus featured well-heeled customers paying substantial sums per ticket, with performances in large international metropolitan cities (Kim & Mauborgne, 2005).

Of the new circus companies that emerged, Cirque is the one most celebrated as innovative and visionary, e.g., for service innovation (Berry et al., 2006) and strategic genius (Kim & Mauborgne, 2005). While Cirque’s success reflects the power of value cocreated by a dynamic network of resource-integrating actors, our research finds that
numerous institutional factors, and the response to those factors by many in the nascent new circus, allowed for the emergence of Cirque.

5.4 Findings: market-shaping activities

To make the case analysis an easier read, we first present an overview of our results, followed by two sections detailing our results. Our research process helped us to develop a framework of market-shaping activities related to the decline and creation of markets, depicted in Table 10.

Table 10: Market-shaping activities

<table>
<thead>
<tr>
<th>Market decline</th>
<th>Market creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing socio-cultural expectations</td>
<td>Favourable policies</td>
</tr>
<tr>
<td>Exogenous shocks</td>
<td>A growing, complementary eco-system</td>
</tr>
<tr>
<td>Unresponsiveness by incumbent actors to external factors</td>
<td>External orientation and responsiveness</td>
</tr>
<tr>
<td>Emerging alternatives after belief systems</td>
<td>Reclassification</td>
</tr>
<tr>
<td></td>
<td>Mimicry</td>
</tr>
<tr>
<td></td>
<td>Access to new resources</td>
</tr>
<tr>
<td></td>
<td>Novel intersections with other actors</td>
</tr>
</tbody>
</table>

Our case analysis identified two macro-level factors that trigger market decline: changing societal ideologies and exogenous shocks. Two types of purposive actions then emerge that allow for decline. The first, ‘lack of responsiveness’, is reflected in an unrelentingly myopic product-orientation, coupled with a focus on a dwindling, unprofitable customer-base. Second, ‘emerging alternatives’ are the work of non-traditional, peripheral actors. An emergence of substitutes enables development of belief systems of both users and providers, e.g., new representations such as novel platforms and lexicon, questioning ethical foundations of normalized practices, and new types of resource-integration involving engagement and exchange with peripheral or unconventional actors. Concurrently, these factors collectively contribute to adjacent market creation.

Market creation features evolving favourable policies and a growing ecosystem of complementary actors as contributing macro-level factors, while market creation activities cluster into five primary categories. First, emergent organizations implicitly
adopt an external-orientation and responsiveness to changing institutional factors and market forces as a means of sense-making. Accordingly, these new field actors adopt a cocreative stance and present as interactive. Second, reclassification occurs through emergence and adoption of a new lexicon, including novel terminology and names. Education of market actors especially enables this process, implicitly increasing legitimacy of emergent practices and lifting expertise of operant resources. Third, emergent organizations mimic aspects of the practices of traditional actors, which can reduce the cognitive dissonance of others, including potential customers. This reduces the perceived risk of integrating resources with the new. Fourth, new market actors can marshal political and regulatory forces to allow access to new or existing resource. This further contributes to shaping emergent macro-level policies that contribute to the market creation process, enabling increasing resource-integration. Fifth, new platforms for resource-integration occur where novel intersections between market actors occur. These actors include those on the margins of, and outsiders to, the old. New networks and inter-organizational connections emerge, normalizing new practices and defining the peer group of market actors.

5.5 Elaborating on the nature of market decline

Next, we integrate circus histories, blogs, and academic, media and business articles, to theorize about the disruption and decline of the traditional circus market, beginning with contributing macro-level factors.

5.5.1 Contributing macro-level factors

While the process of market disruption and creation are interlinked, they are nevertheless different (Lawrence & Suddaby, 2006). Disruption can result from macro-level influences such as economic shocks or social disturbance (including driven by technology) which often encourage institutional entrepreneurs to undermine previously accepted arrangements (Battilana & D'Aunno, 2009; Lawrence & Suddaby, 2006). Additionally, disruption is common as an institution becomes limited in reach or scope due to declining engagement or usefulness (Battilana & D'Aunno, 2009).

After over a century of enormous success, from the early 20th-century, traditional circus began to wane considerably in popularity, profitability, and reach (Kim & Mauborgne, 2005). Even the two behemoths of circus, Ringling Brothers and Barnum & Bailey, merged in 1919, and by 1956 had ceased touring with a big top (L. Simon,
abandoned its sideshow, and heavily reduced its menagerie (Truzzi, 1968). Economic and social shocks took their toll (e.g., Great Depression and WWII), then new technology proved fateful, especially movies, radio and, eventually television (Albrecht, 1995; L. Simon, 2014): “Invading American households, menacing the film industry … TV was a formidable distraction for circus audiences” (Gamble, 2008, p.147).

Another profound negative influence was the counterculture of the 1960s and ‘70s. This period featured great social upheaval such as anti-Vietnam War sentiment (Parker, 2011; L. Simon, 2014; Sugarman, 2008), concern for animal- and worker-welfare, and a rejection of nearly every American tradition – including circus (Albrecht, 1995). The circus market never recovered from the vicissitudes of the mid-20th century, and the last remaining high-profile traditional circus company, Ringling Bros. and Barnum & Bailey’s, gave its final-ever performance in May 2017 (BBC News, 2017).

5.5.2 Lack of responsiveness

Despite adverse market realities for traditional circus, by the 1950s dwindling troupes were unrelentingly oriented toward a narrow, diminishing, increasingly unprofitable customer-base. They resisted change to their basic performance format while trying to attract as many spectators as possible by appealing to ever-younger audiences and charging cheaper prices (Albrecht, 1995; Jando, n.d.; L. Simon, 2014). The only real response was to become more gargantuan, evident in the Barnum and Ringling merger, and by the adoption of even more circus rings: “Despite losses, circus people doggedly continued to present whatever sort of spectacle they could muster on ever-dwindling resources as they attempted to convince their patrons that the show was still bigger and better” (Albrecht, 1995, p.4). This did not curb the decline, and the net effect was to further undermine what little sense of sophistication they might have previously enjoyed (L. Simon, 2014).

5.5.3 Emerging alternatives challenge belief systems

One profound influence that inspired scrutiny of traditional American circus came from outside the country – Soviet circus. Following the Russian Revolution, Lenin had nationalised all private circuses in 1919 (Neirick, 2012). Circus was perceived a worthy vehicle for the Soviet political message due to its popularity with everyday people (Neirick, 2012; Sugarman, 2008). A state agency was formed – SoyuzGostsirk – responsible for the development and ‘cleansing’ of circus (Albrecht, 1995; Neirick, 2012).
2012). *SoyuzGostsirk* was populated not with circus specialists but avant-garde visual artists, dance and theatre practitioners, and gymnastics specialists. Circus artistry was to be created: “An act, with performers from the circus schools, would be assigned a director, a choreographer, composers and designers” (Sugarman, 2008, pp.191-2).

Theatrical narratives were introduced and the adopted new practices reflected the multi-disciplinary *SoyuzGostsirk* (Jando, n.d.; Neirick, 2012). Even clowns “would no longer be grotesque. They would abandon extreme makeup and be witty, earthy citizens commenting on the social system” (Sugarman, 2008, p.191).

Soviet performers had entirely new expectations placed upon them – utmost strength and agility with theatricality and expressiveness (Neirick, 2012) – marking a major change in norms and practices previously accepted by performers and spectators, and altering belief systems: “By […] 1936, most observers agreed that these performers – all perfect products of Soviet socialism – had succeeded in transforming crowds of circus viewers into new Soviet men and women […] inspired by the superhuman feats they saw” (Neirick, 2012, p.60).

Moscow State Circus undertook numerous international tours to the West from the mid-20th century as Stalin tried to use circus for (macro-level) diplomacy and propaganda to try softening Western attitudes towards the USSR. Hence, Soviet circus became one of the most profound influences on what would later become *new circus*, and was admired for its success in the face of declining traditional American circus: “The continued success of the European- and especially the Soviet-Circus, both through visits to this country and through television viewing, has demonstrated that the American public still enjoys this form of entertainment” (Truzzi, 1968, p.322). Like in Russia, Soviet circus influenced belief systems in the West, exacerbating the struggle for traditional American circus.

5.5.4 Questioning ethical foundations

Institutional disruption may also occur when ethical or moral foundations of normalized practices are questioned (Lawrence & Suddaby, 2006). Driving this questioning might be macro-level changes in ideology, social norms, or new technologies. For circus, animal- and worker-rights would inspire practice work, undertaken by social collectives unaccepting of incumbent practices (Zietsma & Lawrence, 2010). Animal-rights campaigners challenged the use of animals in performances, their training, and housing

In traditional circus, many labourers were also mistreated, extremely poorly paid, and companies very hierarchical: “The status of the working man in the American circus was exceedingly low… Interaction with performers was highly limited, and definite forms of segregation maintained” (Truzzi, 1968, p.321).

In response, the Teamsters Union organized circus-workers in the mid-1950s, and in 1956 circuses found themselves picketed (Truzzi, 1968). In both the treatment of animals and workers, the normative associations between circus practices and their ethical foundations were greatly undermined.

5.5.5 Peripheral actors drive scrutiny of incumbents

As new types or models of institutions develop, incumbents within the same or similar field are naturally scrutinised and compared (Lawrence & Suddaby, 2006). Traditional circus had responded to declining popularity by trying to become bigger, but with no change to the basic content of performances. In contrast, in the 1960s and ‘70s, new performing groups began to emerge, frequently comprising hippie street-performers in festival settings. Their performances were inspired by a myriad of other alternative traditions such as guerrilla street-theatre and the likes of Soviet circus, and highlighted staid, traditional circus (Albrecht, 1995). For example, Guy Laliberté, co-founder of Cirque, would later say, “The Russians were so strong. But, more than that, some acts told a little story from beginning to end” (in Babinski, 2004, p.62).

Those emerging groups that did emulate some aspects of traditional circus did so while testing incumbent practices, e.g., opting for the more contained European-style of one ring (Albrecht, 1995; Jando, n.d.; L. Simon, 2014). Together with the turbulence of
the early-mid-20th century and challenges by Soviet circus, a wellspring of new, alternative troupes emerged, thereby creating *new circus*, and with it a new market.

5.6 Elaborating on the nature of market creation

Here we provide a detailed description of our findings regarding the creation of the *new circus* market with integration of numerous source documents to inform our theorizing.

5.6.1 Contributing macro-level factors

Like Soviet circus, political work in the form of favourable government policies proved seminal to *new circus*. For example, in Quebec there was growing Quebecois nationalism and a desire to position Montréal as a centre of arts and culture. Policy-makers, responding to growing public nationalism, saw the Francophone arts community as a means to express pride in Quebec’s French heritage (Harvie & Hurley, 1999; Leslie & Rantisi, 2011). Ensuing policy decisions drove development of the fashion industry, Francophone theatre, numerous street-performance festivals, and contemporary music. Thus, there grew in Montréal a loosely-bound, rich ecosystem of interdependent, complementary cultural fields with overlapping boundaries.

5.6.2 Evolving business models

On an abstract level, institutional creation results as new forms and structures arise, and field boundaries redefined (Lawrence & Suddaby, 2006). Historically, traditional circus companies were family-owned, profit-making companies, pandering to the lowest common denominator (Albrecht, 1995). The many *new circus* troupes were alternative in legal structure (e.g., non-profit cooperatives). Many featured community outreach programmes, and some were communes with shared decision-making, possessions and responsibilities (Albrecht, 1995; Parker, 2011; Sugarman, 2002), strongly in contrast to the hierarchical traditional circus. Additionally, founders of small *new circus* troupes were typical of the hippies of the time – frequently from middle-class, white-collar families, and often well-traveled (Albrecht, 1995).

A critical feature of *new circus* business models was an actively outward-facing orientation – particularly recognition of the cocreative role of audience and fans. *New circus* audiences and performers enjoyed much closer engagement than traditional circus, due to the one circus-ring, and performers’ previous experiences working on the street (Albrecht, 1995; L. Simon, 2014). Major creative figures in *new circus* (e.g.,
Pickle Family Circus and Cirque) acknowledged the role of audience to guide material, rather than performers solely dictating what would be performed (Babinski, 2004; Pearce, 2013): “I’m lucky because I improvised on the streets as a clown, so I learned a lot about people. I know how to talk to them and stay open and listen” (Cirque creative director quoted in Leslie & Rantisi, 2011, p.1776). Additionally, Cirque co-founder Gilles Ste.-Croix: “We always keep contact with the public. This is our source. We want the public to cross through the wall and be an actor in the event” (quoted in Corliss, 2001, para.10). This is reflected in a co-productive practice adopted early by Cirque of including audience members in improvised clowing before the beginning of shows (Babinski, 2004).

5.6.3 Accessing new resource and advocacy

Political work may feature an interdependent cycle of disruption and redefinition of resource allocation, norms, and rules (Lawrence & Suddaby, 2006). Modifications to existing regulations or resource allocation may be generated through overt persuasive techniques (e.g., lobbying or advocating); long a feature of social and political movements, and industry groups. Like SoyuzGostsirk, favourable policies were seminal to Cirque’s creation and success in the 1980s.

First, provincial government policies created a temporary platform that allowed Cirque to form. Platforms that allow for experimentation and testing can relinquish entrepreneurs from constraining institutional arrangements (Zietsma & Lawrence, 2010, p.214). Because of growing nationalism, in 1984 the provincial government decided to celebrate the 450th anniversary of the French discovery of Canada (Leslie & Rantisi, 2011; Sugarman, 2002). This celebration gave the precursor to Cirque (Les Echassiers de Baie-Saint-Paul – The Stilt-walkers of Baie-St-Paul) an opportunity to embark on a province-wide tour that was to be highly original and theatrical (Cirque du Soleil, 2016). This group of street-performers decided they would tour under a Big Top and re-label themselves a circus – Cirque du Soleil (Circus of the Sun).

Second, Cirque would attract total estimated funding of $CA9.8m (Harvie & Hurley, 1999). Some bureaucrats were reticent to award these grants, but fortuitously Quebec’s premiere, René Lévesque, was a fan of one of the founders, Guy Laliberté, perceiving him a new-generation Quebecer able to adapt to the demands of modern times (Babinski, 2004). In turn, Laliberté had worked hard to cultivate the relationship.
This dual advocacy – of Laliberté for Cirque and Lévesque for Laliberté – was critical to the early development of the organization.

Third, government support for Cirque would not merely be financial. Canadian (and Quebec) international government officials became instrumental in providing local market information and contacts (Leslie & Rantisi, 2011):

Our relations with diplomats evolved a great deal. When we first started touring abroad, we’d go to see the cultural attaché who would do everything possible to assist us… Ever on the lookout for sponsors, we knew the [embassy economic] advisors were in frequent contact with local enterprises […]. We were an excellent tool for establishing business relations (David, 2009, blog entry July 6 2008, para.2).

Accessing reallocated resource also proved influential in both the viability and representation of other new circus companies, such as accessing arts funding customarily reserved for performing arts companies. For example, Pickle Family Circus received funding from the National Endowment of the Arts to tour domestically in 1976 and internationally in 1981 (Carroll & Lorant, 1986). Pickle also received employment funding from the federal Comprehensive Employment and Training Act arts program. This would have been unheard of for a privately held, family-owned traditional circus company, but as new circus companies were non-profits, grants and funding were accessible. As such, new circus took on a similar relationship to traditional circus that theatre companies had with Broadway (Albrecht, 1995). Most critically, new circus became implicitly aligned with the respectability and sophistication of their non-profit cousins in the performing arts sector (Ghazzawi, Martinelli-Lee, & Palladini, 2014), if still something of a fringe dweller.

5.6.4 Novel intersections with other actors

A cocreative approach is reflected in the redefinition of relationships between actors. This is a particularly powerful force in institutional creation, changing actor belief systems (Lawrence & Suddaby, 2006). Network redefinition features novel or reconfigured connections between organizations and other actors thus establishing new boundaries and peer groups. These new connections assist in redefining previously accepted or sanctioned practices and considerably broaden resource-integration opportunities. New circus troupes featured new inter-organizational connections beyond traditional boundaries, e.g., Pickle Family Circus grew out of the San Francisco Mime
Troupe, a satirical guerrilla street-theatre troupe (Pearce, 2013), and some members of *Les Echassiers* came from a stilt-theatre group – Bread and Butter Theatre (Babinski, 2004).

Additionally, while established incumbent organizations typically focus on maintenance of the *status quo*, innovation often emerges from actors on the margins of a market (Rao, Morrill, & Zald, 2000; Zietsma & Lawrence, 2010) or where adjacent markets meet (Battilana & D'Aunno, 2009; Greenwood & Suddaby, 2006). For example, as mostly street performers the members of *Les Echassiers* were outsiders to the circus world: “Cirque du Soleil started in a country where there was no tradition ... There was no circus. Once in a while ignorance can be [an asset] ... We were in a certain way free” (Montréal circus-arts trade association founder, in Leslie and Rantisi, 2011, p.176).

Other significant *new circus* entrepreneurs were also on the margins of traditional circus (e.g., founders of Big Apple and Pickle Family Circuses) or emerged from the intersection with other fields (e.g., street-performance and theatre). Pickle Family Circus even appointed a creative director who had made his name on Broadway (Albrecht, 1995). For the founders of *Cirque*, gymnasts at the 1976 Montreal Olympics and tours by foreign circuses would be highly influential: “One of the things that really affected Cirque was the 1976 Summer Olympic Games in Montréal… Right from the very beginning there was a drive for high performance that met with and married street performance and circus performance” (former Cirque COO, in Babinski, 2004, p.24). Additionally, cinema influenced *Cirque*: “…the big secret of *Cirque*…we created shows like a film…it should be edited and scored like a film” (Caron in Babinski, 2004, p.64).

The mobility of circus performers also enabled a re-evaluation of expectations through exposure to new practices. North American performers sought inspiration from European circus with key *new circus* innovators spending time in places like Paris and Hungary; and many Russian artists immigrated to North America following *perestroika* (Sugarman, 2002). For example, Alla Youdina became a high-profile circus-trainer (McCormack, 2009), and the world-renowned theatrical trapeze troupe, ‘The Flying Cranes’, became resident in Las Vegas in 1985 (Palchikoff, 2014).
5.6.5 Education and market practices

Educating other actors in new ideas or practices aids in the adoption and legitimation of new approaches (Lawrence & Suddaby, 2006). Early in the market creation phase and reflecting the athletic and artistic demands on new circus performers, circus schools rapidly appeared throughout the West – Paris in 1974, then New York (1977) and Montréal (1980) (Jando, n.d.). Through the 1980s, new circus schools continued to be established at an increasing rate throughout the US, Europe, Australia, and Brazil. By the end of the 1990s, many were offering tertiary-level degree courses, e.g., ‘Clown Conservatory’ in San Francisco.

These schools enabled legitimation, diffusion, and promotion of new circus practices and lexicon, e.g., terminology relating to the diverse, street-inspired equipment not previously a feature of traditional circus (silks, lyra, cyr wheel, Spanish web, etc.), and the formalised integration of disciplines such as commedia dell’arte. Hence, practitioners’ belief systems were rapidly shaped and, externally, new circus acquired an air of legitimacy and respectability. Circus training began to be perceived as a worthy pursuit for children of new circus customers – “middle-class parents who find it a non-competitive physical activity that helps their children develop skills and self-esteem” (Sugarman, 2001, p.132). Accordingly, a burgeoning of circus arts training programs occurred internationally, and availability of operant resource for professional companies increased considerably. For example, École Nationale de Cirque (Montréal) and Circus Arts Centre (New York) proved to be particularly fertile sources of talent for their local new circus companies (Albrecht, 1995). The role of formalised education in the development of new circus contrasts starkly with the barriers erected by traditional circus where to train as a circus performer meant to ‘runaway to the circus’ or be born into a circus family (Sugarman, 2002).

5.6.6 Mimicry

If disruptors mimic some aspects of incumbent practices, scrutiny of existing actors can be particularly pronounced (Lawrence & Suddaby, 2006). Mimicry also assists in overcoming cognitive dissonance experienced by early adopters (e.g., a customer, practitioner, or service provider), while also drawing attention to shortcomings in the status quo. Moscow State Circus created this predicament for traditional circus (Albrecht, 1995; L. Simon, 2014) with traditional features present (e.g., Big Top and
animals) while other new practices (e.g., theatricality) highlighted shortcomings. When referring to Les Echassiers, Cirque co-founder Ste-Croix said, “I remember we used to say: ‘if we put this under a Big Top and toured with it, we’d have a circus’” (quoted in Babinski, 2004, p.44). Indeed, both Pickle Family Circus and Cirque originally performed outdoors without a Big Top, but later adopted them to align with spectator expectations (Albrecht, 1995).

Additionally, acquiring the name ‘circus’ by new circus companies was particularly powerful, although origination of the name, new circus, is unclear. Circus historian Ernest Albrecht says, “I used the term new circus in my book [1995] … but I believe it was already in use before that, but not in general usage” (personal communication, December 16, 2016). Indeed, Cirque’s co-founder LaLiberté stated adopting the ‘circus’ label and Big Top was about “bringing legitimacy to the whole street performer scene” (LaLiberté quoted in Babinski, 2004: 54).

5.6.7 The power of success

Finally, a group’s ensuing level of success can often be dependent upon the degree of legitimacy it earns, which can promote a process of institutional definition and redefinition (Lawrence & Suddaby, 2006). For Cirque, the enormous success of its early international tours positioned it as a Canadian ‘national institution’, and it began to attract substantial corporate sponsorship while maintaining an association with government funders (Leslie & Rantisi, 2011). This increased resource enabled Cirque to restructure from a non-profit to a private company, fully financially independent by 1992 (Babinski, 2004). Here we see a critical distinction between Cirque and other new circus companies – this deliberate ongoing change in organizational structure reflected Cirque’s continued growth in profitability and scale, allowing it to emerge as the industry leader it is today.

5.7 Discussion

Contemporary research calls for a better understanding of the foundational concept of the marketing discipline – ‘the market’ – by researching markets from an institutional perspective (Vargo & Lusch, 2017); examining markets as complex systems comprising relational processes (Vargo et al., 2017); and integrating new theoretical viewpoints (Mele et al., 2015). We respond by integrating ‘institutional work’ to examine the historical, illustrative case of circus markets in 20th century North America.
5.7.1 Overview

Table 11 provides a summary of our findings related to market-shaping activities with illustrative examples from the case. Macro-level actors such as animal-rights collectives and factors like growing alternative entertainment options triggered *market decline* for traditional circus. Unresponsiveness by circus operators and the emergence of peripheral, non-traditional performers compounded these macro-factors and drew scrutiny of incumbents. These alternative actors then bridged the market-creation stage.

Government policies and growing networks within hippy communities of the 1970s were macro-level contributors to the creation of *new circus*. Emergent performers demonstrated a cocreative external-orientation, informed by their experiences on the street. Driving the reclassification of circus was the use of new equipment and performance practices and adoption of novel representations (e.g., *new circus* and *circus arts*) coupled with mimicry of some old practices (especially the Big Top) which increased familiarity. Burgeoning circus-education programmes enabled this growth – lending legitimacy and enabling increasing numbers of performers – and novel intersections between actors (e.g., Broadway, gymnastics, etc.) drove new ideas, exposure, and redefinition of belief systems.
Table 11: Market-shaping activities – illustration

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<tr>
<th>Macro-level contributors</th>
<th>Examples</th>
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<tr>
<td>Changing socio-cultural expectations; exogenous shocks</td>
<td>New technologies (TV, radio, cinema)</td>
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<td>The Great Depression</td>
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<td>WW2</td>
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<td>Worker and animal rights</td>
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<th>Purposive actions of market actors</th>
<th>Examples</th>
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<td>Unresponsiveness by incumbent actors to external factors</td>
<td>Maintenance of internally-focused orientation</td>
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<td>Maintenance of traditional business models and structures</td>
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<td>Erection of barriers to disruption</td>
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<td>Underlying acceptance of declining reach, scope, and increasing business failures</td>
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<td>Emerging alternatives after belief systems</td>
<td>Peripheral actors test emergent practices, business models and structures; develop new lexicon and platforms for engagement</td>
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<td>Ethical foundations of practices questioned by those within or external to the field</td>
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<td>Testing and comparing of the new and incumbent</td>
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<th>Macro-level contributors</th>
<th>Examples</th>
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<td>Favourable policies and a growing, complementary eco-system</td>
<td>Increased access to public funds</td>
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<td>Availability of temporary platforms for experimentation</td>
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<td>Potential new intersections with other actors emerge</td>
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<th>Purposive actions of market actors</th>
<th>Examples</th>
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<td>External orientation and responsiveness</td>
<td>Co-creative stance; seen as open and interactive</td>
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<td>Business models remain in development</td>
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<td>Reclassification</td>
<td>Education of actors legitimates and diffuses new practices</td>
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<td>Market actors adopt and promote new lexicon and terminologies</td>
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<td>Mimicry</td>
<td>Overcomes cognitive dissonance and eases adoption</td>
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<td>Attracts those resistant to the new</td>
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<td>Access to new resources</td>
<td>Education increases availability of operant resources</td>
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<td>Access to new resources allows for testing and expansion</td>
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<td>Marshalling and advocating for reallocation of existing, or access to new, resources</td>
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<td>Success drives increased adoption, driving increase in access to resource</td>
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<tr>
<td>Novel intersections with other actors</td>
<td>Embracing ideas and practices from marginalized or external actors</td>
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<td></td>
<td>Building novel inter-organizational connections and networks</td>
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<td></td>
<td>New connections collectively define practices, peer group, and market boundaries</td>
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5.7.2 Theoretical and methodological implications

We contribute to a growing literature focused on market-shaping by providing a historic, longitudinal case study exploring both market disruption and market creation. Prior marketing studies incorporating institutional theory have focused on a narrow group of actors such as consumers (Dolbec and Fischer, 2015; Scaraboto and Fischer, 2013) or institutional entrepreneurs (Koskela-Huotari et al., 2016), while others have examined the process of legitimation (Humphreys, 2010). However, our research examines change to two adjacent market systems – the decline of the market for traditional American circus, and creation of the new circus market – and the interdependent interplay between macro-level factors and micro-level practices. We undertake this examination by integrating the ‘institutional work’ framework, which recognises institutions are a product of those routinized activities and understandings enacted by individuals and organizations (Lawrence et al., 2013). Our research makes five main theoretical contributions.

First, we find market-shaping occurs through an interdependent process involving institutionalized beliefs and expectations, and the intentional activities of market actors (Lawrence and Suddaby, 2006). Additionally, the relationship between constraining institutional arrangements and enacted activities are interdependent and recursive (Lawrence et al., 2009; Loasby, 2000). What presents as decline through obsolescence or growth through entrepreneurialism are, in essence, manifestations of market-shaping activity undertaken by multiple, heterogeneous actors, far beyond just industries and products, and dyads of firms and customers (Wieland et al., 2016). Instead, market systems comprise multiple elements (Nenonen & Storbacka, 2018). Hence, market change occurs through an interplay of institutional arrangements and market practices (e.g., undertaken by a macro-level social-collective or a micro-level stilt-walker), by both formal actors (e.g., policy-makers) and informal actors (e.g., street performers).

Second, shared beliefs, ideologies, and groupings shape market actors and contribute as operant resources to market-shaping and value cocreation processes. While social movements undoubtedly start as small, micro-level groups somewhere, sometime, as collectives negotiate shared understandings of what and who is the problem, how it should be countered, and motivate others to join, macro-level movements form, become widespread (Benford & Snow, 2000), and can engage in institutional work. The impact
of macro-level movements played a major role in establishing the social contexts that enabled both market disruption (animal-activists) and creation (hippies). Such work happens gradually, not suddenly (Lawrence and Suddaby, 2006), but can be extremely effective.

Third, it is apparent emergent markets do not necessarily require a clearly defined new product or technology. Instead, product and market emerge and develop together through time as multiple dispersed actors achieve institutionalization of the new. Even though new circus actors did not work in an orchestrated fashion, they collectively contributed to the construction of shared identities, normative associations, and networks. If actors were instead coordinated through strategic cooperation, the potential for rapid market-shaping would seem to be substantial. Additionally, while alternative ideas and practices may materialize from disruptive, peripheral actors, the processes of decline and creation are concurrently enacted or overlapping (Zietsma & McKnight, 2009), so these marginalized actors can become established players in a new market. The adoption of institutionalized elements from an adjacent market by these emergent market-shapers enables the process of institutionalizing the new by creating familiarity (Kjellberg & Olson, 2017). In new circus, this was reflected in the adoption of the name ‘circus’ and symbols such as the Big Top. Further, incorporating traditional elements does not just diminish potential cognitive dissonance, but also acts as a source of legitimacy while engaging in otherwise unconventional behaviours or associations.

Fourth, vibrant, complementary networks seem critical to attempting to grow a market, in contrast to attempting to grow market share through competitiveness. These networks enhance opportunities for value cocreation, evident in centres of excellence such as Silicon Valley and Hollywood, San Francisco for Pickle Family Circus, and Montréal for Cirque (Leslie & Rantisi, 2011). Thus, market-shaping activities transcend the strategist’s competitive focus on the task environment and the marketer’s 4Ps.

Lastly, this study makes two methodological contributions. First, except for some notable exceptions (e.g. Burr, 2014; Ertimur & Coskuner-Balli, 2015; Giesler, 2008), the use of historical, longitudinal case studies are relatively rare in marketing research yet provide rich illustrations of market change processes. Interpreting markets as fixed-in-time, primarily comprising economic transactions, or defined by industries or products, does not suitably recognise the degree of complexity or influence of social
processes. Instead, our approach enables recognition of the ongoing (r)evolutionary processes of markets as complex socio-material systems. Second, this study relies on secondary data drawn from a variety of disciplines. We believe there is scope for more such examinations in the future, especially as technology platforms (e.g., YouTube, scholarly and news databases) enable increasing access to rich, complementary secondary source-material.

5.7.3 Managerial implications

It is apparent that fields resistant to change increase their chances of disruption. Instead, an outward-facing orientation is required – not just toward those with whom direct interaction takes place but also wider stakeholders including those thought not to have legitimate concerns. This includes the need for an awareness of changing norms and ideologies (e.g., climate change, wealth inequality, political populism), so the attributes of a brand always reflect social expectations of customers (Ertimur and Coskuner-Balli, 2015). Where traditional circus companies failed to maintain touch with a rising tide of ethical concern, *Cirque* reflected growing Quebecois-nationalism and a desire for cultural expression.

This study highlights implications for regulators and funders, who need to strike a balance between regulating while enabling innovation, thereby embracing the mutability of fields. A growth in temporary platforms that allow for experimentation may be one way to facilitate change. Firms navigate a finely balanced state – identifying advantage in maintaining the *status quo* versus attempting to shape new markets through alternative practices that respond to shifting landscapes, i.e., concurrently being market-driven (satisfying the needs of existing customers) and market-driving (satisfying customers’ yet-to-be-realised needs) (Kumar et al., 2000). For traditional circus, being market-oriented toward a dwindling customer base with reducing profitability was fruitless (Giesler, 2008). However, even fields considered at the end of their ‘life-cycle’ may offer opportunities (e.g., ‘classical’ performing arts) providing transformation of traditional practices and expectations is embraced. Regardless, a systemic, institutional perspective requires a broad strategic focus far beyond elements such as product features or redefined platforms; e.g., monitoring of peripheral actors, building stakeholder and network relationships, and a cocreative stance as core business.
Educating market actors delivers multi-faceted benefits – rapidly normalising practices, establishing belief systems, defining boundaries, increasing the availability of the operant resource, and providing sophistication and legitimacy. Therefore, professional bodies and large firms must develop and maintain stakeholder relationships with higher-education and vocational-trainers. Stakeholder relationships with regulators and government bodies are also critical, especially when wanting to advocate for a redefinition of rules, or reallocation of resource.

These measures, above, require future-focused investment, embracing a system approach to the market, and awareness of a broad array of stakeholders. Hence, for established market actors there is a need to balance planning for institutional maintenance and planning for volatility. Such a long-term view requires a commitment to a vibrant, growing market for all, which means actively enabling the success of other network actors as well as oneself.

5.7.4 Limitations and future research

Generalizability is limited with a historical case drawing on secondary data, especially when the context is atypical. Therefore, other contexts will aid in the further refinement of our conclusions. A case involving newer markets (e.g., sharing economy) will provide a more contemporary perspective, and the role of the meso-level in transmitting or translating between micro- and macro-levels needs examination, e.g., regulators, industry bodies, cooperating competitors, etc. This study has examined disruption and creation phases of ‘institutional work’ only, hence, market maintenance needs investigation. Ironically, an organization needs to undergo continuous development and innovation to ‘maintain’, but to what degree? What institutionalised elements must be maintained, and which can be changed? Additionally, specialised perspectives are required for more in-depth research and understanding, e.g., what is the degree to which different market practices affect institutions; is education of other actors the most effective means of legitimising new practices, or is legitimation more due to a perception of success? Furthermore, what part does government play in market creation, does this represent a conflict of interests with tax-paying incumbents? What role does agency play in the development of markets, in the ability to act? Lastly, what role do evolving business models perform, and their impact on institutionalised norms?
6 RAPID MARKET SHAPING THROUGH COMPETITOR COLLABORATION: EVOLVING MARKET WORK

By Jonathan Baker & Suvi Nenonen

Abstract

The nascent area of research into ‘market-shaping’ – the deliberate shaping by firms and other actors of market behavior, structure, expectations and beliefs – has primarily taken either system-level or practice-level perspectives. Instead, this research focuses on the meso-level, examining collaborative market work – the orchestrated purposive actions of a collective to shape a market. We explore a collaboration by small New Zealand wineries to gain acceptance of the screwcap closure on premium wine in the early 2000s. Synthesizing the social emergence paradigm and the institutional work framework, this study examines the different types of market work undertaken as a collective evolves. Early market work focuses on building credibility, legitimacy, and sustainability of the collective. Later, the work becomes externally-focused, simultaneously promoting the new, demonizing and undermining the old, and coercing those who are resistant. We discover the vital role of the meso-level in achieving rapid change to incumbent market behaviors, beliefs and practices.

Keywords: market-shaping, collaboration, collectives, social emergence, institutional work, market work, meso-level
“We didn't have a budget for PR. But every single wine writer wrote about it and they wrote about it again, and again, and again, and the debate just went away. And these days you’d call it viral... Pre-social-media viral” (Research participant)

“…it showed that you can shape the market even if you’re small” (Research participant)

6.1 Introduction

As markets become more complex and disruption accelerates, an increasing number of scholars are adopting a systems-perspective of markets. Adopting this perspective, markets can be defined as “complex adaptive socio-technical-material systems, consisting of institutions, actors, practices, and discourses that organize particular economized exchanges” (Nenonen et al., 2018, p.2). Rather than markets being fixed and stable, they are instead plastic (eco)systems – capable of both holding and changing shape (Nenonen et al., 2014) – dependent upon the activities of any number of the multiple heterogeneous actors that comprise markets (Harrison & Kjellberg, 2016; Kjellberg et al., 2015; Kjellberg & Helgesson, 2006; Nenonen et al., 2018; Vargo et al., 2017). Hence, markets are complex systems comprising numerous elements beyond just firm-customer dyads, products, and economic exchanges (Humphreys, 2010; Humphreys & Carpenter, 2018)

The scholarly attention that has fallen on ‘market-shaping’ has been largely focused on either the micro-level practices performed by market actors that generate macro-market structures (e.g., Araujo & Kjellberg, 2011; Azimont & Araujo, 2007; Harrison & Kjellberg, 2016; Kjellberg & Helgesson, 2007), or the gradual evolution of macro-level market systems (e.g., Giesler, 2008; Humphreys, 2010; Rosa & Spanjol, 2005). However, as markets are generated and influenced by a multitude of market actors, more attention is needed as to how collective strategic action creates change through time (Kindström et al., 2018; Taillard et al., 2016). Collective action might involve multiple actors or organizations formally collaborating, but also might be represented by two individual humans interacting and agreeing to work together. In this paper, we explore how coordinated collective action can deliberately shape markets, specifically regarding the collaborative efforts of small firms that do not have the power of large market influencers.
To undertake this study we integrate two frameworks, one from neo-institutional theory and the other from sociology. First, to enable analysis of the deliberate actions taken by a collective to shape institutionalized elements in a market, we adopt the ‘institutional work’ lens (Lawrence et al., 2009). Institutional work is defined as “the purposive actions of individuals and organizations aimed at creating, maintaining and disrupting institutions” (Lawrence & Suddaby, 2006, p.215). Inspired by this framework, we propose the activities engaged in by market actors to maintain or change markets are ‘market work,’ or as Nenonen, Storbacka and Frethey-Bentham define it, “purposeful efforts by a focal actor to perform and transform markets” (2018, p.1). However, market work typically considers the actions of one focal actor, even though markets can be influenced by combinations of market actors (e.g., Kjellberg & Olson, 2017; Rosa & Spanjol, 2005; Rosa et al., 1999). Put differently, complex market systems are not just the product of actions taken by singular market actors but also through the interactions of market actors.

Hence, the second framework we integrate into this study is the social emergence paradigm (Sawyer, 2005; Taillard et al., 2016). The emergence paradigm considers how individuals, armed with their own personal qualities and intentions, begin to interact, then mobilize as an ephemeral (temporary) collective, then operate as a stable collective. The integration of this framework enables exploration of the various types of market work undertaken at different stages of our focal collective’s evolution. Ultimately, the actions taken by a collective can shape a complex market system beyond what the constituent parts of the initial collaboration might allow. Hence, the question this study poses is, “What kinds of market work do collaborating competitors engage in to disrupt and transform incumbent market beliefs, expectations and practices?”

We study an in-depth single-case study – the New Zealand Screwcap Wine Seal Initiative (NZSWSI). NZSWSI was a collaboration by a group of competing small-medium-sized family-owned New Zealand (NZ) wineries in 2001 to institutionalize the screwcap as an acceptable closure on premium wine. Prior to that point, the screwcap closure was in limited use throughout the world almost exclusively for modestly-priced, lesser-quality wine. Concurrently, cork was dominant and widely institutionalized as the only acceptable way to seal premium wine (Rankine, 2005). The members of NZSWSI were frustrated by repeated failures of cork, due to cork being a natural product of variable composition. Starting in late-2000, a small group of competitors set about to
transform the entrenched incumbent market logics\textsuperscript{4} within the broader market system. This involved influencing critics, commentators, restaurateurs, sommeliers, other winemakers, wine importers and distributors, retailers internationally, and perhaps most significantly, wine drinkers themselves.

This research contributes to the growing stream of marketing research that employs institutional theory to examine markets as systems shaped by market actors (e.g., Baker et al., 2018; Giesler, 2008; Koskela-Huotari et al., 2016; Vargo et al., 2017). We make two main theoretical contributions. First, we discover the vital role of the meso-level in achieving rapid change to a market system. Where previous research has focused on either systemic phenomena or micro-level market practices, we find a meso-level entity can engage in bi-directional activity by simultaneously influencing micro-level practices of market actors while also influencing macro-(societal-)level assumptions and belief systems. An established collective can target an expansive number of actor groups at higher ‘levels’ within the market, including meso-level actors such as important ‘gate-keepers.’ In sum, rapid market-shaping involves increasing numbers of market actors collecting around, and cocreating the acceptance of, alternative market logics.

The second theoretical contribution is a refined perspective of market-shaping. This includes identifying the different types of market work and communication patterns achieved as a collective forms and then stabilizes. For example, we find an ephemeral collective needs to build legitimacy through the development of a respected peer group while enrolling other supporters, and also engages in multi- and bi-directional communication as negotiation leads to agreement and shared goals. In contrast, a stable entity that enjoys legitimacy and stature engages in more forceful market work, e.g., undermining and demonizing incumbent market logics through unidirectional communication patterns. Further, market work of educating and promoting leads to the development of alternative understandings and meanings in market actors, while market work that undermines incumbents attacks existing belief systems. Bundling these two main types of market work drives rapid change.

\textsuperscript{4} The term ‘market logics’ is used here to refer to the ‘logics of the market,’ i.e., the beliefs, assumptions, expectations, and practices embedded in a market. The term does not refer to a ‘market logic’ (note the singular), one of the six institutional orders found in the institutional logics approach (Thornton et al., 2012).
The remainder of the paper is structured as follows. Next, in section 2 we present the theoretical background and justification for the motivation of the study, and an introduction to the frameworks we synthesize. Then Section 3 details our research approach including the empirical context of the research. Section 4 presents our findings, looking at the different types of market work carried out through the evolution of NZSWSI. Finally, Section 5 offers a discussion of our findings and the contributions and implications of the study.

6.2 Theoretical background

The shaping of markets requires the institutionalized logics of the market to be transformed, as market change is “the emergence and institutionalization of new solutions” (Vargo et al., 2015, p.64). When markets are created or grow, processes of institutionalization occur; and inversely, processes of deinstitutionalization when markets are disrupted or decline. These processes of (de)institutionalization may involve changes to institutionalized logics – elements such as taken-for-granted practices, beliefs, assumptions, methods, or technologies (Schneiberg & Soule, 2005). Therefore, the integration of institutional theory when studying markets is a particularly powerful proposition.

The role of collective action for the sake of driving institutional change has received substantial scholarly attention, especially in organizational studies. There, scholars have particularly focused on the collective action of social movements (e.g., Lounsbury, Ventresca, & Hirsch, 2003; Schneiberg & Lounsbury, 2008; Soule, 2012) including, among others, environmentalists (Hoffman, 1999), consumers (Rao, 1998), unionists (Soule, 2009), and interest groups (Clemens, 1993; Hiatt, Sine, & Tolbert, 2009). Although some attention has been given to how firms impact social movements, e.g., gay rights (Chasin, 2001); the role of trades and professional associations in shaping contextual environments (Greenwood, 2008; Marques, 2017); and firms undertaking collective self-regulation (Yue, Luo, & Ingram, 2013); relatively little attention has been paid to how businesses collectively act to drive institutional change in markets (Barley, 2010; Christiansen & Kroezen, 2016).

There is a growing stream of research in the marketing discipline using institutional theory to explore market change resulting from social processes. For example, research to date includes market actors’ roles in constructing market
definitions (Rosa & Spanjol, 2005; Rosa et al., 1999); the effect of institutional complexity on brands (Ertimur & Coskuner-Balli, 2015); the influence of legitimacy and adjacent markets in market emergence (Humphreys, 2010; Kjellberg & Olson, 2017); and the impact of consumers on market systems (Dolbec & Fischer, 2015; Scaraboto & Fischer, 2013). Other studies have adopted a practice-perspective of markets, examining the normalizing, representational and exchange practices of market actors that ‘perform’ the market (e.g., Araujo & Kjellberg, 2011; Hagberg & Kjellberg, 2015; Harrison & Kjellberg, 2010; Kjellberg & Helgesson, 2007; Kjellberg et al., 2015). Despite their valuable contributions, none of these studies explore the role of orchestrated collective collaboration by competitors when shaping a market.

The study, herein, also adopts an institutional lens, that of ‘institutional work’ (Lawrence et al., 2009), to explore the deliberate actions taken by our focal collective to drive market change.

6.2.1 Institutional work

Through the 1990s, the primary focus of institutional scholars attempting to explain the disruption of institutions was on ‘institutional entrepreneurs’ (Smothers et al., 2014). Institutional entrepreneurship studies focus on the heroic actions of individuals to impact micro- or meso-level structures. However, the maintenance, change or destruction of macro-level structures typically requires the collective work of multiple agentic actors who may be widely distributed and may or may not work in a coordinated fashion (Lawrence et al., 2011). This conceptual gap contributed to the development of the institutional work approach.

Lawrence and Suddaby (2006, p.219) “view institutional work as intelligent, situated institutional action” taken by both individual or collective actors that leads to the creation, maintenance or disruption of institutions. The institutional work framework attempts to bridge the traditional divide between critical theorists who have typically focused on the oppressive nature of institutional arrangements, and institutional theorists who have focused on the enduring qualities of institutional arrangements (Lawrence et al., 2011). In so doing, Lawrence et al. (2011, p.56) assert the combination of both theoretical perspectives allows for “an institutional theory that problematized the status quo as well as attempted to explain it.”

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There is no one definitive list of work that actors can undertake to cause institutional change (Nenonen, Gummerus, & Sklyar, 2018). Indeed, rather than being a fully developed framework, some argue institutional work is more “an umbrella concept and a rallying point” (Hwang & Colyvas, 2011, p.62) still very much in development (Hayne & Free, 2014). However, this paper draws primarily on Lawrence and Suddaby (2006), Battilana and D’Aunno (2009), Kraatz (2009), and Zietsma and McKnight (2009) to inform Nenonen et al.’s (2018) adaptation of institutional work – ‘market work.’

Various approaches in institutional work have been adopted to attempt to understand phenomena like the building of clusters (e.g., Ritvala & Kleymann, 2012), or the processes involved in the creation of new practices (e.g., Lounsbury & Crumley, 2007). But Lawrence, Suddaby and Leca (2011) argue emergence in institutional processes is a long neglected area. Further, “the phenomenon of business collective action remains surprisingly undertheorized” (Christiansen & Kroezen, 2016, p.102, emphasis in original). The purpose of this paper is to explore business collective action in shaping markets, specifically, how market work manifests through the different evolutionary stages of a collaboration. To do so in a systemic manner, Sawyer’s (2005) social emergence paradigm is integrated, which enables understanding of how and where different types of market work manifest as a collective forms, organizes, and acts.

6.2.2 Emergence theory

In an attempt at understanding the properties of complex systems, complexity theorists in the late 1990s began to focus on emergence, “the processes whereby the global behaviour of a system results from the actions and interactions of agents” (Sawyer, 2005, p.2). A ‘complex system’ is “one made up of a large number of parts that interact in a nonsimple way. In such systems, the whole is more than the sum of the parts” (H. Simon, 1962, p.468). In turn, ‘emergence’ means a system features capabilities and properties (emergent properties) not present in its constituent parts (Elder-Vass, 2010).

Social structures (such as organizations, governments, or markets) do not simply emerge from individual enactment of practices. As Elder-Vass (2010, p.194) argues, “human beings…are entities with emergent causal powers, but like other such entities they do not have the power uniquely and totally to determine subsequent events. Rather, social events are always the outcome of many interacting factors, of which our input is only one.”
In developing the social emergence paradigm, Sawyer (2005) was inspired by shortcomings in incumbent sociological perspectives, which adopt either one of two views. The first, a Structurationist perspective, focuses on the relationship between the (micro-) individual and the (macro-) social-system (e.g., Coleman, 1990; Giddens, 1984), and perceives macro-level social structures are endogenously generated by micro-level practices. But this perspective does not enable understanding of how individual intentions collect as shared intentions to generate change through “process, mechanism, and interaction” (Sawyer, 2005, p.197).

Second, the Interactionist perspective does include a third, middle (meso-) level of interaction (e.g., Bourdieu's, 1984, concept of *habitus*). Although less problematic than a Structurationist perspective in that it does encompass interactivity in its analysis, the Interaction paradigm ignores mechanisms that explain how collective intentions move to collective action, and how interactivity leads to social structure.

Instead, the social emergence paradigm (Sawyer, 2005) posits five ontological levels of analysis – Levels A through E – depicted in Table 12. While each of these levels, or frames, from Level B up manifest from the collective action of participating individuals, they also exist as analytically separate from those individuals. In addition, each frame has causal power over the individuals. In other words, while each frame is a product of the actions of participating individuals, each frame also guides the behaviour of those individuals.

*Table 12: The social emergence paradigm*

(Adapted from Sawyer, 2005; Taillard et al., 2016)

<table>
<thead>
<tr>
<th>Social structure (Level E)</th>
<th>MACRO-LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market logics, institutional arrangements</td>
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<table>
<thead>
<tr>
<th>Stable emergent (Level D)</th>
<th>MESO-LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed objectives and strategies, shared intentions and practices, norms, rules</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Ephemeral emergent (Level C)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loosely agreed roles, topics, preferences and structures</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interaction level (Level B)</th>
<th>MICRO-LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversations, negotiations, meetings</td>
<td></td>
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<table>
<thead>
<tr>
<th>Individual level (Level A)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Values, intentions, attitudes, cognitive processes, commitment</td>
<td></td>
</tr>
</tbody>
</table>
The micro-level includes individuals (and their intentions, agency and values at Level A) and the interaction of individuals (through conversations, meetings, and discourse at Level B). The meso-level includes both ephemeral emergent collectives (at Level C, where context, roles and structures are loosely agreed) and stable emergent collectives (at Level D, where collective agency, shared practices and routines are established). Level E is the macro-level (where social structures, procedures, and systems reside).

In marketing literature, Taillard et al. (2016) have drawn on Sawyer’s (2005) social emergence paradigm as a framework within which to integrate Bratman’s (2014) theory of shared agency. Taillard et al. explore the role of collective agency in the development of service ecosystems. Their conceptualization enables understanding of how service ecosystems emerge from the micro- (individuals and individuals’ interactions), to meso- (emergent and then stable collectives), to macro-(societal-) levels.

The study, herein, similarly uses the social emergence paradigm (Sawyer, 2005) as a framework for theoretical synthesis. Within each frame of the social emergence paradigm we seek to explore the different types of market work undertaken by our focal collective, and the subsequent outcomes of that work. We start with the four founders of the collective (Level A) who initially interact (Level B), then form an ephemeral collective (Level C) that then stabilizes and becomes a formally established entity (Level D). Importantly, stability is a relative term. Sawyer (Sawyer, 2005, p.214) points out, “stable emergents have different degrees of stability; some are stable over generations, and others are stable for weeks or months.” Therefore, a collective is considered stable when it continues the same for more than one encounter.

The manifestation of the actions (Level E) taken by the stable emergent studied here was a change to the institutionalized market logics in numerous global markets. This was despite the collective being initiated by just four founders in a geographically isolated part of the world without a historic wine-making tradition. Hence, the system-level change that occurred is far in excess of what might be imagined possible by the constituent parts of the initial collective. We now introduce our research approach, including a detailed description of our primary and secondary data, and a description of the empirical context in which the study is situated.
6.3 Research approach

6.3.1 Method

Given the nascent nature of theory in the marketing discipline concerning how and why actor collaboration rapidly shapes market systems, we chose an inductive research method based on a rich case study (Edmondson & McManus, 2007). A single case can provide a rich illustration of a particular phenomenon (Siggelkow, 2007). While not as unique as a “talking pig” (Siggelkow, 2007, p.20), the case studied herein is nevertheless “unusually revelatory” (Eisenhardt & Graebner, 2007, p.27) in that it is a good example of resultant change at a system (market) level far in excess of what might be expected from the initial collective’s constituent parts.

For increased credibility we incorporate data from multiple sources (Yin, 2014), both primary and secondary. Primary data in this study consist of in-depth semi-structured interviews; archival NZSWSI documents including minutes (between 2001-2004); technical reports, marketing collateral, etc.; together with researcher field notes and photographs. Secondary data include unpublished conference presentations from the International Screwcap Initiative symposium in 2004 (481 pages of written submissions and presentation slides) from nineteen international and domestic participants, both NZSWSI members and independent observers. Other secondary data sources included media articles, books (e.g., Stelzer, 2003; 2005; Taber, 2007; Tyack, 2012), academic articles, and websites and hardcopy published material of wine commentators and critics.

6.3.2 Data collection

Interview participants were selected from diverse perspectives so as to limit bias and retrospective sense-making (Eisenhardt & Graebner, 2007). This was achieved through a mix of both snowball sampling and purposive sampling (Bahl & Milne, 2006; Yin, 2014). Purposive sampling was achieved by the researchers directly approaching those publicly known as observers, commentators or critics of NZSWSI. These participants were often identified through secondary data such as historic newspaper reports or wine commentaries.

Of the interview participants who had been involved in NZSWSI, some were founding members while others joined later. Other interviewees included former executives from supplier firms (of glass and cork/screwcap), a senior executive from the
industry trade organization, the managing coordinator of NZSWSI, a winemaker and a wine writer who opposed NZSWSI, and other wine commentators, observers, and critics. Interview participants were approached via telephone or email, required to sign an interview consent form, and furnished with a Participant Information Sheet (providing a background to the research and guaranteeing them anonymity and confidentiality). Hence, each interviewee’s identity is obscured in this research and in the supporting quotations, especially given the small size of the NZ wine industry.

The main lines of questioning of interview participants involved their roles and backgrounds, and recollections of their involvement or experiences with NZSWSI, major events surrounding NZSWSI, how collaboration and controversy were managed, perceptions of who comprised the ‘wine market,’ and how norms, behaviors or practices in the wine market had changed since the turn of the century or had been affected by NZSWSI activities.

Interviews were carried out by both authors at different stages. One author collected 4 interviews with 5 participants in 2016, the other author conducted the remaining 19 interviews involving 16 participants in 2018. In total, 21 participants (17 male, 4 female) were involved in 23 interviews lasting 25 hours (averaging 72 minutes per interviewee). All interviews were digitally audio-recorded for transcription, some via online video-conferencing applications when not conducted face-to-face. As the detail present in a transcript must match the intended level of analysis (Drisko, 1997), all recordings were professionally transcribed verbatim in their entirety, and transcripts checked for accuracy against the recordings by one of the authors (McLellan, MacQueen, & Neidig, 2003). This transcript checking also contributed to researcher familiarity with the data-set (Braun & Clarke, 2006).

Transcriptions totaled 197,000 words on 338 single-spaced pages and went through a ‘member checking’ process by being returned to participants who were then given two weeks to make changes for clarity or accuracy (Kozinets, 2006). Only five interviewees chose to make any changes while all others agreed their transcript was accurate. Primary data collection ceased once theoretical saturation was achieved and interview participants were no longer contributing original material (Morse, 1994). Secondary data collection was carried out through internet searches, database searches, and as interviewees provided supporting or illustrative material.
6.3.3 Data Analysis

This research involved two different phases of thematic analysis: 1) interpretive thematic analysis; and 2) theoretical thematic analysis. First, interpretative thematic analysis involves “searching across a dataset” to “find repeated patterns of meaning” (Braun & Clarke, 2006, p.86). In our analysis we were looking for the structural and socio-cultural conditions that enabled what was in the individuals’ accounts we heard. From early in the data collection phase, transcripts were read and re-read, and codes began to emerge. Quotes from transcripts for the different codes were copied into Excel spreadsheets, and moved around or duplicated as necessary as the coding process continued and themes emerged. For the sake of reliability, we only incorporated data into the analysis that was corroborated by multiple informants, and/or was reflected in archival data (Gawer & Phillips, 2013). This first phase of interpretative thematic analysis provided thirteen major themes.

The second phase of analysis, theoretical thematic analysis (Braun & Clarke, 2006), was where the themes were analyzed through the lenses of the chosen theoretical frameworks. Primary and secondary data were classified according to the social emergence paradigm then interpreted through the market work lens. Hence, interview data themes were searched across and within for elements pertaining to the research question. In sum, the two phases of analysis enabled progression from 1) coding of semantic description, to 2) theorizing about the meanings and implications through our chosen theoretical lenses (Braun & Clarke, 2006). Our findings in Section 4 feature a small number of illustrative quotes to add authenticity to our theoretical claims (Pratt, 2009). The interview participant number is recorded in parentheses that follow the illustrative quotes. Further supporting quotes are found in Appendix C in Section 8.3.

Next, we explore the empirical context in which NZSWSI operated. This involves identifying the beliefs, assumptions, and practices associated with the use of cork as the only acceptable means of sealing premium wine, and the preferred logic of the members of NZSWSI.

6.3.4 Empirical context: The international wine market

Sealing wine with natural cork, derived from the bark of the Cork Oak, is a time-honored tradition dating back to the 17th century (Rankine, 2005; Stelzer, 2005). Cork was a classic social norm: functionally somewhat arbitrary and extremely unreliable, but
embedded in custom, assumptions and expectations. These assumptions included closure-style as an indicator of wine quality (Barber, Meagher, & Kolyesnikova, 2008), with cork a signal of fine wine, and screwcap a signal of lesser-quality wine (Barber & Almanza, 2007). Beloved practices and rituals surround uncorking wine, especially in fine restaurants, coupled with a range of materiality from basic wooden, to expensive titanium, corkscrews.

Yet industry insiders had long struggled with using natural cork with some 5-8% of cork-sealed wine worldwide rendered undrinkable because of cork failure (Barber, Taylor, & Dodd, 2009). Numerous problems were associated with cork due to it being a natural product with variable cellular structure. Chiefly amongst these problems was a mustiness or ‘wet cardboard smell’ due to a chemical called 2,4,6-trichloroanisole (TCA). Accordingly, aluminum screwcaps were designed especially for use in wine production to eliminate this problem (Brajkovich et al., 2005; Rankine, 2005; Stelzer, 2005).

Although the screwcap was patented in 1889, it was not until the mid-20th century that it was considered for use on wine (Courtney, 2004). In 1959, the French company Le Bouchage M écanique produced its first Stelcap screwcap, but commercial uptake languished due to subjective resistance from consumers and retailers. Although some markets in central Europe had made greater inroads (especially Switzerland), consumers associated screwcaps with only mid- or low-priced wine (Stelzer, 2005). In the mid-70s, Australian Wine Research Institute (AWRI) began trials of screwcaps on wines (adopting the name Stelvin instead of Stelcap). Based on the success of these trials, in 1977 several major Australian producers made the move to screwcap, including Yalumba. However, this met with major consumer resistance and financial losses (Courtney, 2004) and by 1984 all producers had reverted to cork. In sum, although ostensibly a functionally superior option, the screwcap did not follow the classic S-curve of innovation adoption.

By the new millennium, frustrations at unreliable cork closures continued and numerous NZ winemakers suffered catastrophic cork failures and major losses. Some were forced to make large insurance claims, but insurers began to decline cover. Some UK supermarkets were also becoming increasingly frustrated with the epidemic of cork failures and were threatening to charge producers an ‘ullage fee’ as protection against
wine returns. In 2000, a group of fifteen Riesling makers in South Australia’s Clare Valley decided to bottle some of their best wines under screwcap (Stelzer, 2005; Taber, 2007). Using ‘library stock’ of the earlier Australian screwcap wines from the 80s, they determined screwcaps allow wines to age suitably. The Clare Valley makers marketed the move collectively as ‘Riesling with a twist’, and enjoyed favorable consumer acceptance (Taber, 2007).

Inspired by this move, in mid-2000 a small set of leading entrepreneurial producers from NZ’s Marlborough region also resolved to stop their wine being degraded by cork (Level B in Figure 1). Following various informal conversations, by February 2001 the Marlborough group agreed to formally collaborate in order to influence the conventions of cork wine closures and expanded the group slightly to include other small family-owned wineries, all renowned for producing some of New Zealand’s premium wine (Level C). After researching the science and practicalities the fledging collective decided on the Stelvin closure, and formally established their vehicle for collaboration as the NZ Screwcap Closure Initiative in July 2001 (Level D), later renaming it as the New Zealand Screwcap Wine Seal Initiative in December 2001. Concurrently, UK supermarkets reassured NZSWSI the threatened ullage fee would not be required of producers sealing their wines under screwcap.

In the following five years, the movement gained momentum. Wine production in NZ went from 0% under screwcap in 2000 to 96% by 2006. Internationally, more European wineries started trials with screwcaps. In 2002, Tesco supermarkets in the UK formally began requesting screwcap closure as a standard for New World wines and for some Old World wines because of the marked drop in wine returns (Courtney, 2004). In 2004, the first Bordeaux and Burgundy wines under screwcaps were released (Fauchald, 2004). The screwcap impacted the NZ national wine competition, where previously winemakers were required to submit two sample bottles, in case the first one opened was tainted. By the late 2000s, the rules were changed, and winemakers were only allowed to submit one bottle.

Today, the screwcap is largely accepted as a closure on quality wines in most global markets. Cork closures on all wine packaging sold globally (retail/off-trade and food service/on-trade) fell 8% from 17.97 billion units (in 2007) to 16.53b (in 2017); while screwcap closures grew 58% from 7.35b (2007) to 11.63b (2017) (Euromonitor International, 2018). In markets such as the UK, Australia and New Zealand, a majority
of consumers have a preference for screwcap-sealed wine (Bleibaum, Lattey, & Francis, 2005; EAFA, 2015; Pawsey, 2014).

A recent study by AWRI, examining judges’ rejection rates of wines under different closures at one of the world’s largest wine shows, demonstrated screwcaps were considerably more reliable than corks while also having no worse tendency towards ‘reduction’ than corks (Wilkes, 2016). Hugh Johnson, one of the world’s most respected wine writers, recently wrote, “Corks why do we need them? I am longing for the day when I can throw away my corkscrew. Screw caps may not be aesthetically perfect but they work” (Johnson, 2018, p.3).

The empirical context of this case provides a rich backdrop to the market work undertaken by the NZSWSI collective, to move from a market underpinned by tradition, myths and ceremony, to screwcaps on premium wine, underpinned by modern technology, reliability, and convenience. As screwcaps were an already established technology, the change achieved by NZSWSI was cultural and cognitive rather than technological. The market work undertaken during the different phases of collaboration is detailed next.

6.4 Findings: Market work through different stages of collaboration

Organizations are perceived as legitimate when they are similar to others, leading to isomorphic properties between competitors (DiMaggio & Powell, 1983). Winemakers had been constrained for some decades in an ‘iron cage’ entrenched in tradition. However, NZSWSI demonstrated some actors, even small ones, can exert change and break free of the ‘cage’ (Battilana et al., 2009a; Greenwood & Suddaby, 2006). Here, we explore the evolution of market work through different stages of the collaboration. The results are structured according to the social emergence paradigm (Sawyer, 2005). The date ranges provided, below, reflect certain important events that approximately marked the beginning or end of the collective’s movement from one emergence frame to the next. Admittedly, these markers are somewhat artificial in their presentation as the collective’s evolution was not as tidy as depicted. Nevertheless, they provide a suitable theoretical framework for the presentation of the case. First, we consider emergence from the individual to interaction level (Level A to B); second, the initial interactions to the ephemeral emergent (Level B to C); ephemeral to stable emergent (Level C to D), and finally the work the collective engaged in to impact market logics (Level D to E).
6.4.1 From Individual level to Interaction level (Level A → B): late 90s – 2000

Typically, lower status or peripheral organizations are more likely to engage in activity to upset the status quo, while high-status organizations typically invest in maintaining it (Leblebici, Salancik, Copay, & King, 1991). Despite the collective’s four founders being “extremely diverse men and if you lobbed politics into the ring you would have four different views” (P16), their businesses and professional goals were extremely similar. Interviewees spoke passionately about a commitment to quality matched with an ability, as family-owned companies, to make bold decisions without the interference of Boards of Directors. They self-identified as being innovative (“I think in this part of the world we have a license to be innovative”, P16); some had academic backgrounds in winemaking, and they were not bogged down in Old World tradition and inter-generational ownership. Furthermore, aside from the obvious critical problem with corks, the founders were all inspired by the industry talk surrounding the technically successful use of screwcaps by Clare Valley Riesling-makers in Australia. Collectively, these personal and professional characteristics of the four founders combined to drive the need for shared action, discussed next.


Complex field-level problems can be enough to create a crisis, drive entrepreneurial action, and lead to inter-organizational action (Phillips, Lawrence, & Hardy, 2000). This type of critical problem was clearly apparent with horrendous cork failures, and encouraged the founders to enter into ‘pragmatic collaboration’ (Reay & Hinings, 2009, p.631) as they saw no other way to accomplish the task of eliminating corks.

The beginning of the interaction stage between the four founders was marked by two main types of market work. First, they engaged in envisioning what it was they wanted to achieve and establishing their objective (Zietsma & McKnight, 2009) of not using cork. They were not yet convinced that screwcap was their preferred option, although they wanted to avoid being undermined and delegitimized in the future by a mass producer putting screwcaps on lesser-quality wines. Hence, they initially operated in a highly secretive manner. Equally, they were aware that if they were to establish an alternative logic for premium wines, they must involve fellow premium producers.
Accordingly, second, they began to establish their peer group. A small number of other makers in their home district of Marlborough were asked if they would like to collaborate in developing an agreeable solution. Also, they called on the assistance of a highly-efficient previous employee of one of the founders to manage them and their efforts. The construction of peer groups is a critical first step in attempting to create new logics (Lawrence & Suddaby, 2006).

At the end of this period their enrolment exercise was expanded with an ‘industry tasting event’ in Marlborough. Critically, involved in this event was NZ’s smallest cork supplier who had the Stelvin screwcap agency for NZ, a measure he had taken three years previous as cork issues increased. He also brought some experts from France to assist in promoting the screwcap to the event participants and offered reassurance he could arrange the required bottling machinery. Library stock wines from Australia under screwcap were also brought in for the event, and by the end nineteen local winemakers had agreed to become involved and agreement reached to appoint a committee to oversee next steps – marking the beginning of the ephemeral emergent collective.

6.4.3 From Ephemeral to Stable emergent (Level C → D): February 2001 – June 2001

Later in February 2001, the ephemeral emergent group set about to build on the market work currently underway. The most significant characteristics of this period was the rapid shift from an ephemeral emergent group that was searching for alternatives and allies, to five months later as a stable emergent group with clear strategy and objectives.

At first, numerous winemakers were now collaborating, searching for a common strategic template (Zietsma & McKnight, 2009). This search involved negotiating work – “the deliberate interaction by two or more complex social units which are attempting to define or redefine the terms of their interdependence” (Walton & McKersie, 1991, p.3). The effectiveness of negotiation is directly linked to the likelihood of institutional creation (Helfen & Sydow, 2013), and the ephemeral collective’s members were notable for their shared commitment to market change. The ephemeral emergent assembled a governing committee, which sought the involvement of one of NZ’s most highly-respected boutique producers, from the Auckland wine region. He had had serious problems with cork the previous year and would end up becoming the founding
chairman of the Initiative. However, this winemaker’s one condition on joining the collective, was:

Rather than it being a Marlborough initiative, which is what it was going to be initially, it would become a New Zealand initiative, so it makes it much more acceptable to people elsewhere (P1).

This ‘New Zealand’ moniker would later give the collective greater legitimacy and assist in delivering more effective outcomes than the earlier Clare Valley initiative. This greater legitimacy was also reflected in the involvement of this Auckland winemaker and a handful of others, to “give us some more gravitas” (P9).

Despite having already been exposed to the effectiveness of screwcap, the second type of market work involved selecting from alternatives (Battilana & D’Aunno, 2009). Selection was undertaken by establishing a technical committee, comprising the most qualified individuals, to investigate all available closure options. This reflects how roles become more defined as peer groups become established, and actors assume certain roles (Lawrence & Suddaby, 2006). They banned the Stelvin supplier from their meetings, and instead sought to make sure screwcaps were indeed the best option.

To establish legitimacy of the screwcap and the ephemeral emergent collective, the initiative engaged in building and sustaining support of constituents and stakeholders. This “entails efforts to knit together diverse constituencies and purposes, to engender cooperation and win consent, and to create a ‘whole’ entity that is at least minimally coherent, integrated, and self-consistent” (Kraatz, 2009, p.73). In sum, this work creates organizational integrity, critical to both the short-term credibility of the Initiative, and the next stage of changing assumptions and beliefs in others. This ‘whole’ entity would be reflected in a stable emergent. The collective enrolled numerous others in their investigations including AWRI researchers and Clare Valley winemakers. As screwcaps emerged as the preferred option, NZSWSI had to establish the feasibility of bottling in NZ. This involved consulting with the local glass manufacturer to ensure they would cooperate. Luckily, the only growing segment for the glass manufacturer at the time was wine bottles, hence they felt pressured to cooperate and agreed they would buy the necessary equipment to manufacture suitable threaded bottles.

Also to gain support, the committee instructed a member to approach the wine industry association, “to work under their auspices or with their blessing” (P9).
However, conservative elements on the association’s Board turned them down on the basis that wine closure is a packaging choice, not a quality choice. This denial of support was perhaps not surprising as industry bodies are often primarily focused on defending existing institutionalized arrangements rather than driving new ones (Maguire & Hardy, 2009).

Towards the end of this period, several events reflected the move from ephemeral emergent to stable emergent: 1) the Initiative officially named itself the New Zealand Closure Initiative (NZCI); 2) the technical committee produced an extensive manual (largely based on the collateral of the Stelvin agent) about correctly applying screwcaps; 3) some of the winemakers agreed to trial screwcaps on at least some of their 2001 vintage; and 4) rules and norms were established for the collective.

Establishing rules, ownership rights and boundaries is achieved through political work (Lawrence & Suddaby, 2006). This was driven by a need to ensure (the then) NZCI was reliable and sustainable, and that screwcaps were themselves not undermined by incorrect application. The committee was aware if screwcaps failed technically, the argument for doing away with cork would be destroyed. Hence, they took it upon themselves to only let members use screwcaps approved by the committee, and those committee members with the greatest technical knowledge would even oversee bottlings at competitors’ wineries. Financial rules and commitments were established, with members agreeing to pay a $1000 joining fee, and a levy of 2 cents per bottle produced under screwcap (to a maximum of $10,000 per annum). This money was used for marketing and paying for the coordinating manager of the Initiative.

Lastly, the now stable Initiative set about to work towards a nationwide industry event that would happen in July 2001, the first step at attempting to win over multiple external market actors. Having observed the technical success of screwcaps in the Clare Valley, but the relatively muted success in the marketplace, they agreed:

As always with the market, if you are going to hit it then you need to hit at all the different layers at the same time so that you do develop a little bit of critical mass (P4).

This fourth and final period in the evolution of the collective, with NZSWSI now stable and well-established, was marked by two broad-ranging categories of market work being delivered simultaneously. First was market work driving acceptance of screwcap, and second was market work disrupting cork by undermining its ethical foundations and demonizing its associated practices. The aim of these categories of market work was to make lasting changes to the incumbent logics in the wine market.

The first major class of market work involved creating acceptance of the collective’s preferred logic within the broader wine market. This involved numerous educational and promotional activities, coupled with coercing others to accept screwcap. Educating market actors is extremely valuable as it frequently leads to changes in meanings and understanding (Lawrence & Suddaby, 2006).

First, a special meeting for NZ wine producers, influencers, and writers was hosted in July 2001. Scientific evidence for the move to screwcap was showcased, presented by both the new Chairman of the Initiative and the head researcher from AWRI, lending legitimacy to their arguments (DiMaggio & Powell, 1983). Globally, winemakers and wine merchants had long argued wine had to breathe through porous cork to age properly. This had been discredited by scientists in Bordeaux in the 1970s, and since (Eric, Leyland, & Rankine, 1976; Godden et al., 2001; Rankine, Leyland, & Strain, 1980), who had demonstrated wine-aging was an anaerobic process and all the oxygen needed for aging was in the bottle when closed (Stelzer, 2003; 2005). At the meeting was also the leader of the Clare Valley initiative, who brought with him aged wines under screwcap to reinforce this scientific evidence. For many in the room, this tasting of aged screwcap wines was the defining moment of truth:

So, we open the bottles in front of people and pour them round the room and you could’ve heard a pin drop...there’s no way that you could have actually orchestrated that better. It wouldn’t matter how much research you gave people, there’s nothing like giving them an experience (P9).

The wine press in NZ was captivated. From this point on, NZSWSI targeted multiple market actors simultaneously. First, they obtained the list of members of the World Association of Wine Writers and Journalists and contacted every one of them separately. In later months, collections of wine writers were assembled in Australia, Los
Angeles, and London to be given taste tests and abridged presentations of the reasons for the move to screwcap. This created an enormous amount of interest globally, as writers suddenly had something new and controversial to write about:

…if you provide writers with copy they’ll print it and especially if it’s about an issue that is making the headlines, then they make the headlines (P16).

Needless to say, it was a lot of wine chatter and it was always ‘screw caps’ and ‘New Zealand’ in the same sentence. What that did was to elevate the awareness of New Zealand wine in the trade’s mind (P19).

Later, in December 2001, NZCI was renamed NZSWSI. This was to 1) clear any misunderstandings regarding what type of screwcap they were using (e.g., for wine and not whiskey or soft drinks); and 2) to avoid one screwcap producer’s product (especially Stelvin) being anointed as preferred by the Initiative. This gave members a sense of flexibility, while simultaneously improving the messaging around the Initiative’s purpose.

Additionally, from late-2001, many wineries began putting cardboard neck-tags on all their screwcap wines to explain the move to customers. And all Initiative members began enclosing bright-yellow A4 flyers in every case of wine being shipped. The flyers explained the benefits of screwcap wines and how to open them. Some cases were destined for the domestic market, but most to the international market:

That yellow sheet went in every box of screw cap wine for the first year because we wanted to inform and educate anybody that opened a box of wine whether they were the store man out the back… or a fine wine shop (P16).

Many NZSWSI members personally targeted restaurants and sommeliers, seen as critical gatekeepers to the success of the Initiative. Members were aware the sommeliers especially were affronted with the move to screwcap because their professional standing might now appear diminished by the more reliable closure that did not require a theatrical performance to open. One Initiative member, who especially exported to the USA, prepared pocket-sized cards for sommeliers that explained why they were using screwcaps and how to respond to diners’ objections. Other members visited countless restaurants, stressing the reduction in hassle by serving consistently reliable wines that were not in danger of being faulty.
The game-changing promotional event, though, was the First International Screw Cap Symposium, held in Marlborough in 2004. The symposium was attended by 250 delegates from 12 countries and further manifested the need for an industry-wide approach to sharing information and expertise related to screwcaps. To do so the International Screw Cap Seal Initiative was established (Hughes, 2006; Pawsey, 2014). Key to successful sharing of technical knowledge was the publication of a veritable ‘text-book’ covering all aspects of sealing wine under screwcaps. This active diffusion of intellectual property, rather than protecting it as commercially sensitive information, was one of the defining activities of NZSWSI, and an effective way to create acceptance (Battilana & D'Aunno, 2009). Hence, education of market actors included industry-insiders as well as consumers and distributors.

One other important type of creation work undertaken was coercion. Where earlier stages in the evolution of the collective had involved negotiating and accommodating, by Level D the now stable collective had to coerce reluctant importers and distributors into accepting screwcap. Many of these market actors demanded wines under cork only, or under a mix of cork and screwcap, on the basis that ‘the market’ would not accept a high-priced screwcap wine. Instead, NZSWSI members adopted a ‘take-it-or-leave-it’ attitude. On their side was the immense and growing popularity of NZ Sauvignon blanc, which had become the darling of the wine world from the late 90s. Importers and distributors had no choice but to accept the new closure if they wanted to stock this popular NZ wine. One winemaker described introducing people around the world to NZ Sauvignon blanc as being akin to:

...when you give a kid Coca-Cola for the first time, their faces just...that lovely taste exploration that they get when they do that, it’s the same with Sauvignon blanc. People had never tasted anything like that before (P19).

This take-it-or-leave-it attitude to Sauvignon blanc under screwcap proved most effective, which reinforces other research that finds either/or approaches to attempting institutional change are often ineffective and may even be counter-productive (e.g., Garud, Jain, & Kumaraswamy, 2002; Hargrave & Van de Ven, 2009; Marquis & Lounsbury, 2007).

The second major class of market work, carried out concurrently with the first, was the disruption of the incumbent logic of cork closures by both demonizing cork and
undermining the ethical foundations for its use (Lawrence & Suddaby, 2006). Where promoting something new through education modifies meanings and understandings, disruption work drives changes in existing belief systems.

First involved changing the practices accepted in the wine market (Zietsma & Lawrence, 2010). Practices are legitimized as “shared routines”, hence ‘practice work’ involves “efforts to affect the recognition and acceptance of sets of routines, rather than […] simply engaging in those routines” (Zietsma & Lawrence, 2010, p.190). The effectiveness of practice work is dependent on the degree to which existing practices are accepted or challenged, and the existence of actors with the ability to inspire and demonstrate new practices. At the London Wine Trade Fair in 2002, some Initiative members worked together to present a NZSWSI booth. They wore branded T-shirts (with ‘We’ve screwed ‘em’ printed on the back), and supporters at the local tube station handed out flyers advertising the booth as delegates arrived. At the booth, NZSWSI engaged in blind taste tests of the same wine, sealed under both closures. Over the three days of the Fair, they also conducted a very simple visual experiment of putting corks and screwcaps into glasses of acidified water. Every glass suffered some color and flavor taint except the glasses containing screwcaps. This experiment became a favorite of NZSWSI members in the following years, and they would perform the test over dinner in restaurants with distributors, importers, and restaurateurs. Likewise, sealing small batches of wine under both closures and taking comparative samples to importers, distributors and restaurateurs proved effective.

6.4.5 Refined perspective of collaborative market work

Received wisdom from institutional theory literature posits market pressures, the power of actors, changes in macro-level logics, or a combination of all three, are typically the drivers of change in institutions (Thornton & Ocasio, 2008). However, the case studied herein runs contrary to this in all areas. First, market pressures were clearly working against the wishes of the winemakers wanting to move to screwcap. Consumer resistance to screwcaps was well documented and earlier attempts had failed. Second, actor power was low. The founders of NZSWSI all represented small family-owned organizations, geographically isolated from the major wine producers of the world and their export markets. Third, the incumbent dominant market logic was powerfully opposed to screwcaps on premium wine, and was embedded in multiple market actor
groups including producers, consumers, commentators, critics, importers, distributors, and retailers.

To overcome these challenges, NZSWSI engaged in various forms of market work as the vehicle for collective action evolved. Figure 10 depicts the different types of market work that occurred through the evolution of the collective, and the characteristics of the collective at the different stages. As the collective evolved, the types of market work moved from being organizationally-focused to externally market-focused, including exponentially affecting more other actors.

Early stages of evolution, from Levels B to C to D, involved work associated with establishing the credibility and effectiveness of the collective, and the feasibility of what they hoped to achieve. While this work was all temporary by nature, it was key to establishing the collective’s legitimacy (Kraatz, 2009). Consequently, the legitimacy of NZSWSI as a stable collective (Levels D to E) enabled engagement in two major categories of external market work simultaneously – creation work (promotion and coercing) and disruption work (undermining and demonizing). The ‘bundling’ of work has been demonstrated to considerably increase the rapidity of change (Hargrave & Van de Ven, 2009), and seems to have been extremely effective in this case.

Business collective action is generally expected to be achieved through professional bodies or trades associations, but these have been demonstrated to be primarily focused on institutional maintenance rather than innovation (Christiansen & Kroezen, 2016). NZSWSI did not receive the support of their industry body but did carefully construct a peer group. The establishment of peer groups is key to enabling alternative practices and approaches to become normalized and for belief systems to change (Lawrence & Suddaby, 2006). The NZSWSI members corralled around a collective identity of being innovative, premium, quality-focused producers.
Figure 10: Collaborative market work through the emergence process – Characteristics of each stage and types of work undertaken
Outside NZSWSI, the other actors involved during the evolution of the collective are reflected in Figure 11. Through the lens of the social emergence paradigm, two important changes can be seen as the stature of NZSWSI grew. First, the number and type of other actors with whom the entity interacted became considerably larger in number, and more ‘higher-level’ in character. As a stable meso-level entity (from Level D to E), NZSWSI could target and interact with other larger meso-level entities and, critically, reach large swathes of wine consumers through the gatekeepers – supermarket chains and distributors in foreign markets.

Additionally, as NZSWSI evolved communication patterns evolved through three different styles. From Levels B to C (while establishing the peer group and clarifying shared goals) communication was multi-directional (Lawrence, Hardy, & Phillips, 2002). From Levels C to D (from an ephemeral emergent to a stable emergent) communication patterns were both multi- and bi-directional, involving negotiation of an agreed strategic template and connecting with other supporting actors (e.g., other winemakers, the Australian Wine Research Institute, etc.). Later, from Levels D to E (stable emergent to changed market logics) these more collaborative forms of communication melted away to become uni-directional communication patterns (Lawrence et al., 2002). This involved market work promoting, educating, coercing, demonizing and undermining. These different communication patterns are represented by the single- or double-arrow-heads in Figure 11.

Finally, at Level E, the new “institutionalized solutions” (Vargo et al., 2015) achieved by NZSWSI in the wine market offered increased value to many market actors rather than just one actor (e.g., a producer or consumer) or a dyad (e.g., producer and consumer, or supplier and producer). Instead, the work of NZSWSI resulted in ‘win-win-win’ outcomes for multiple parties, not least the producers, distributors, retailers, restaurateurs, and consumers. Ironically, NZSWSI members admit to not recognizing the importance to a wine-drinker of the value of a screwcap in use. While their focus was resolutely on benefiting the quality of their wine by eliminating the risk of wine becoming cork-affected, for consumers the ease and convenience of screwcaps (that did not require elaborate material accessories or special skills) proved valuable. But as “customers seek solutions and experiences, not products” (Lusch & Vargo, 2014, p.6), the value of products is in the use they deliver in any given social context.
Figure 11: Market work through emergence stages with other involved actors
6.5 Discussion

This research sought to examine the ability of small firms to deliberately engage in rapid market-shaping. We employed a rich, in-depth single-case study in NZSWSI, a collaboration by competitor wineries in NZ to create acceptance of the screwcap as an acceptable closure on premium wines. We conceptualize markets as complex systems that are capable of both taking and retaining form, produced by the socially embedded activities of multiple heterogeneous actors (Nenonen et al., 2018). To explain how markets are changed we use the market work framework (Lawrence et al., 2009; Nenonen et al., 2018). And to understand the evolution of action, we synthesize market work and the social emergence paradigm (Taillard et al., 2016). Next, we outline the theoretical contributions and managerial implications of this study.

6.5.1 Theoretical contributions

This study makes two main theoretical contributions. First, we find the meso-level of the market has a critical role to play in rapid market-shaping. A Structurationist perspective of micro- and macro-levels (e.g., Araujo & Kjellberg, 2011) and a system-perspective (Humphreys, 2010) does not fully account for orchestrated collective action at the meso-level. Except in rare cases it is unlikely the activities of an individual micro-level actor (individual person or organization) will be enough to achieve rapid macro-level change. Instead, phenomena “socially emerge from complex systems of individuals in interaction” (Sawyer, 2005, p.189). Complex systems are generally hierarchies – comprising different layers of sub-systems that collectively constitute the whole. Further, “complex systems will evolve from simple systems much more rapidly if there are stable intermediate forms than if there are not” (H. Simon, 1962, p.473). When considering market change, the meso-level acts as the transmitter of 1) new micro-level ideas and practices to the macro-level, and 2) macro-level assumptions, expectations and practices to micro-level enacted practices. Hence, the meso-level operates as a bi-directional institutional layer.

The second theoretical contribution we make is a new perspective for examining orchestrated collective action of market actors through different stages of collaboration to change market logics. A market is changed or transformed through ‘market work,’ which has previously been focused on the actions of one focal actor (e.g., Kindström et al., 2018; Nenonen et al., 2018). Here we examine collaborative market work, which we
define as orchestrated strategies, initiatives and deliberate actions that collaborating
market actors engage in to shape the taken-for-granted expectations, assumptions,
beliefs and practices in a market. Market work that encourages alternative market logics
occurs through educating and promoting, leading to changes in meanings and
understandings held by multiple market actors (Lawrence & Suddaby, 2006). Market
work that disrupts incumbent market logics involves undermining and demonizing,
which leads to changes in the belief systems of market actors. Bundling both these types
of market work while enrolling, collaborating with, and targeting an expanding selection
of actors appears key to rapid market-shaping (Hargrave & Van de Ven, 2009).

The addition of the social emergence paradigm (Sawyer, 2005; Taillard et al.,
2016) to this study, as an encompassing perspective for examining collaborative market
work, enables a refined view of market-shaping with two important benefits. First, the
shared characteristics and goals of individuals, and the initial stages of interaction, can
be conceptualized and explored. We find from the beginning of interaction to the time a
collective has stabilized, organizationally-focused work predominates with an ultimate
focus on building credibility, legitimacy, and feasibility (Kraatz, 2009). This has critical
implications for the collective’s future work. Importantly, which actors not to enroll to
support a nascent collective (e.g., those at risk of subsequently undermining the
collective’s efforts), seems as critical as which are desirable (e.g., those that lend
gravitas and credibility). We also find standards, norms and rules must be agreed by a
collective so good intentions are not undermined by delivering mixed messaging or
variable outcomes. Importantly, the IP of the innovation must be freely shared with
other collaborators to ensure credibility.

Second, the difference between an ephemeral meso-level collective and a stable
collective is an important distinction. Clearly, an ephemeral entity does not yet have the
full legitimacy or profile of an established stable entity. Hence, work involving building
and sustaining the collective’s peer group and supporters (Kraatz, 2009), and negotiation
and agreement (Zietsma & McKnight, 2009), predominates during the ephemeral to
stable stage. In contrast, a stable meso-level entity has more stature, can be considerably
more coercive and forceful (Marquis & Lounsbury, 2007), and can more effectively
enroll other meso-level actors for support. As the collective evolves, communication
patterns with other actors change from multi-directional early-on, to bi- and multi-
directional during the middle stages, to unidirectional when stable (Lawrence et al., 2002). This reflects growing clout of an entity through time.

In sum, for market studies this emergence perspective offers a potential strategic roadmap for small market players wanting to drive change to market logics. Market work is a cocreative process through all levels and at all stages, involving increasing numbers of actors coming together and collaborating (Baker et al., 2018; Zietsma & McKnight, 2009). This undermines the notion of super-human heroic entrepreneurs, and instead highlights agreement, collaboration, sourcing, legitimizing, and coalescing as fundamental first steps in changing a market.

6.5.2 Managerial implications

The managerial approach to marketing has primarily been built on a conceptualization of markets as pre-existing entities within which firms ‘position’ themselves and ‘target’ current and potential customers using their marketing toolkit (Geiger et al., 2012). However, a considerably more accurate depiction of markets perceives a complex system in constant change, capable of both holding and taking on new forms (Nenonen et al., 2014). Hence, the question of how actors might consciously and deliberately shape markets is critical.

Greenwood and Suddaby (2006) argue that it is often large corporations that act as institutional entrepreneurs. Our research suggests that change in mature markets is not always brought about by large incumbents, but also relatively small, isolated actors can influence entrenched market logics through collective action. This has important implications for managers of smaller and family-held firms who feel they do not have the power and influence of large competitors, regulators, or industry associations.

Managers must be cognizant of the level at which collective action occurs and look beyond simple micro-macro relationships or the role of products in shaping markets. Micro-level considerations essentially encompass the marketer’s toolbox such as the 4Ps and customer relationships. Macro-level considerations include the traditional strategic perspectives reflected in macro-environmental analyses (e.g., PESTEL), although these analyses do not fully capture the complexity of contemporary market systems. Instead, managers should strategize from a market logics perspective by exploring the taken-for-granted practices, assumptions, expectations, belief systems, and
shared understandings that need to change when attempting to institutionalize new logics. Managers must ask how and why practices are mindlessly repeated, what factors frame the assumptions and shared understandings of market actors (e.g., other producers, consumers, regulators, etc.), and what is the market work required to change these incumbent market logics? These questions involve considerations far beyond just new products, suppliers, competitors and target markets.

Other considerations for managers include which other actors they might cooperate, collaborate, and share information with, and who are those that need to be enrolled, educated, and perhaps undermined and coerced. Perhaps most importantly, identifying gate-keepers to broader audiences and how to persuade them is critical. Hence, managers need to conceive markets from a sociological, relational perspective as well as from a technological, material perspective.

Context is also an important consideration. While market work can be engaged in by managers of profit-making ventures, managers of non-profits or social movements would also seem capable of attempting market work to shape markets to deliver more pro-social outcomes. This is especially so when existential crises are present that might drive collective collaboration.

How and what are defined as win-win-win outcomes is debatable. Certainly, the Portuguese cork industry have not experienced a win from the market work of NZSWSI. Hence, it is beholden upon market actors to carefully determine with whom to collaborate and with whom to compete. Sometimes this may even be possible simultaneously. Regardless, it would seem the key goal should be a win for more than just one or two market actor groups. Sometimes, this may even involve risks to intellectual property ownership or ‘sustained competitive advantage’ if the end-goal is growing the market for all, not just oneself.

6.5.3 Limitations and further research

Generalizability is always problematic when exploring a single case study. Therefore, other case studies of small-medium market actors collaborating to shape markets need examination, which will aid in further refinement of our collaborative market work perspective. However, an institutional lens is a powerful proposition for examining changes that occur beyond products, customers, and market structures, therefore we
assert market work and collaborative market work are worthy of further application. Additionally, Battilana and D’Aunno (2009) highlight the need for attention to the micro-foundations of institutional work because studies have primarily focused on organization- and field-level phenomena. This will allow for better understand the enabling conditions for individual action by institutional entrepreneurs. We assert effectuation logic might enable a suitable perspective of early market-shaping. Effectuation logic (Read & Sarasvathy, 2012; Sarasvathy, 2001) perceives entrepreneurial action as a relational and network activity, driven by not just the personal characteristics of the entrepreneur, but also what they know and whom they know. This view would be valuable for investigating evolution from Level A to B of the collaborative market work perspective.

The context of this case study features little in the way of regulative restrictions regarding the type of closure on wine or bottling procedures. However, the appellation rules in many ‘Old World’ wine-making countries do present numerous restrictions (e.g., bottle shapes). This might be one reason there has been such inertia toward contemporary technology in traditional countries. The impact of appellation rules on innovation needs further investigation. More generally, there is a need for study of a proxy-meso-level entity (e.g., such as a joint venture or collaboration by competitors) attempting to shape market logics within a highly-regulated environment. Furthermore, the role of formalized industry bodies (e.g., trades associations or professional bodies) is also worthy of investigation. Case studies examining the interaction between individual firms, their relevant industry body, and regulators would be a promising line of inquiry. Worthy questions include do industry bodies attempt market-shaping, or are they more inclined to attempt to maintain status quo for markets as they do in organizational fields? Is it possible for an industry body to engage in market-shaping while simultaneously protecting the industry status quo, or are these strategies ultimately interdependent?
7 CONCLUSIONS, CONTRIBUTIONS AND IMPLICATIONS

The purpose of this thesis is to explore contemporary perspectives of complex markets including the social and institutional factors that contribute to their shape, and to examine the way market actors can influence these factors to deliberately shape markets. Couched within an S-D logic general theoretic perspective, the overall contribution is to build on market-shaping and market work as sound midrange theories for S-D logic.

In short, three main contributions are made at midrange theoretical level. First, the thesis demonstrates the power of S-D logic as a meta-theoretic perspective within which other complementary theoretic perspectives at various levels of abstraction can be integrated. Second, the thesis provides evidence-based research demonstrating the nature of markets as complex systems, and how these markets change or are changed. By extension, the theoretical domain of market-shaping is clarified and the service ecosystem concept in S-D logic is probed. Third, managerial guidance is provided regarding the shaping of markets through initiatives aimed at stimulating and driving processes of (de)institutionalization.

The thesis research objectives, main research questions, findings, contributions, and implications are summarized in Table 13, on the next page. Further, the contributions and implications are elaborated upon in this chapter before concluding with some ideas for future research avenues.
<table>
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<tr>
<th>Research objectives</th>
<th>Chapter title</th>
<th>Research approach and research question(s)</th>
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| RO1: To explore how innovation, generally, and market innovation, specifically, might best be conceptualized through a service-dominant logic lens | Chapter 3: Service-dominant logic and innovation | • Conceptual paper (with illustrative examples)  
• RQ1: How is S-D logic a suitable lens for understanding innovation processes? | • S-D logic presents a compelling unifying conceptualization of innovation processes of all types.  
• Innovation of all types occurs through processes of (de)institutionalization, achieved as actors undertake institutional work to drive new practices  
• Ecosystems are coordinated and constrained by institutional arrangements, but these arrangements also enable disruptive action  
• Processes of (de)institutionalization are driven by actors undertaking institutional work through market practices | • Managers should approach innovation from an institutional perspective asking what are the practices, expectations and behaviors that must change for innovation success |
| RO2: To examine the accuracy and currency of academic conceptualizations of market innovation | Chapter 4: Transforming markets: A lexicographic analysis of contrasting conceptualizations | • Leximancer analysis of ‘proactive market orientation;’ ‘market-driving;’ and ‘market-shaping’ corpora  
• RQ2: What are the contrasting conceptual understandings in different academic corpora associated with (re)structuring and innovating markets?  
• RQ3: To what degree is the complex, systemic nature of modern markets recognized in these academic corpora? | • Academic literature related to ‘proactive market orientation’ and ‘market-driving’ is underpinned by a neo-classical economics with markets conceptualized as dyads  
• The ‘market-shaping’ literature features little evidence of empirical enquiry, and does not give much consideration to how market-shaping principles can be delivered as a strategy  
• ‘Market-shaping’ literature does adopt a systemic perspective in its consideration of markets  
• Scholars should be careful to avoid a myopic theoretical framing or theory will not reflect reality  
• The strategic marketing discipline needs to address underlying conceptualizations of what is a ‘market’ | • As markets are subjectively defined, managers can explore altering mental models to explore alternative markets and industries  
• Market innovation is more than new products or new geographical markets  
• Scholars should make market-shaping concepts more managerially friendly and practically relevant |
| RO3: To investigate how markets are created or | Chapter 5: Markets changing, changing market: | • Case study using ‘systematic combining’ (abductive approach to case study | • Multiple, heterogeneous actors can undertake market-shaping activity  
• Emergent markets do not require a clearly defined new product, but  
• A recursive, interdependent relationship exists between macro-level institutional | • Fields most resistant to change increase their chances of disruption |
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<th>Institutional work as market-shaping research)</th>
<th>analyzing secondary data</th>
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<td>RQ4: How do market actors respond to institutional factors in changing markets?</td>
<td>Complementary networks are key to market growth (as opposed to growing market share through competitiveness)</td>
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<td>Educating market actors increases supply of operant resources, legitimizes, and diffuses innovations</td>
<td>This study fills a gap in the market-shaping literature by bridging systemic- and practice-level perspectives</td>
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<td>arrangements and micro-level practices in markets</td>
<td>Systemic institutional perspective should include monitoring peripheral actors, stakeholder relationships, changing ideologies and social expectations</td>
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<td>Shared beliefs and ideologies can act as operant resources</td>
<td>Regulators and funders should balance maintenance with growth and innovation</td>
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<td>Processes of decline and creation are concurrently enacted or overlapping</td>
<td>Educating market actors is critical</td>
</tr>
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<td>A historical case study provides a valuable perspective of market change processes</td>
<td>Chapter 6: Rapid market shaping through competitor collaboration: Evolving market work</td>
</tr>
<tr>
<td>Inductive in-depth single-case study analyzing primary and secondary data;</td>
<td>Promoting and educating lead to changes in meanings and understandings;</td>
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<td>RQ5: What kinds of market work do collaborating competitors engage in to disrupt and transform incumbent market beliefs, expectations and practices?</td>
<td>Undermining and demonizing changes belief systems</td>
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<td>Bundling different types of market work while enrolling others and collaborating seems to increase rapidity of change</td>
<td>The meso-level has a critical role to play in market change between macro- and micro-levels</td>
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<td>As a collaboration evolves market work moves from being organizationally and internally focused to outwardly focused.</td>
<td>Integration of the emergence paradigm into examining market change phenomena enables consideration of collaborative action through ‘collective market work’</td>
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<td>Early work enrolling, negotiating, and building legitimacy reflected in bi-directional and multi-directional communication patterns; later work educating, undermining and coercing reflected in unidirectional communication</td>
<td>Even small market players can shape a market through collective action</td>
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<td>Managers are encouraged to strategize from an institutional perspective, considering entrenched expectations, practices and understandings</td>
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<td>Markets are complex systems that require much more developed managerial approaches than the typical marketer’s ‘toolbox’</td>
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<td>Social movement leaders could engage in collaborative market work</td>
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7.1 Theoretical contributions

7.1.1 Overview

S-D logic, as a theoretical perspective, lends itself well to the incorporation of various other theories of different levels of abstraction to develop midrange theory. For example, S-D logic has commonly been used to interface with other general theories such as institutional theory, sociology, systems theory, practice theory, and complexity economics (Brodie & Peters, 2019). In addition, S-D logic has been the most commonly adopted general theoretic perspective to interface with other midrange theories in service research (Benoit, Scherschel, Ates, Nasr, & Kandampully, 2017).

As little attention is given to the process of theorizing in marketing (Peters et al., 2014), this thesis features various interfaces for theorizing (Brodie & Peters, 2019) within an S-D logic general theoretic perspective (Brodie & Löbler, 2018). In so doing, novel approaches are taken to the development of midrange theory for S-D logic using alternative sequences for theorizing (as depicted in Figures 3 to 6).

For example, in this thesis empirical evidence is collected in Chapter 4 to examine existing focal midrange theories related to market change (‘proactive market orientation,’ ‘market driving,’ and ‘market-shaping’). The approach to theorizing adopted in Chapter 4 is depicted in Figure 4. Chapter 7 explores market change processes by integrating a complementary midrange theory (social emergence; Sawyer, 2005), from another general theoretic perspective (sociology). Social emergence is used as a lens through which to view empirical evidence relating to managers’ approaches to shaping markets. In so doing, the paper expands on the existing (yet nascent) focal midrange theory – market work (Nenonen et al., 2018). The theorizing process adopted in Chapter 7 is depicted in Figure 7.

Vargo and Lusch (2017) highlight the need for midrange theories that adopt an institutional perspective in understanding the decay of industries and markets, and the emergence of new ones. To answer that call, Chapters 3, 5 and 6 in this thesis draw on the institutional work framework as a complementary midrange theory (Lawrence et al., 2009). Aside from a few notable exceptions (Kindström et al., 2018; Koskela-Huotari et al., 2016; Nenonen et al., 2018), relatively few studies focus on the outcome of
undertaking institutional (market) work within a market. Hence, this thesis contributes to a nascent, but growing, literature within the marketing discipline that uses neo-institutional theory to examine market-shaping resulting from social processes (Giesler, 2008; Koskela-Huotari et al., 2016; Vargo et al., 2017).

Besides the adoption of a systematic approach to theorizing, this thesis makes three further theoretical contributions: 1) developing midrange theory for exploring market change; 2) crystallizing the domain of market-shaping; and 3) providing implications for the service ecosystem concept in S-D logic. These three contributions are discussed next.

7.1.2 Midrange theory on markets and market-shaping

Numerous disciplines have focused on markets and market-related phenomena including sociology (Goldman & Papson, 1998), anthropology (O'Barr, 1994) and strategy (Priem, Wenzel, & Koch, 2018). However, what marketing embedded within an S-D logic general theoretic perspective can offer is a contemporary and compelling perspective of value (co)creation. Chapter 3 discusses the power of S-D logic as a unifying conceptualization and lexicon for innovation and value creation processes. The S-D logic service ecosystem concept is key as it incorporates an institutional perspective of value cocreation processes, thereby implicitly recognizing all actors and their institutional contexts. Whether considering an innovation process or an innovation outcome manifesting as a technology, product, process, business model, or market, the heterogeneity of involved actors and the core activity of service exchange remain central. As service ecosystems are nonlinear by nature, horizontal and vertical actors are included, and all innovation processes effectively deliver modified cocreation practices as outcomes.

The importance of an S-D logic perspective to market innovation is reinforced by Chapter 4, which demonstrates two key approaches in the marketing discipline to understanding market change are inherently restrained by a G-D logic. The study finds ‘proactive market orientation’ and ‘market driving’ are grounded in the language and conceptual approach of micro-economics. In contrast, ‘market-shaping,’ as an S-D logic informed midrange theory, can unshackle the examination and analysis of market phenomena from neo-classical economics; shifting from marketing’s traditional focus on value-in-exchange to, instead, markets for the realization of value cocreation
processes. The Chapter argues scholars must be careful to avoid a myopic theoretical framing or theory rapidly gets outstripped by reality. For example, if theory frames markets as primarily comprising firms, customers, and products, and firms are responsible for the creation and delivery of value to value destroying consumers, how can platform businesses like Airbnb or Uber be comprehensively explained? A myopic perspective finds it challenging to explain who the customers are, who the creators of value are, who the deliverer of value is, what the product categories are, etc. However, the Chapter issues a warning to market-shaping scholars. The market-shaping perspective needs more empirical research and an embrace of key managerial terms that are critical to operationalizing market-shaping as a strategy, e.g., ‘technology’ and ‘strategy.’

The case studies in Chapters 5 and 6 in this thesis demonstrate market-shaping processes. Between the two cases, it is argued market-shaping can be triggered by a number of different factors including technological or economic shocks; crises in a field; decline or growth in a service ecosystem; or changing regulatory or government policies. Depending on the responsiveness of actors, market work may be undertaken to attempt to change the logics of the market. The logics comprise incumbent practices, behaviors, expectations, and assumptions in the market. Market actors who are not responsive to changing market landscapes or exogenous shocks can find themselves ripe for disruption by other actors who 1) may be embedded in the market (e.g., the NZ winemakers involved in the Screwcap Wine Seal Initiative); or 2) may be on the boundary of the market (e.g., street performers peripheral to traditional circus troupes); or 3) may be external to the market (e.g., animal rights activists protesting about the treatment of circus animals).

Market actors have numerous types of market work they can potentially draw on. Some types of market work can promote new logics, e.g., through educating or coercing other market actors, or mimicking elements of the incumbent to reduce the shock of the new. Other types of market work disrupt incumbent logics, e.g., by undermining or demonizing existing practices and assumptions. Market boundaries and institutionalized practices can be the target of disruptors. These types of market work can lead to novel interorganizational relationships previously not imagined (e.g., Broadway directors acting as artistic directors in new circus troupes), or new practices being demonstrated as superior, thereby accentuating the shortcomings of incumbent practices (e.g.,
screwcap closures being applied to quality wines). Effective market work shapes markets through new logics, which, in turn, manifests as altered value cocreation processes. However, the market-shaping process is recursive as markets never fully reach stability or equilibrium, but instead are in a constant state of ‘becoming’ (Araujo, Finch, & Kjellberg, 2010a). A graphical representation of a summary of the midrange theoretical contribution of this thesis is represented in Figure 12.

Imagining the case studies in this thesis are theatrical plays, Chapter 5 (exploring the evolution of the market for new circus in the USA) begins in Act 1. The case examines the changing sociological conditions that enabled the new circus performers and companies to emerge (e.g., changing policies, rising nationalism in Quebec, the hippy movement, etc.). In so doing, the growth of the new circus discipline is explored, demonstrating gradual, recursive development of both market and product. Additionally, it is apparent market decline and market creation can occur concurrently. While complementary networks assist in market growth, orchestrated efforts by market actors or not necessarily required for market change to occur.

In contrast, the case study in Chapter 6 (examining the New Zealand Screwcap Wine Seal Initiative) begins in Act 2, where the case protagonists set about to deliberately change highly institutionalized elements in the incumbent market landscape. However, by beginning in Act 2, the ways and means of collaborative market work are explored. This exploration demonstrates that as a collective evolves, the different types of market work that can be enacted also evolve. Early market work is more organizationally focused, involving building the legitimacy of the collective through various measures. Other market actors who should, and should not, be enrolled as part of the collective are as important as each other; and market practice work begins with selecting from available alternatives. Agreed common objectives emerge from a process of negotiation and the free sharing of developing intellectual property, hence multidirectional communication patterns feature. Later, the collective can engage in more unidirectional communication patterns as market work targets external actors by simultaneously bundling work promoting the alternative logics desired by the collective, while also undermining incumbent logics. Coercive market work was also successful in forcing some market actors to accept the alternative.
The deliberate orchestration of market work by small, embedded competitors wanting to make rapid change is an important consideration in complex modern markets, where a growing number of extremely large, dominant players are emerging. For managers of smaller competitors to survive, more collaborative efforts are likely to be needed. A parallel in the natural world is that of the emperor penguin in Antarctica. The veteran natural history broadcaster David Attenborough demonstrates the emperor penguin depends on collaboration and cooperation for survival in the harsh Antarctic environment (Jonathan Watts, 2018). As the climate becomes more challenging through the seasons, the level of collaboration by the penguins increases. Modern markets are no different. As they become increasingly more complex, challenging, and disrupted (i.e., harsh), collaboration and cooperation is required.

Importantly, collaboration and cooperation could involve more than just commercial firms and producers. Communities (e.g., geographical societies, NGOs, social businesses, governments and regulators) can also engage in collaboration. For example, the NGO ‘Global Fund’ has engaged in its own market-shaping strategy to restructure and incentivize the production and distribution of pharmaceuticals to developing nations (Global Fund, 2019). The organization coordinates and collaborates with numerous funders (e.g., the Bill and Melinda Gates Foundation) and other NGOs that distribute and administer medicines and treatments, to incentivize Big Pharma to produce medicines that, previously, might not have delivered the level of profitability favored by shareholders. Such market-shaping activities would seem to hold much promise for other areas of concern in the world today.
Figure 12: Market-shaping through market work
The second main theoretical contribution of this thesis is to assist in the crystallization of the market-shaping conceptualization. The market-shaping theoretical domain has previously not been clearly identified. Some authors have implicitly identified the markets-as-practice approach as wholly constituting market-shaping (e.g., Spencer & Cova, 2012), while others adopt a more broad perspective beyond just the role of practices in ‘performing’ markets (Storbacka & Nenonen, 2011a; Storbacka & Nenonen, 2011b).

Geiger, Kjellberg and Spencer (2012) do not incorporate the market-shaping moniker in their comparison of different theoretical approaches to understanding markets. However, of import is the authors’ conceptualization of how other approaches to examining and understanding markets relate to each other. They make distinctions between the different approaches on the degree of materiality (materialization) and sociality (socialization) adopted by each perspective, as depicted in Figure 13. Their analysis considers the markets-as-practice approach adopts equal degrees of materiality and sociality in its consideration, hence occupies a ‘sweet-spot’ (in Figure 13) by taking a balanced view of market change. Other approaches are plotted on the Figure. For example, the authors assert institutional approaches adopt a high degree of sociality and relatively low degree of materiality; marketing management features a low degree of sociality and moderately low degree of materiality; and studies from within the sphere of Consumer Culture Theory (CCT) adopt a moderate degree of materiality integrated with a high degree of sociality.

However, Chapter 3 of this thesis demonstrates numerous studies from these other marketing sub-disciplines exist within the market-shaping domain. Database searches for the word strings “market shaping” and “shaping of markets” captured a number of studies from areas like markets-as-practice (Alenius, Lind, & Strömsten, 2015; Azimont & Araujo, 2010; Hagberg & Kjellberg, 2010; Harrison & Kjellberg, 2010; Kjellberg & Helgesson, 2007), consumer research (Huff & Cotte, 2016; Humphreys, 2010; Humphreys & Carpenter, 2018; Rosa & Spanjol, 2005), markets-as-networks (Biggemann, Kowalkowski, Maley, & Brege, 2013; Blanchet & Depeyre, 2016; Chakrabarti, Ramos, & Henneberg, 2013; Corsaro, Ramos, Henneberg, & Naud, 2012; Cova, Prévat, & Spencer, 2010; Hietanen & Rokka, 2015), marketing management (Ferreira, Cova, Spencer, & Proena, 2016; Hagberg, Sundstrom, & Egels-
and institutional approaches to market change (Brownlie, Hewer, Wagner, & Svensson, 2008; MatthysSENS, Vandenbempt, & Van Bockhaven, 2013; Rainelli Weiss & Huault, 2016). This broad selection of research contexts is also reflected in the literature review in Chapter 1 of this thesis.

These studies, above, all involve the shaping of markets, whether involving new (material) innovations or technologies, new ways of doing business by managers, the influence of social groups (e.g., consumers, social movements, etc.), changes to market actor practices, or processes of (de)institutionalization. Hence, this thesis argues market-shaping, as a midrange theory, encompasses numerous scholarly contributions currently thought to reside in other marketing sub-disciplines. Market-shaping may involve any combination of social, institutional, and/or material elements that can be changed, can drive change, or in some cases do both. This broad encompassing perspective of market-shaping is reflected in the dotted line in Figure 13. Further clarification of the market-shaping perspective would contribute greatly to the development of strategic marketing, which currently largely ignores the deliberate influencing of markets by market actors (Hunt, 2018; Varadarajan, 2015).

Figure 13: Market-shaping domain
(Adapted from Geiger, Kjellberg & Spencer, 2012, p.135)
7.1.4  Rethinking service ecosystems in S-D logic

The third theoretical contribution this thesis makes is implications for the service ecosystem concept in S-D logic. Service ecosystems are a key construct in the S-D logic paradigm and are defined as “relatively self-contained, self-adjusting systems of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange” (Lusch & Vargo, 2014, p.161). However, this thesis demonstrates that, at least some, service ecosystems (e.g., ‘markets’) are not solely ‘self-adjusting.’ The qualifier ‘relatively’ notwithstanding, markets (as ecosystems) can be actively and deliberately changed or even broken by actors both embedded within the system (e.g., the NZ winemakers in the screwcap initiative in Chapter 6), and external to the system (e.g., animal rights activists undermining and demonizing traditional American circus in Chapter 5). Through the market-shaping activities in which actors engage, processes of (de)institutionalization are ignited, leading to the disruption of incumbent or creation of new value cocreation processes.

Furthermore, the definition of a service ecosystem asserts institutions and institutional arrangements are shared. However, the degree to which these institutional arrangements are shared is variable (Sajtos, Kleinaltenkamp, & Harrison, 2018). For example, in the case of the development of the market for new circus (in Chapter 5), actors were not (or not yet) connected by shared institutional arrangements. As the market was shaped, the institutionalized norms (e.g., ‘new circus is a positive educational activity for children’), understandings (e.g., ‘new circus features theatrical narratives’), and practices (e.g., ‘new circus troupes offer educational programs’) emerged and became established. In the case of driving acceptance for the wine screwcap closure (in Chapter 6), some market actors preferred not to be connected by the incumbent shared institutional arrangements, so deliberately set about to undermine, break and replace them. While these examples do represent ‘actors generating’ the institutions and institutional arrangements, an argument could be made for the dynamic relationship between practices and the institutional arrangements present in ecosystems to be more clearly represented in S-D logic’s Axioms.

7.2  Managerial implications

The traditional perspective of markets as exogenous to the firm, as entities that need to be responded to, adopts a deterministic perspective of markets, i.e., it is the market that
dictates to players the rules of the game. Instead, as Gidden’s (1984) highlighted about all social structures, at a minimum the market is a dualism – the market structure and the practices performed within that structure are interdependent and recursive. However, an important implication of this thesis is that managers possess the potential to deliberately shape markets. Rather than a market being exogenous to the firm and fixed, markets are complex systems that require much more developed perspectives than typically provided by the strategists’ and marketers’ toolboxes. Hence, to take full advantage of this potential to shape markets, managerial mental models and tools have to shift.

Chapter 3 argues managers must be cognizant of which dominant logic frames their fundamental approach. As a technology is any means for human purpose (Arthur, 2009), strategists and marketers must consider the broader systemic context in which technologies are delivered, e.g., systems, processes, regulations, rules (formal), norms (informal), accepted practices, etc. Any innovation ultimately provides new ways and means of resource integration, so the resources that others possess and the ways in which they are integrated are key considerations. To reflect a cocreative perspective, managers should build relationships with all actors in the value creation network and all initiatives should be underpinned by the ongoing value-in-use a firm provides for its customers and other stakeholders. In sum, as innovation should always be considered from the perspective of the service beneficiary, a service strategy should underpin all strategic initiatives – including the firm’s chosen business model (Wieland et al., 2017; Wieland et al., 2018).

Building on these assertions, Chapter 4 observes managers would benefit from the adoption of market-shaping principles. First, all markets are subjectively defined; hence, the mental models and tools that managers choose can be used as a means to redefine the market – the firm, its industry, and its purpose. Second, the realization that markets are shaped by elements beyond material technologies and economic exchange is critical. Market innovation includes many elements beyond new geographic markets and products. In effect, market-shaping processes involve the (de)institutionalization of accepted logics – the practices, beliefs, assumptions and expectations within the market (as demonstrated in Chapters 5 and 6). It is at this institutional level that strategists must focus – not just on new products, but developing new assumptions, belief systems, taken-for-granted habits and practices.
The role of social processes and collective action are explored in Chapters 5 and 6, which present some important implications to managers. Fields most resistant to change increase their chances of disruption; hence, a responsive outward-facing orientation is required, including the monitoring of peripheral actors, stakeholder and network relationships, and awareness of changing ideologies and social expectations – even if the actors advocating for those changing expectations are not considered legitimate by the firm. Education plays a key role in driving market-shaping, whether achieved through formal channels (such as the circus schools in Chapter 5 that significantly increased the availability of operant resource for new circus troupes), or through the education of competitors or consumers in desirable new practices (such as the textbook on the application of wine screwcap closures).

As Ostrom (2005, p.3) eloquently argues, institutions are the “universal building blocks used in crafting all […] structured situations.” In times of accelerating disruption, managerial focus on just customers and products will become an increasingly fruitless task. As technological advances continue to experience increasing speeds of ‘combinatorial evolution’ (Arthur, 2009), managers will not be able to keep up with the blur of developments. Instead, it is processes of institutionalization that need to be considered – ‘how do I get my product and the practices that surround it to be taken-for-granted;’ ‘what are the assumptions and expectations that people have and how do we change them;’ ‘who are my potential collaborators with whom to take collective action;’ etc.?

Regarding collective action, Chapter 6 emphasizes the role of actor collaboration in getting things done. The NZSWSI case demonstrates the degree of formal collaboration impacts the rapidity and effectiveness of market change, at least for small market players. In the case, the formalized collective entity, operating under agreed parameters, was very effective at driving rapid market change. The implication for managers is that rather than being grounded solely in a competitive mindset, collaboration potentially delivers far superior outcomes. For the collaborating wineries, collective action translated into openly and transparently sharing intellectual property (which guaranteed ongoing legitimacy of the alternative they were promoting) and negotiating agreed strategic objectives and initiatives. Lastly, a key outcome of the collective was delivering benefits to multiple market actors – not just producers. Implicitly, exponentially more value is realized when multiple market actors positively
benefit than when outcomes impact a narrow group of market actors only, e.g., just producers, or producers and suppliers.

This thesis also has implications for non-firm actors. First, Chapter 5 highlights the importance for regulators and funders to balance responsibilities for maintenance with fostering growth and innovation. Second, organizations that may have concerns about the role and behavior of firms (or governments) might effect change to a market beyond just trying to rip it down or advocating against a certain firm. For example, rather than campaigning against a firm, activists might instead collaborate with, and promote, another provider that delivers more pro-social or desirable outcomes. Lastly, the triggers of market-shaping activity (in Figure 12) represent both threats and opportunities. For those wanting to disrupt incumbents, the generation of (at least the appearance of) a crisis in a field could potentially be enough to enable opportunities to engage in market work. Likewise, for incumbent market actors, these triggers could represent a risk. The triggers for institutional change are a key consideration for managers.

7.3 Future research and limitations

Several avenues for future research are indicated by the contributions and implications of this thesis. First, as this thesis has identified the breadth of literature that can be included in the market-shaping concept, an opportunity exists to develop the market-shaping conceptualization by further clarifying its conceptual domain and foundational propositions, e.g., ‘market change manifests from processes of (de)institutionalization.’

Second, the case studies explored in this thesis are both historic and, like all case studies, contextually specific. This limits the generalizability of conclusions. Further research is needed examining multiple other market contexts (e.g., highly regulated markets, fast-moving technology-dependent markets, mature markets and emergent markets, markets in the developing world, etc.); and examples of market-shaping involving various types of actors (e.g., regulators and government, professional associations, nonprofits, start-ups, large technology firms, social media providers, etc.). Other different types of market work that don’t have origins in the institutional theory literature need to be explored. For example, what role do business models play in shaping a market? This is a potentially important contribution that the marketing field could make.
Multi-case approaches would be beneficial to study, which would enable comparison of the efficacy of approaches to market work taken in different contexts. Longitudinal studies conducted in real time, following attempts at market-shaping, would potentially provide opportunities to explore the role of reflexivity in market actors when engaging in market work. By extension, studies in real time would also allow for the exploration of failed attempts at market-shaping – a sentiment echoed in the institutional work literature (Lawrence et al., 2013). Lastly, studies examining market work for the sake of maintaining an incumbent’s position in the market (e.g., social media platforms, large insurers, universities, etc.) is in need of research. The degree to which maintenance involves continuous improvement and innovation would be an interesting area to pursue.

Third, and more generally, the place that markets assume within our society is an important consideration for future scholarly investigation. Geiger, Harrison, Kjellberg and Mallard (2014) argue markets are simply a manifestation of a society, that they are neither embedded within nor develop in opposition to society. However, some economic sociologists (e.g., Callon, 1998a; 2007a; D. Slater & Tonkiss, 2001) argue that with the ubiquitous nature of markets around the world, many societies are now embedded in markets. The latter view, as a foundational perspective for scholarly research of markets, poses a serious threat to humanity and communities. The concept of ‘strong sustainability’ (an approach to sustainability that could potentially actually deliver sustainability) asserts the economy must reside within the boundaries that a society can sustain; and a society must exist within the boundaries that the natural ecosystem can maintain (Neumayer, 2003). To assert society is embedded in the economy is a sure path to sidelining the sustainability issues (environmental and social) the world faces today. These issues include dissociative behavior by corporations that ignore the implications of their operations, workers experiencing an atomized existence, and the environment perceived as silent and external (Spiller, Pio, Erakovic, & Henare, 2011).

Many Western economies now exist as outcomes of the neo-liberal experiment of the 1970s and 80s, underpinned by the theories and concepts of economists (Fisman & Sullivan, 2017; Sandel, 2012). Free marketeers remain wedded to economic theory of markets, but seemingly ignore the many undesirable consequences of some policies such as accelerating wealth inequality and environmental degradation (Wilkinson & Pickett, 2010). Others argue marketization of public services has gone too far (Sandel, 2012).
Such initiatives include lobbyists in Washington DC paying homeless people for place-holding in queues to meet with Congressmen, and grade-school children being paid to read books. Historically, when institutions fail to deliver to human needs people react and destroy those institutions (Davis, 1975), which in the past has manifested as revolutions against monarchies, Tsars, and the Roman Catholic Church. Arguably, today we see this social resistance manifesting dangerously as rising nationalist movements, populism, and demagogues. Business and markets are no different from other historic institutional orders.

To return to the authors of the first quote in the Introduction to this thesis, “A more meaningful theoretical stance [for marketing] would be to produce scholarship that provides an objective analysis of how markets function and how they contribute to the general economic and social welfare” (Venkatesh et al., 2006, p.254). How markets can be configured to deliver more pro-social outcomes has only recently become a focus of market(ing) scholars (e.g., D'Antone et al., 2017; Doganova & Karnøe, 2015; Geiger et al., 2014; Onyas & Ryan, 2015). Considerably more research is needed into how the collective dimension of market-shaping through collaborative market work can deliver more desirable outcomes for humanity and the planet.
Collaboration for rapid market innovation: Changing market logics from the inside out

PARTICIPANT INFORMATION SHEET

Researchers
This inter-departmental research project is being conducted by researchers from the University of Auckland Business School:

- Dr Suvi Nenonen, Associate Professor of Strategy and Marketing and Director of the Graduate School of Management
- Dr Kay Storbacka, Professor of Markets and Strategy, Graduate School of Management
- Dr Rod Brodie, Professor of Marketing, Marketing Department
- Mr Jonathan Baker, PhD candidate, Marketing Department

Project Description and Invitation
The objective of this research project is to improve understanding of the role of competitor collaboration in the rapid innovation or ‘shaping’ of markets. This will be achieved by investigating the historic case, from the early 2000s, of the New Zealand Screwcap Wine Seal Initiative (NZSWSI) and the outcomes of the Initiative. We want to explore how this temporary initiative influenced the changing of market practices and the widely shared expectations and norms of the wine market.

The researchers would like to take this opportunity to extend an invitation to you to participate in the above described research project. You have been identified as a potential participant for this research based upon your perceived level of knowledge pertinent to the research questions. Your identification as a potential participant was based upon the network of the researchers, and recommendations by other research participants. However, please note, participation in this research project is voluntary, and you are in no way obligated to accept this invitation.

Project Procedures
Participants who agree to take part in this research project will be asked to participate in a single interview of approximately 60-90 minutes duration. The interview will be conducted face-to-face between the researcher and the participant, at a time and location that is mutually convenient to both parties. If geographic or other constraints prevent the possibility of a face-to-face meeting, the interview will be conducted via Skype video-calling at a time that is mutually convenient to both parties. The interview will be semi-structured in nature, with
questions on the interview schedule designed to obtain data related to the above research area.

A digital audio recording of the interview will be made by the researcher. This recording is used to generate a transcript of the interview. The interview transcript will be prepared by the researcher(s). Participants will be emailed a copy of their interview transcript and will be given the opportunity to request amendments or retractions of the transcript within 14 days of the date the email was sent.

After the research project is completed, participants have the right to receive a summary of the project findings. The summary of the project findings will be delivered as an electronic report via email.

Data Storage / Retention / Destruction / Future Use
Data arising from this research will exist in three electronic formats: (1) notes taken during interviews and documented in Word format, (2) digital audio recordings of interviews, and (3) transcripts of interviews. All electronic data arising from the project will be stored in a secure and password protected computer accessible only to the researchers. All data will be retained electronically by the researchers for a period of 6 years after completion of the research (expected completion: 30 December 2018). Following expiration of this period, data files will be permanently deleted from the researchers' hard drive. Any hard copies of data created for incidental use by the researchers during the research process will be shredded upon completion of the research project.

Primary data arising from this research will not be disclosed by the researcher to any third parties except when expressly required by law. The data will not be made publicly available, although small excerpts (i.e., quotes) may be incorporated into academic paper(s) and the student researcher's doctoral thesis. However, any and all quotes will be used in an anonymous and non-identifiable manner. Should the researchers use the services of a professional transcriber to transcribe interview recordings, the transcriber will first be required to sign a confidentiality agreement.

In exchange for their participation, participants of the research will be offered the opportunity to request that a confidential summary of the findings is supplied to them following the completion of the project.

The primary data arising from the research project (the audio recordings and transcripts of the interviews) will remain the property of the researchers until destroyed. Any publication of the findings of the research project (including the student researcher's doctoral thesis) will remain the property of the researcher(s).

Right to Withdraw From Participation
Participants have the right to withdraw from participation in the data collection process at any time without giving a reason. Participants will also have the right to withdraw all of their data from the research project at any time up until 1 November 2018 without giving a reason.

Anonymity and Confidentiality
The identity of participants agreeing to participate in the research project will remain confidential to the researchers and will not be disclosed to any third
properties. To ensure confidentiality is maintained, any identifying information such as the names of an organisation or person will be replaced with a numbered coding system for the collection and storage of data.

Any information provided by participants that is reported or published as a result of the research will be kept anonymous. This will be achieved by employing letters of the Greek alphabet as a substitute. For example:

"Alpha mentioned the importance of trade secrets when protecting intellectual property related to manufacturing processes."

Contact Details
For any queries or concerns you may have with the above provided information, you may contact the researchers using the following contact details:

Assoc. Prof Suni Nenonen
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+64 9 923 7213

Prof Rod Brodie
r.brodie@auckland.ac.nz
+64 9 923 7523

For any queries regarding ethical concerns, you may contact the Chair, the University of Auckland Human Participants Ethics Committee, at the University of Auckland Research Office, Private Bag 92019, Auckland, 1142.
Telephone: +64 9 373-7599, ext. 83711.
Email: re-ethics@auckland.ac.nz

APPROVED BY THE UNIVERSITY OF AUCKLAND HUMAN PARTICIPANTS ETHICS COMMITTEE ON JULY 2, 2018 for three years, Reference Number 021460
CONSENT FORM

THIS FORM WILL BE HELD FOR A PERIOD OF 6 YEARS

Collaboration for rapid market innovation: Changing market logics from the inside out

Researchers:
- Principal Investigator: Dr Suvi Nenonen, Associate Professor, Graduate School of Management
- Co-investigator: Dr Kaj Storbacka, Professor of Markets and Strategy, Graduate School of Management
- Co-investigator: Dr Rod Brodie, Professor of Marketing, Marketing Department
- Student Researcher: Jonathan Baker, PhD candidate, Department of Marketing

I have read the Participant Information Sheet, have understood the nature of the research, and why I have been selected. I have had the opportunity to ask questions and have had them answered to my satisfaction.
- I agree to take part in this research.
- I understand that I am free to withdraw my participation at any time, and to withdraw any data traceable to me up to 1 November, 2018.
- I agree to be audio recorded.
- I wish to receive a transcript of my interview for editing.
- I wish to receive a summary of findings YES / NO
Name: _______________________

Signature: __________________ Date: __________

Approved by the University of Auckland Human Participants Ethics Committee on July 2, 2018 for three years. Reference Number 021460
## 8.2 Appendix B – Chapter 5 source documents

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<th>Author</th>
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<td>1995</td>
<td>The new American circus</td>
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<td>Sebastian</td>
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## Appendix B continued – Chapter 5, main cited sources

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8.3 Appendix C – Chapter 6 supporting quotes

**Level A (Individual level) → Level B (Interaction level): Late 90s – 2000**

**Problem**
- What we were getting in New Zealand in the late 90s was failure rates in excess of 50%...So for all the guys who started the initiative had, in the late 90s, their *annus horribilis*...I did the sums, but basically we, at that stage, produced ten thousand cases and I knew that if, you know, 20% were failing, so every bottle of wine is drunk by 4 people on average, mass average, I quickly figured out that there were a quarter of a million people on the globe that were having a negative experience (P10)
- Inferior corks being shipped to the far end of the world sort of thing... the common perception was that it was affecting about 5% of wines and of course, that is completely unacceptable. One bottle out of every 20 and if you are paying $20 for a bottle of wine, what other product would there be a 5% chance that your $20 purchase is going to be flawed? (P17)
- In 1999, I think, when we got a whole batch of Chardonnay rejected because it was just cork tainted and these were the expensive corks, and we just couldn't use it. New Zealand just got really bad cork. Like other producers, you know, we had the same experience (P19)
- There was widespread talk in the late 1990s about the disconcerting frequency with which wines were being tainted by cork. The most dramatic claim that I heard was out of Central Otago where there was a claim that in the 1999 vintage, they were claiming... that 50% of the wines that they were bottling were affected to some degree by cork taint. (P17)
- And of course, the general shocking quality of cork in New Zealand. And I know it was shocking. I was bringing it in. (P7)

**Entrepreneurial, quality producers**
- I think we had a common goal, we were not bound by tradition there is no question about that and that is reflected in who we were. But it's also reflected in where we were at the time. We were also not in the more traditional part of the New Zealand wine industry, we were at the cutting-edge part or one of the cutting-edge parts (P4).
- Being a predominantly and academically trained wine industry, as opposed to Europe where most European industries are based upon generational businesses. Wine making, certainly in New Zealand and Australia, very similar was a combination of that, but really the real drive was from a trained academic background. So university graduates that had an understanding of a range of skills including a very good understanding of wine chemistry. So there's this background of sort of natural inquisitiveness, an absolute appetite for improvement and a scientific discipline underpinning all this, so the other, so that's, I guess part of the background (P1)
- But [the success] all comes back to the confidence they felt in the quality of the first few people who were doing it and the formation of that initiative. (P10)
- So they came up with the ideas and I would come up with a plan to make things happen and they were incredibly well connected. Early on they said, 'this is a quality focus'. (P12)
- At the time the wine industry, particularly in Marlborough, was still relatively small, it was predominantly privately-owned companies. It was really before the big corporates started to move in, and it's kind of, you know in a business cycle it was that sort of first generation, you know the pioneers? You know the ones that actually are the risk takers, the ones that actually are the ideas people before the thing gets really successful... then the corporate sanitised business principles come in, there was this environment of being very collegial, being of pioneering spirit and not being afraid of tradition, breaking tradition (P9)

**Inspiration**
- So they [Russians] made quite a big statement with that move in 2000 and there was a group of us in New Zealand who saw that and there were quite a few of us who had been thinking along the same lines for quite some time (P1)
- we saw technically it [the Clare Valley initiative] was a success. You know, they were out in the marketplace. I remember visiting Sydney and trying them and the wines were delicious and fresh and just what you expect (P10)
- Then there was a number of kind of letters to the editor [of an industry publication] ... people complaining about cork quality and, and [the ex-head researcher at AWRI] who was then well into his retirement wrote a letter saying well of course the technology's there, it has been for ages. (P1)
Appendix C continued – Chapter 6 supporting quotes

**Level B (Interaction level) → Level C (Ephemeral collective): mid-2000 – February 2001**

**Visioning**
- We all agreed that we’d say nothing to anyone. We didn’t want it publicized what we were doing. We then agreed that if we were going to do it we should invite key, other premiere producers, to be involved... one of us said ‘I hope to God the big boys don’t come into this’ cos thinking of Yalumba and how they’d screwed it on their cheapest wine (P10)
- But we also had a very common and well understood goal. There was no doubt, we were not well served by the people who should have been serving us well. So there was a pretty incentive in there to say, ‘Look, enough is enough, we need to move on here... it’s not good enough’ (P4)
- Around the table there was a single vision based on quality, there was a willingness to put aside any personal history between then – and they had head-banged some between a couple of the guys around the table – and just really focus together and just dive in. Dive in deeply, and just commit 100%. It was incredible, those first couple of conversations were just terrifying and incredible and the sort of thing that once you have been in for 5 minutes you’d never leave until it was done, it was just like that, it was great... it was just great, honestly, yes, best-ever (P12)

**Enrolling**
- I had a phone call from a gentleman [who] had been a client and colleague over many years, and a very entrepreneurial character, self-taught, you know, but never shy of trying something new and different. He rang me up and said ‘This [failure rate of corks] is crazy, you know. We’re just accepting this, it’s just not good enough.’ And I said to him at the time, I said, ‘Yeah, I completely agree with you, but how do you propose that we do something about it?’ So he said, ‘Well why don’t we get together as a group?’ (P9)
- He said..., ‘Gidday, I’m sick of bloody corks, I want you to come to a meeting, we’re gonna get rid of the bloody things.’ That’s exactly what he said. That was [him] to a ‘T’. And we went to a secret meeting, and I didn’t know who he invited and not invited – it was very cloak and dagger... looking back, we were plotting, you know, it was heresy really. He wanted to change religion or a faith (P10)
- It was about, ‘how are we going to do this?’ ‘Right, this is a quality issue, we need bold people that we can trust, we need people who will do what they say they’ll do, they’ll be people who are open-minded and can identify this as a real issue and will come together in a collaboration and will work together’. So in the end there were 19 different wineries involved pretty quickly as the New Zealand Screw Cap Wine Seal Initiative and they all signed up to the Initiative and they all became a part of it. The invitations were quite personal and they were to industry leaders who had a quality approach... (P12)
- We organized to fly out [Stelvin experts] amazing technical engineer and the sales guy came with him... to the seminar. About 30 [industry people] turned up. I was surprised, I thought maybe 10 might come. We also put on drinks and stuff afterwards it was quite a social, people could kinda catch up... At that stage we presented the 30x60 and said, ‘look, we’re going to come to the market, it is 30x60’, and we said, ‘and normally a minimum run is 68,000 but whoever orders in the next 4 weeks we’ll give you a minimum run of 28,000’. ‘What about the cap application gear?’ ‘We’ll organize the gear don’t worry’. So we said we’d organize a capper or a couple of cappers to come down and put all that sort of stuff together. (P7)
Appendix C continued – Chapter 6 supporting quotes

**Level C (Ephemeral collective) → Level D (Stable collective): February 2001 – May 2001**

**Visioning**
- So that committee met and we weren’t, and never were, set out to be pro screw cap. It was an alternative to cork (P9).
- We immediately rang a highly respected winemaker and wanted him involved because of his leadership and things technical in the wine industry and the kudos he’s held in. And because we knew from talking to him he was having annus horribilis with his chardonnay, [he] was the only one who really went public with how bad his chardonnay was under cork, and that happened in 2000 (P10).
- One of the conditions I [the future Chair of the Initiative] had was rather than it being a Marlborough Initiative which is what it was going to be initially, would become a New Zealand initiative so it makes it much more acceptable to people...in Auckland or somebody in Hawkes Bay because at the time it was very much a Marlborough movement (P1).
- We had an initial meeting down in Marlborough, some people looked at the history of it, what could be done, how it was possible to get the materials, to get the caps and the bottles, all that type of thing was discussed but what came out of that was that there was a pretty strong need to educate our customers as well as the rest of the industry and so that’s when we formed this Screwcap Initiative (P1).
- With the marketing side it was well known that we needed to get the message out there in a big enough wave that we would take some of the market with us. We needed to not be an obscure, strange idea that back on 20 years after the Australians did the same thing and failed. So, we needed to have wine judges who were on side and we needed to be a critical mass that would make sure that there was actually some integrity behind the group of people (P4).

**Selecting alternatives, establishing feasibility**
- because of my sins of being an academic scientist boffin, I got cast with researching what were the alternatives...there were other options out there for closing products... And it very quickly became obvious that the screw cap was head and shoulders for technical and practical and cost and every other reason, convenient reasons, the best option (P10).
- We had an initial meeting in Marlborough, some people looked at the history of it, what could be done, how it was possible to get the materials, to get the caps and the bottles, all that type of thing was discussed but what came out of that was that there was a pretty strong need to educate our customers as well as the rest of the industry and so that’s when we formed this screw cap initiative (P1).
- We talked to the glass manufacturers, we talked to equipment importers, we looked at several versions of where the caps could come from, whether they would be manufactured in New Zealand or brought in, we looked at all these things and the marketing side of it was dealt with at the same time (P4).
- to their credit the New Zealand glass manufacturer... actually said ‘okay well we believe that, and well you guys are doing so, we wanna, we wanna be part of it’, coz obviously they could see commercially, they, they were potentially gonna lose business. But they also saw a commercial advantage in being a supplier (P9).
- Yes, and I basically said [to my bosses at the glass manufacturers], ‘well look, we’re going to invest...’ at that stage it was our only growing segment we had... Did we really want to put inventory down, how do we minimize our risk profile? And so we elected to buy a compatible set of mould gear that we could make in various colours, it was only one set of mould gear and then, obviously it was the inventory we laid down too. So that was around the profile, so that was the $300,000 investment really (P13).
- There are all sorts of other advantages of not having to have corks; one is the storage of corks. When you have corks at the winery they have to be stored properly because they can pick up taints before you even use them... Another was the efficiency of, you know, being able to use wine with distributors... screwcap wine [samples] are much more easily looked after (P2).
- Another major in there too was everything pointed the right way. I mean, the changes brought through a reduction in the cost of packaging, with a better product, to the betterment of both the manufacturer and the market. There really wasn’t much to argue about. It was, ‘how are we going to make this happen?’ as opposed to, ‘is it a good idea that this should happen?’. Because it was quite clear that there was a better way (P4).

**Enrolling**
- What we did is we actually looked very carefully at the work that Clare Valley Association had done. We formed a strategic alliance with them, we knew them away, and we also homed in on our relationship with the Australian Wine Research Institute... by about the middle of 2001 we had identified that the best alternative was the screw cap. (P6)
- I was nominated to go to [wine industry body] seeking their support, it would be nice to have some financial support, but at least their support that a group like ours should work under their auspices or with their blessing to look at alternatives to cork... but I got a resounding thanks but no thanks. ‘We will not take any stand against the status quo in supporting what you’re doing’, Privately [the CEO] wished us well because he knew the problems with cork, but I thought that was a very luddite position. (P9)
- We just, we formed a tight group of like-minded owners/operator premium producers and then targeted people like [list of premium producers] to join us, trying to pick off some key names and leaders in the industry and respected, just to try and give us some more gravitas. (P10)
- [We targeted] winemakers right from around the country, and we targeted wine makers who made a variety of wines, a huge variety of wines right across the board because we didn’t want this to be a Sauvignon blanc thing; we didn’t want it to be a Marlborough thing, it needed to have industry wide support. (P12)
Appendix C continued – Chapter 6 supporting quotes


Political work: Establishing rules & boundaries

- And we had a number of suppliers wanting to get screwcaps for us. So we insisted that no one could use the screwcap unless the committee had approved it. We’re self-appointed... So we tried to put some standards into it, but hell, we didn’t know what we were doing. We didn’t have a clue. But we were prepared to trial and learn very quickly.
- The group of 4 of us went around with the experts, went around each individual bottler and set them up and got them right, if you know what I mean. (P12)
- It could’ve failed if we’d applied screw caps badly and randomly with the best of intent... If we’d had one bad experience in that first year globally with screw tops, it would’ve sunk the whole initiative (P13).
- Intentionally, I guess, that is the thing to say about the way it was introduced into main production is that the agreement around the table with those 19 was that they would put their best wines under screw cap. They wouldn’t test the market with their lower higher price point wines, they would really play their money where their mouth is and that is where they took this huge risk reputationally on those beautiful reputations that they were starting to build overseas. But they said, ‘right, if this is a quality proposition, we need to lead with our quality, we need to lead it with our best wines’, and that’s what they did (P12).

Promoting & educating

- (July 2001) was a big launch thing and they had a whole lot of experts in there had experts on the technology of applying the closure (which I found intensely boring) and other people talking about the science of screwcaps vs cork and so on, which I found intensely interesting (P9).
- So we convinced the Australian Wine and Research Institute to release their findings in New Zealand at effectively a public meeting, which we held... in July 2001 that we held that... We had [a lead researcher] from the Australian Wine Research Institute to actually present the information, and we had [the NZSPG Chairman] who gave a PowerPoint presentation which was essentially about demystifying a lot of the myths that were previously there. That, and the real, biggest, the biggest myth was that it was assumed by pretty much everybody at the time, that wine needed oxygen to age, which is actually completely untrue (P9).
- Valley umbra were kind enough to lend us some wines they had bottled in the 1970s under cork and under screw cap, we did do comparisons in some of their Railings under screw cap and it was some of the best tastings we had, 20-year-old wines. The Railings under screw caps perfectly preserved and aged as you would expect them to age (P13).
- [Australian winemakers] were fantastic as much as they actually opened up their libraries and they keep all that stuff. So we were able to present aged wines, so there you have an audience of wine judges, writers, experts, a mixture of absolute cynicism, to fascination, to hallucination this is finally gonna happen sort of stuff (P9).
- In terms of business development, we didn’t do any market research...But what we did was we actually used the power of the media, to give them something to write about (P9).
- We also got involved in publishing a textbook, its written by an Australian wine journalist and there’s a number of us involved in, in editing that and getting it on the market. So it was a more a practical manual for how winemakers could go about setting things up, what to do, how to set the machine up... nuts and bolts stuff (P11).
- And because it wasn’t familiar to most wineries, a new concept, it was inherent with all manner of things that could go wrong. So to get into one volume all the detail of what they needed to do to get it right was, I think, a crucial piece in the puzzle of the global roll out of screw caps across a large number of wine styles and wine markets (P9).
- So when people say ‘why did you give away all that intellectual information?’ it’s ‘yes well, I’ve already got it, used it, I’m ahead of the market, and I’m already onto the next advancement beyond what I’m telling you. I think that’s the thing, is a small country and a small group doing it, you’re actually better off together... the other key tenet is standing together and working together, producing the manual and sharing the information, going to each other’s bottling companies, that was the other technical sort of key (P11).
- We went wide early. We did the marketing properly, we blitzed the wine writers with all the information, and then we did it worldwide with the World Wide Wine Writers Association. And I think that was the secret... it was such a controversial issue at the time and, as I said previously, if you provide writers with copy it’s a prettier and especially it’s about an issue that is making the headlines, then they make the headlines. I think that was the single best thing we did (P12).
- [London Wine Trade Fair] was a good exercise to do because it gave us a chance to show people from Europe and a lot of producers as well coming by and tasting because they were interested and of course, the buyers and things like that we could tell the story (P11).
- You’d say to people, particularly if you were dealing with a group of fifty or sixty and you had the use of a mic, so you’d put the mic beside here and go, I want you to listen to this, and go like, ‘hear that, that’s the Knack trick of quality. Never a burn one’ (P11).
- So we had to teach them how to manage a screw cap, that you don’t try it this way, there was an elegant way of doing that. And of course this was before the internet so we made little pocket guides so people could slip it into their pockets, this is how you do it. Not only how you do it but how you overcome the objections from the diners (P10).
- Well certainly by targeting people like me [an internationally recognized wine writer] and sending us those vertical tastings, anticipating quite rightly that we will write about those tastings, they must be thinking that there are people who are wary of corking wine under screw cap. Whereas all the evidence I’ve seen shows there is no problem at all (P12).
- But obviously [screw-caps] were gatekeepers in the restaurants and that, and obviously there were probably even cartoons about the romance of pulling the cork out and all that sort of stuff. You don’t want to alienate the people that you are selling the wine to, so it was a matter of just really absolutely just trying to get the facts (P15).
- What we did actually in the UK was, it was our biggest market, quite strong, we printed thousands of these [tabs] and we put those tabs on everything and we also did this thing here [points NZSPG flyer], we put a lot of work into that, I work on the basis that people aren’t going to read stuff (P14).
Appendix C continued – Chapter 6 supporting quotes

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9 REFERENCES


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