

On the Marketness of Markets and Actor Clout: Market-shaping Roles

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In reconnecting marketing to more plastic and malleable markets, we need more understanding about market evolution. In this research we explore how to assess the state of a market, and how the roles of a market-shaping actor vary depending on this state. We view markets as configurations of 25 interdependent elements and argue that well-functioning markets have a high degree of configurational fit between elements. The level of configurational fit describes the state of a market as a continuum from low to high marketness. The clout of a market actor to influence a market configuration is an amalgamation of the actor's capabilities, network position and relative power. By exploring marketness and clout as contextual contingencies, we identify four market-shaping roles: market maker, market activist, market champion, and market complementor. The focus of a market-shaping actor, in terms of which elements to influence and in which order, vary significantly between roles.

1. Introduction

"Without deviation from the norm, progress is not possible."
Frank Zappa (1940–1993)

Value creation happens when resources are combined in novel ways (Penrose 1959), implying that value creation is related to resource integration (Kleinaltenkamp et al. 2012;



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Karpen and Kleinaltenkamp 2018). The role of markets is to create access to, and to deploy, combine, and exchange resources (Lippman and Rumelt 2003; Moran and Ghoshal 1999). Market actors engage in markets to get access to resources that can be integrated with other resources. This resonates with Normann (2001), who argues that greater density of resources corresponds to more value. Density expresses the degree to which resources are accessible for integration in a specific actor, time, situation and space combination. According to Lusch, Vargo and Tanniru (2010, p. 23), "maximum density is reached when, at a given time and place, an actor provides and integrates all the resources necessary to co-create the best possible value in that context". Importantly, density relates not only to physical resources but also to the density of various forms of socio-cultural resources such as meanings, designs and/or symbols (Storbacka et al. 2012).

Because of digitalization, resources are becoming more liquid (Lusch et al. 2010), allowing them to be easily moved about in time and space, thus creating an abundance of opportunities for linking resources between actors in new ways (Amit and Han 2017). This has made markets more plastic or malleable (Nenonen et al. 2014), which suggests a need for new and actionable conceptualizations on how markets work. Contemporary literature on markets provides partial answers to this quest. First, building on economic sociology (Granovetter 1992), markets are increasingly portrayed as socially constructed human artifacts, created by firms and other actors who populate a specific context and link resources within it (Araujo 2007; Callon 1998; Fligstein 2002). Conceptualizing markets as socio-historically situated institutions (Araujo et al. 2010) implies that markets in the objective sense do not exist; i.e., there is no objectively given market. Markets are what actors make them to be. There are no given structures 'out there' (Jenkins and MacDonald 1997), in which actors compete or collaborate. Paraphrasing Vargo and Lusch, (2004), markets are not – they become, which implies that they can be influenced by focal actors.

Second, research in consumer behavior (Humphreys 2010; Martin and Schouten 2014), B2B marketing (Johanson and Vahlne 2011), and strategic management (Iansiti and Leven 2004; Adner 2017) is progressively seeing markets as networks, systems, or ecosystems (Vargo and Lusch 2016). This systemic view forces firms to look beyond the blinders of the seller-buyer dyad: to see the dyad as part of a

larger system of actors who contribute to the creation of value (Mele, Pels and Storbacka 2015). It also highlights that market actors assume dual identities as both resource providers and value beneficiaries (Vargo and Lusch 2016), suggesting that markets cannot be understood only as a context for production and consumption, but rather as a context for value co-creation (Nenonen et al. 2019b).

In this research, we acknowledge the above research trajectories, and suggest that to genuinely capture the dynamics of systemic markets it is necessary to take an additional step and to investigate markets through genuine systems theories such as the configurational theory (Meyer, Tsui and Hinings 1993; Storbacka and Nenonen, 2011). Configurational theory has mostly been used in organizational research, but building on Short, Payne and Ketchen (2008), we suggest that it can also be used to understand systemic markets. Configurations are constellations of elements that commonly occur together because their interdependence makes them fall into patterns (Meyer et al. 1993). In this article we draw on Storbacka (2019) and define markets as *configurations of interdependent market elements that facilitate the emergence and institutionalization of resources linkages, and thus enable increased density of resources for market actors*.

In parallel to the above-described systemic shift in understanding markets, researchers are increasingly investigating markets as outcomes of agent-driven efforts (Nenonen et al. 2019b) as opposed to given and deterministic contexts (Pries, Butler and Li 2013). Three streams of marketing literature have explored this managerial phenomenon: proactive market orientation (Narver, Slater, and MacLachlan 2004), market-driving (Jaworski, Kohli, and Sahay 2000), and market-shaping strategies (Nenonen et al. 2019b; Kindström, Ottoson and Carlborg 2018). However, none of these streams have explicitly explored the "state" of the market configuration to be shaped. Typical constructs used to describe the state of a market are "maturity" or "readiness". We argue, however, that neither of these terms are appropriate to provide comprehensive and actionable guidance for managers and policymakers aiming to proactively shape their market systems.

Instead, we propose drawing on insights from configurational and contingency theories. The extensive literature on contingency theory (e.g., Drazin and Van de Ven 1985; Ruekert, Walker, and Roering 1985) suggests that the state of the market under consideration would play an important role in determining the appropriate actions that actors wanting to shape a market should to engage in, the capabilities needed for executing these actions, and also the likelihood of these actions to generate desirable outcomes both for the focal actor and the market configuration. Consequently, the purpose of this research is to explore (1) *how to assess the state of a market, and (2) how the ro-*

les of a market-shaping actor vary depending on this state. We approach the purpose by integrating a broad variety of contemporary literature streams related to market formation and market-shaping – but interpret these literatures through the lenses of configurational and contingency theories.

The paper is structured as follows. First, we develop the argument around viewing markets as configurations and identify the market elements that form the starting point for understanding the marketness of markets. Second, we discuss how focal actors can influence the marketness of markets by identifying the building blocks of the clout of market shapers and by identifying the various roles market-shapers can engage in. Lastly, we discuss the implications and contribution of the research, future research opportunities and managerial implications.

2. The elements of market configurations and the marketness of markets

Recent research on market-shaping (Kindström et al. 2018; Nenonen et al. 2019a; Nenonen et al. 2019b) has focused on understanding what market actors wanting to influence the market can focus on. In this research we build on Nenonen et al. (2019b), who identified a total of 25 elements that a focal firm wanting to shape a market can influence. These were further combined into three aggregate categories: (1) *exchange processes* by which the focal firm connects with customers, (2) the *actor network* that supports the exchange process and customers' use practices, (3) *institutional transmitters* [1], i.e., the representations that are used to symbolize the market, and the norms that guide all interactions in the market [2]. This structure is illustrated in detail in Tab. 1.

Influencing exchange processes typically relate to modifying business models: developing the offering, adjusting price or pricing, and modifying matching methods for supply and demand. Influencing the actor network relate to modifying the focal firm's own supply network, modifying various customer-side features, and modifying provision, i.e., the availability of competing offerings. Influencing institutional transmitters relates to various representations that portray or characterize a new or shaped market, and influencing the norms, or the rules of the game.

Research has shown that the elements are interconnected. For example, a change in the network structure is likely to result to changes in actors' role and competencies as well. But the interconnected nature of the design elements is not limited to single elements. Continuing the same example, a change in the network structure can also lead to changes in elements related to, e.g., exchange or represen-

Categories	Sets	Market elements that can be influenced
Exchange Process	Products	Product properties: product and service innovations to increase use-value
		Scope of the product (bundling vs. unbundling)
		Property rights being exchanged (e.g., ownership vs. access)
	Price or pricing	Pricing logic/price carrier
		Price point
	Matching methods	Channels connecting providers and customers Transaction mechanism (how providers and customers are matched)
Actor Network	Supply network	Number of participants in the supply network
		Types of participants in the supply network
		Work division in the supply network (e.g., out- vs. insourcing)
		New customer groups
	Customer-side features	Customers' competences to use the product / service
		Customers' value perceptions (utility sought)
Institutional Transmitters	Provision	Work division between firm and customers (e.g., self-service vs. full service)
		Infrastructure supporting customers' use processes
		Number of competing providers (directly or indirectly)
		How competing providers interact or cooperate in order to service customers
	Representations	Terminology used
		How media portrays the market
	Market research and statistics	
Norms	Key events and/or awards portraying the market	
		Industry associations (e.g., businesses represented, themes promoted)
	Technical standards (e.g., specifications, industry self-regulation)	
		Formal rules and laws (regional, national or international)
	Social norms (e.g., societal values, industry conventions)	

Tab. 1: Marketing-shaping categories, sets, and elements

tations. Nenonen et al. (2019b) found that focal actors that had successfully shaped their market had applied idiosyncratic patterns of shaping efforts, as the “elements are interconnected and contingent on each other” (p. 626). It seemed that market-shaping actors influence several (but not all) market element either simultaneously or sequentially, driven by insights into the extant market and driving forces influencing it.

This insight points to an opportunity to view market as configurations, perpetually evolving as a result of the dynamics of the activities carried out by various actors related to the elements in the configuration and the relationship between them. Configurations aim at creating harmony, consonance, or fit between the configurative elements (Meyer et al. 1993; Miller 1996; Normann 2001). As an actor disrupts the consonance by introducing new ideas or new resources into the market configuration, the system seeks to recover by aiming at harmony again.

Elements of a configuration interact if the value of one element depends on the presence of the other element; reinforce each other if the value of one element is increased by the presence of the other element; and are independent if the value of an element is independent of the presence of another element (Siggelkow 2002). The equifinality of configurations indicates that several configurations may be equally effective (Doty, Glick and Huber 1993), if the ele-

ments reinforce each other in order to achieve a high degree of *configurational fit*. Alignment of the configurative market elements improves configurational fit and makes improved density of resources possible for the actors.

Typical constructs used to describe the state of a market are “maturity” or “readiness”. We argue that neither of these terms are appropriate for our purpose. Market maturity is not a suitable construct due to its association with the growth rate of a market. Market readiness has its shortcomings, as it implies that at some point markets would be ‘ready’. As discussed above, we argue that markets are always in the making.

Market configurations are – depending on how they have evolved – “more or less markets” in terms of how recognized the various elements of the market are, e.g., how established the product definitions are, how accepted the price formation mechanisms are, how established various actors’ roles are, how stable the norms governing the market are, etc. Drawing on Storbacka and Nenonen (2011), we suggest that a usable construct to depict the evolution of market configurations is *marketness* – a construct originally suggested by Block (1990) – and define marketness as a *continuum describing the level of the configurational fit of market elements*.

In a high marketness situation the market configuration is established and acknowledged, the market elements rein-

force each other, and resource integration is effective. In high marketness situations market actors' business models and value propositions have developed into relatively stable patterns. Similarly, the development process has produced a set of norms and rules that are agreed to by market actors. Also, there are shared images of the market, which make indirect communication between market actors possible via press releases, market analyses, and so on. Hence, there are universally used norms for trade, exchange objects are singularized (Callon and Muniesa 2005), price formation mechanisms are set (Foss and Saebi 2017), matching mechanisms have been established (Roth 2007), there are non-economic actors, such as associations and/or other institutions that measure the market or create rules (Kjellberg and Helgesson 2006), there is a defined set of actors that supply products (Hargrave and Van de Ven 2006), and language and labels related to the market is shared among actors (Granqvist, Grodal, and Woolley 2013).

In exceptionally high marketness cases transactions can be repeated mechanically based on rules [3]. An example of such a market is a commodity market. Commodity markets (such as the gold market) are characterized by a huge number of monetary transactions, the basic sales unit is commonly accepted (ounce), customers are capable to purchase and use the product, the network readiness is high, there are several competing firms in various network positions (producers, intermediaries, etc.), the norms and rules are there, and the market is discussed continuously in the press – at least in the form of the closing rates.

In a low marketness situation there is poor fit between market elements, to the extent that some necessary elements may be completely missing, e.g., there is no agreed upon "product", no price formation mechanism, no clarity in terms of shared language, and no established norms or standards that govern the activities of various market actors. In a state of low marketness, the emergence of stable exchange processes requires a long time and various iteration rounds before demand and supply can be matched and market actors can agree upon the unit of exchange and the price formation logic. This can also stop short of actualizing the exchanges altogether. Low marketness market configurations are characterized with competing viewpoints and lack of commonly accepted norms and rules. Also, efforts aimed at making the market actors and the unit of exchange visible through symbolic representations and labeling efforts may be on-going.

Low marketness markets obviously related to market creation of market formation (Lee, Struben and Bingham 2018), something that is readily discussed in connection to radical innovations. A radical innovation has the capacity to either transform existing markets through dramatic be-

havioral changes, or to create new ones (O'Connor and Rice 2013). Most radical innovations fail (Barczak, Griffin, and Kahn 2009) mainly because the marketness of the market does not develop favorably. O'Connor and Rice (2013) conclude that firms do not seem to recognize that market creation requires a set of capabilities that are different from those used in the earlier stages of the innovation process.

Most of the markets are, however, somewhere in between low and high marketness: they possess various characteristics of functioning markets, but they are not 'perfect' markets in all marketness dimensions. It is also important to realize that high marketness does not necessarily indicate higher value co-creation potential. Sometimes firms may want to deliberately decrease the marketness of their market in order to allow it to be transformed. This is especially evident if the high marketness situation creates an inertia against new form of value creation and ultimately against growth.

Subsequently, in a high marketness situation an actor can choose to involve itself in activities aimed at changing existing market elements with the aim to enable further growth of the market. Similarly, actors engaging in low marketness market can attempt to form market elements in such a way that they improve resource density, i.e., they fit the business model of the actor and enable that the market works in favor of the actor's objectives.

3. Market-shaping roles – demarcated by clout and marketness

Focal actors that are successful in their market-shaping activities can generate market innovations (Kjellberg, Azimont, and Reid 2015; Vargo, Wieland and Akaka 2015) that improve resource density and, hence, the value creation of the market. Viewing market evolution as a continuous movement between lower and higher marketness opens interesting avenues for discussing various roles that market actors can take to generate such innovations by influencing market elements according to their subjective objectives. However, as markets usually encompass multiple and often conflicting efforts to shape them by various market actors, the actions of a single market actor seldom have a complete, Austinian performativity (MacKenzie 2004) towards the market elements. This points to a balance between design and emergence: markets evolve in a balance between deliberate design efforts by various market actors, and spontaneous emergent developments occurring because of the efforts performed by other actors (Mars, Bronstein, and Lusch 2012).

We label the extent to which a market actor can influence a market configuration as the actor's clout (cf., MacMillan,

van Putten and McGrath 2003). Clout is dependent on the actor's capabilities related to market shaping, the actor's position in the actor network, and various aspects of the actor's extant business model that generates power.

In their study of successful market shapers, Nenonen et al. (2019b) identified two sets of capabilities: triggering and facilitating. Triggering capabilities related to directly influencing the above-mentioned market elements (Tab. 1), whereas facilitating capabilities relate to the creative ability of the actor to determine how to apply triggering capabilities. Nenonen et al. (2019b) identified four sets of facilitating capabilities that make market-shaping strategies possible in the first place and determine the success of them, by informing aspects such as their purpose, ways of combining activities, and other principles for action. According to them firms aiming to shape markets must foster activities related to *exploring* and *experimenting* to identify the potential of new resource linkages to increase value creation in the market, and *express* their market vision to other market actors, as well as *engage* them to free up resources for new uses. Exploring aims at discovering alternative development trajectories (Afuah and Tucci 2012) which helps in recognizing the system-wide availability of resources that can enable increased value creation. Experimenting implies activities focused on learning with the market (Storbacka and Nenonen 2015) by probing the market with new approaches and adjusting approach based on actors' response – also called effectuation (Sarasvathy 2008). Expressing relates to the purposeful authoring of sense-giving meanings (Gioia and Chittipeddi 1991) and symbolic actions (Santos and Eisenhardt 2009) that resonate with relevant market actors, ultimately leading to cognitive shifts and frame alignment (Snow et al. 1986). Engaging aims at redirecting actor resources from existing uses to new ones (McCarthy and Zald 1977) through distributed leadership (Gronn 2002) and collective action that creates material and socio-cognitive market elements (Lee et al. 2018).

A market shaping actor's clout will, in addition to its ability to find the right combination of elements to focus on, be dependent on its network position (Storbacka and Nenonen 2011), i.e., how many relationships the actor has, how many of these relationships can be classified as primary contacts, how central is the market actor's position within the market configuration, and what is the market actor's relative power position within the market configuration (McLoughlin and Horan 2002). Hence, actors with network positions that give them access to numerous primary, non-redundant relationships and a central position in terms of the control of strategic information or resource flows, are more likely to be able to shape their market configuration (Storbacka and Nenonen 2011; Zaheer and Bell 2005), as it drives their ability to "pitch" to customers, central network partners and public actors such as regulators.

A strong network position has similarities with 'habitus' in social fields (Fligstein 2002), defined as practical skills and dispositions necessary to navigate within different fields. Skilled actors with habitus can stabilize a field by getting other market actors to share their subjective view on the development trajectories of a market configuration.

Finally, a market shaping actor's clout is also dependent on certain business model characteristics that contribute to the actor's relative power position is within the market configuration. Typically, actors with cost advantages or economies of scale are more likely to be able to use their power to influence the elements of the market configuration that drive change,

Based on this we suggest that a *market actor's clout* is an amalgamation of the actor's capabilities, the actor's network position and relative power.

Building on Pitt, McAulay and Sims (2002), we propose that focal actors could adopt different market-shaping roles depending on the market configuration's marketness and their clout. Combining the marketness aspect with the focal actor's clout, four partly overlapping archetypical market-shaping roles emerge: market maker, market activist, market champion, and market complementor. These market-shaping roles are illustrated in Fig. 1.

Market maker is a market-shaping role available for focal actors with high clout seeking to influence a low marketness market. The main objective of the market maker is to speed up the formation of the market (Lee et al. 2018), i.e., establish the needed market elements, and simultaneously secure the focal actor's position within that market. In order to do this, the market maker utilizes all the previously discussed capabilities.

Successful market makers involve other market actors in collective sense-making by systematically experimenting (Lee et al. 2018). Market makers usually start discussions

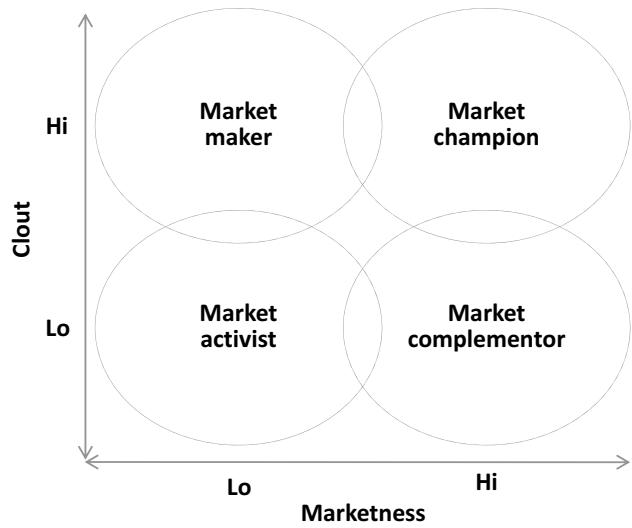


Fig. 1: Market-shaping roles

and trials with a few trusted customers early on – even before they have pilot products or marketing materials to show. They seek to initiate iterative offering development process together with the pilot customers and in so doing they are willing to re-define the product based on the customer response. Additionally, market makers also seek to utilize their strong clout to accelerate the process of creating market elements. They look for ways to utilize their existing network of suppliers, channel partners and providers of complementary products and services also within the new, evolving market. Additionally, they are actively engaging in processes aimed at establishing necessary institutions such as standards, regulations, statistics and labels. Pfizer's activities when creating a market for Viagra can be considered as an example of a market maker role. Initially, sildenafil citrate (more often referred as Viagra) was just a potential product for the existing angina treatment market – until Pfizer's researchers came up with an idea to use it to treat erectile dysfunctions, thus creating an entirely new market. Prior to Viagra, there were no oral treatment of erectile dysfunctions, and therefore Pfizer was active in fostering the development of all 25 interdependent market elements.

The *market activist* is faced with the same challenge as the market maker: they both need to co-create market elements in order to support the evolution of a low marketness market. However, the market activist cannot leverage the same strong clout as the market maker. Thus, market activists adopt for even more collaborative market-shaping role: they pay special attention to creating competitive alternatives and enthusiastic lead customers. Direct competitors are also often fostered by market activists as they can share the burden of creating market elements. The availability of alternative providers has been shown to be a necessary condition of market evolution (Agarwal and Bayus 2002) as it encourages customers to test the new market. Interestingly, consumer have also been shown to act as market activists (Martin and Schouten 2014) as consumers mobilize actors to co-create products, practices, and infrastructures, thus establishing interlinked communities of practice, which gradually evolve into high marketness markets. An example of market activist role can be found from the emerging electric vehicle market, and the early actions of Tesla. Tesla has been deliberately fostering very enthusiastic consumers – a fan base, even – to evangelize about the virtues of electric vehicles. Furthermore, Tesla has released all of its patents to other electric vehicle manufacturers to encourage the development of competing providers – and ultimately, the development of the emerging electric vehicle market.

After a market reaches a state of high marketness, the opportunities for market-shaping are not over. Quite the contrary, there are several examples in which incumbent players have succeeded in transforming a high market-

ness market by adopting a *market champion* role. For example, many B2B firms have expressed their keen interest in moving forward in the value chain, transferring themselves from equipment or raw material providers into solution providers – and thus changing the entire market in which they operate (Storbacka and Pennanen 2014). A classic example of a B2B company acting as a market champion is Rolls Royce and its 'Power by the Hour' concept, moving the jet engine market from sales of investment goods to 'as-a-service' maintenance management contracts. The market shaping efforts of market champions are supported by their strong clout making it possible for them to simultaneously re-design their business models, re-configure the actor network and re-form institutions that govern the market. However, strong clout is not enough: successful market champions are usually highly skilled in value quantification, creating compelling stories that communicate effectively how their new market vision improves the value creation for all actors involved (Nenonen et al. 2020). They also excel in engaging competitors and public actors in the market shaping process.

Focal actors with low clout can also influence high marketness markets by adopting a *market complementor* role. A complementor provides products or services that complement the product or service of another actor that has a dominating role, by supporting the value creation of mutual customers. Like market champions, market complementors actively influence markets by expressing the value of their view, but with a different approach: they understand that communicating meanings that are contradictory with the mental models promoted by firms with higher clout are unlikely to be successful. Therefore, the market specialists seek to leverage the positions of the dominant actors: they aim at becoming either supportive (leveraging the main players' strengths) or truly alternative providers (leveraging the main players' weaknesses) in the existing market set-up. An example of market complementor role can be found from Adobe's actions to popularize the PDF format. From early on, Adobe made a conscious decision not to start competing against dominant players, such as Microsoft and its Office program suite, but to complement them. Since 1993, Adobe has provided Acrobat Reader programs for free and ensured that they work seamlessly with Microsoft programs. In 2005, Adobe's ambition to popularize PDF achieved a major milestone when PDF/A became ISO's de jure standard.

Market complementors can also play an important role in making market shaping possible. Adner and Kapoor (2010) have found out that the ability to extract value from innovations is often dependent complementary product and services. This suggests that the optimal timing of market-shaping attempts is linked to the emergence of complementary actors in the market system, which can be supplier, competitors or channel members.

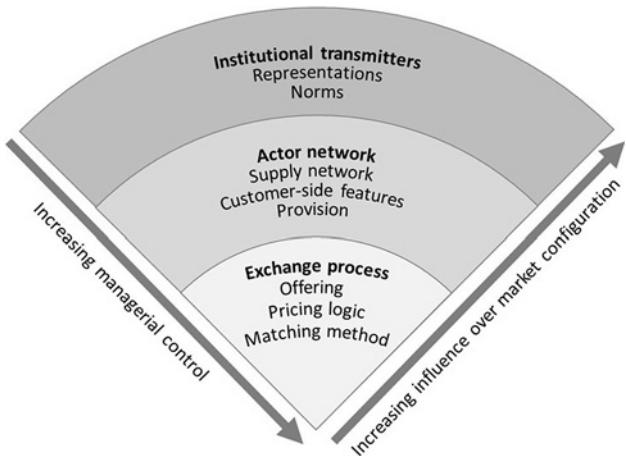


Fig. 2: Managerial control and influence of market configuration

3.1. Commonalities across market-shaping roles

There are certain aspects of market-shaping that are congruent across the different market-shaping roles. First, the triggering capabilities related to influencing the market elements in *Tab. 1* are different in terms of both the level of managerial control that the market shaper has and the level of influence over the market configuration that they provide. To illustrate this aspect, we build on Nenonen and Storbacka (2018) and organize the three identified market element categories into a framework which has three layers (see *Fig. 2*) nested around the focal actor attempting to shape its market.

The content for the first layer (exchange process) flows from the actor's chosen business model, affording the actor more managerial control. All actors are rather independent in making decisions about what to sell and the logic of pricing it. However, influencing the actor network or changing institutions are considerably more complex issues. On the other hand, the further away from the center the layers are, the more leverage the market elements have over the whole market configuration. Independently of the market-shaping role chosen, influencing the outer layers is likely to demand joint efforts by several market actors, both firms and public actors. It is important to note that regulators and policymakers have their greatest influence on the outermost layers; indeed, certain regulations elements are under their direct control. This indicates a need to engage these actors in dialogue and debates about how these market elements can be changed.

Hence, being successful in influencing the marketness of market configurations, may, according to Storbacka and Nenonen (2011), require a change of mindset, in terms of *focusing less on competition and more on value creation*. Firms may want to engage in 'co-opetition' (Brandenburger and Nalebuff 1996) with other market actors (suppliers, customers, partners, and even competitors) in order to advance the market configuration and, hence, improve per-

formance for several actors at the same time. In co-opetition actors co-operate to redefine a market in order to increase the size of the pie and compete in dividing it up (Tantalo and Priem 2016). One example of such co-opetition is the creation of the GSM standard. The GSM standard itself was developed as a long-term cooperative exercise between policy makers and all major communication equipment providers. However, the equipment manufacturers entered a fierce competition for market shares right after the GSM market was created through the common standard (c.f., Nenonen and Storbacka 2018).

Second, independently of the role that a focal actor takes, considerations need to be given to the *time and timing of market-shaping attempts*. Research shows that actors were involved in active market-shaping for years before market-level changes were evident. (Nenonen et al. 2019b). Barring start-up firms whose entire business idea may hinge on market-shaping, a market-shaping approach seems to work best a long-term complement to shorter-term competitive strategies. Using the McKinsey's three horizons framework (Baghai, Coley, and White 1999), market shaping can be seen as a second horizon activity (build emerging businesses) or even a third horizon activity (create viable options).

Markets are plastic and differ in their capacity to change (take form) and to remain stable (retain form) during different points of time (Nenonen et al. 2014). Evidence from organizational and inter-organizational learning (Cope 2003; Fiol and Lyles 1985) and complex adaptive systems (Markose 2005) suggests that radical market change is likely to take place after distinct turning points or even crises. It has also been shown that institutional conflict and innovation is needed before field re-stabilization can take place (Zietsma and Lawrence 2010). The argument is that in market configuration the static coefficient of friction is much larger than the kinetic one, indication that shaping a market that is already "moving" is much easier than attempting to shape a very stable market. Therefore, to be successful, market shapers should time their efforts to coincide with periods of instability, or discontinuity [4]. Such events may decrease the marketness of the market and make shaping efforts more likely to succeed. It seems that especially actors with less clout have a bigger chance to change their market configuration if they time their shaping efforts to periods in which this system is already experiencing turmoil and institutional conflict. The outcome of this may be to engage in what management scholars have called strategy as active waiting (Sull 2005), i.e., waiting for the market to be ready for influence. This may be particularly important for market shapers with low levels of clout.

Finally, market actors need to consider whether to be a *first mover or a fast follower*. The answer to this question re-

lates to above raised issues about time – it takes a long time to shape a market, indicating that the first mover advantage needs to be substantial in order to provide the market shaper with the expected benefits. Such advantages can work if there are high levels of customer lock-in, if the market shaper has a sufficiently flexible core technology and/or business model to accommodate changes in the market configuration and if the proposed market exhibits pronounced network effects (Nenonen and Storbacka 2018).

4. Discussion

This research responds to calls to better understand central facets of how markets emerge and evolve (Peñaloza and Venkatesh 2006; Vargo 2007), and how market actors contribute to the formation of markets (Lee et al. 2018). Thus, the purpose of this research was to explore (1) how to assess the state of a market, and (2) how the roles of a market-shaping actor vary depending on this state.

We view markets as configurations of 25 interdependent market elements that facilitate the emergence and institutionalization of resources linkages, and thus enable increased density of resources for market actors. We further argue that for markets to evolve, many of these elements must be developed in an interactive fashion. Their interdependence indicates that a well-functioning market have a high degree of fit between the elements, i.e., the elements interact or reinforce each other. An example of high configuration fit between the market system elements is a situation where the there is a commonly accepted definition for the core product or service, the price formation mechanism is generally understood and agreed, all market actors use more or less the same terminology, and there are well-established technical standards, formal regulations and social norms guiding the behaviors of various market actors.

We suggest that the state of a market can be understood based on its level of marketness, defined as a continuum describing the level of the configurational fit of market elements. As market actors influence the market elements, the markets configurations are in constant change moving from low to high marketness and vice versa.

We label the extent to which a market actor can influence a market configuration as the actor's clout, which we explain as an amalgamation of the actor's capabilities, the actor's network position and relative power. By simultaneously exploring marketness and clout as contextual contingencies, we identify four partly over-lapping archetypical market-shaping roles: market maker, market activist, market champion, and market complementor. The focus of a market-shaping actor, in terms of which elements to influence and in which order, is likely to vary significantly in the different roles.

Finally, we argue that the strategies of the market-shaping roles have certain similar challenges related to increased collaboration and to the time and timing of activities.

4.1. Contributions

Our research contributes in three ways to the recent wave of research within marketing related to market shaping. First, our research contributes on an overall level to the ongoing work to reconnect marketing to markets (Araujo, Finch and Kjellberg, 2010) by providing a holistic conceptualization of the elements forming a market (Mele et al. 2015). Compared especially to previous research on proactive market orientation (Narver et al. 2004) and market-driving Jaworski et al. (2000), our research illuminates how 'market', the object of market-shaping efforts, is a wider socio-political-technological-material context, which is malleable and to some extent designable. Hence, our research suggests that actors wanting to shape markets need to use a much wider lens in their strategy activities and accept that 'market' is not only a set of customers, the value chain or the industry, but a much larger system (cf., Mele et al., 2015). This is congruent with recent work on stakeholder marketing (Hillebrand, Driessen, & Koll, 2015).

Second, by embracing a systemic view of market configurations and providing an organized overview of the elements that can form the content of market-shaping strategies we provide a starting point for bridging research from various traditions that, sometimes implicitly, are based on various assumptions about the marketness of the markets that they focus on. Most of the (radical) innovation literature assumes a low marketness market context (O'Connor and Rice 2013), whereas literature on, for instance, market practices (Andersson et al. 2008; Kjellberg and Helgesson 2006) implicitly describe the content of market practices in markets characterized with a relatively high marketness. Literature on institutional entrepreneurship or institutional work (Gawer and Phillips 2013) also implicitly assumes that actors in high marketness contexts engage in purposive activities aimed at creating, maintaining or disrupting institutions. By combining insights from all of these literatures, a more granular picture emerges on how focal actors can, in various contextual contingencies, go about influencing the market configurations that they populate: what elements to focus on, in which order and using which kinds of approaches.

Third, our discussion about market-shaping clout and its components (capabilities, network position and business model characteristics) highlights the various opportunities for a focal actor to improve its ability to influence the evolutions in markets, and by doing so adds to the discussions about market-shaping, market-driving and proactive market orientation. Although previous research has developed frameworks that describe and examine both

antecedents and outcomes of strategies aimed at shaping markets (Jaworski et al. 2000), as well as the challenges faced when implementing innovative and entrepreneurial practices in large organizations (Carrillat et al. 2004), and firm-level capabilities needed (Nenonen et al. 2019b), the discussion on the clout or power of individual actors has remained scant.

4.2. Avenues for further research

As with any research process, also this one has its limitation, of which the most obvious one is that the research has been focal actor focused: we have analyzed marketness from the point of view of one actor wishing to alter market conditions. This is an obvious limitation; the notion that multiple actors are involved in market shaping implies market multiplicity (Kjellberg et al. 2012). Additionally, and as suggested in our discussion, success in market-shaping hinges on many actors collaborating, which indicates a need to carry out longitudinal research expanding the unit of analysis to a system or network level. There will be, at any one given time, multiple understandings of what a market is, held by multiple actors. Dealing with marketing multiplicity is an important research avenue, and we echo Kjellberg et al. (2012) in their identification of possible research questions: how can market interpretations converge in markets, and how are multiple enactments of markets aligned in the development of various market elements?

All the three concepts introduced in our research, i.e., marketness, clout and market-shaping roles, require more research. First, any focal actor wanting to engage in market-shaping would need to be establish a more fundamental understanding of the state of the market. Hence, what is needed is further operationalization and explication of what marketness is, and especially how marketness could be evaluated and measured. The elements of this have already been explored in literature, and we suggest that the measures developed by Nenonen et al. (2019a) could be used as a starting point for the development of a marketness scale.

A second avenue for further research would be to connect our findings to literature on power, i.e., what is the shaping power of the different market elements – and how can we better understand actors' clout to influence these elements. As noted in our discussion on market elements, the elements are likely to have a differential shaping power over the entire market configuration. For example, elements related to norms and the network were seen as 'stronger levers' than elements related to, for instance, value propositions. Literature provides some clues for these observations. For example, the configurational approach (Meyer et al. 1993) acknowledges that changing one element in a system may have a stronger or weaker influence over the overall system configuration, depending on the

relationships that the elements have to each other (interacting, reinforcing, independent). Performativity in market practice (Callon 1998; Kjellberg and Helgesson 2006), on the other hand, informs us about how theories and ideas influence the development of market systems. However, further research is warranted to increase our understanding of the relationships between the different design elements and whether some of them have higher shaping power over the market system than others.

When it comes to the actors' clout to influence different elements in the market configuration, concepts such as habitus or clout (MacMillan et al. 2003), and keystone actors (Zahra and Nambisan 2012) inform us about the relative power differences between different firms, but there appears to be scant literature that explains why some elements may be more easily influenced by market-shaping actors than others. As with marketness, it would be beneficial for actors wanting to engage in market shaping to be able to assess their clout in chosen contexts. Hence, echoing Kjellberg et al. (2012) who identified the impact of power relations on market change processes as an important area requiring further research, we suggest the need to develop measurement scales, which could incorporate extant knowledge on power and network positions.

Finally, given that we know very little about how focal actors adapt their market-shaping strategies given their relative clout and the marketness of the market, further research should focus on delineating the identified market-shaping roles. It is obvious that these roles are both complex and over-lapping. Nevertheless, more detailed knowledge is needed related to their differences in terms of the market elements that the focus on, the capabilities that they used, and the activity process that the engage in.

Given their complexity, a promising avenue for research in this context would be to use fuzzy-set qualitative comparative analysis (fsQCA) as a tool to develop deeper understanding on how market configurations evolve and how the different market-shaping roles influence this change. FsQCA is particularly suitable in studying complex causality as it recognizes nonlinear or asymmetric relationships and allows the identification of multiple causal pathways that cannot be found using traditional statistical methods such as structural equation models (Ragin, 2008). Interestingly, there is a growing discussion on a neo-configurational perspective (Miller 2018; Greckhamer et al. 2018) in connection to the use of fsQCA and in recent research this method has been used to understand the role of one market element, i.e., value propositions, in the context of market shaping (Nenonen et al. 2020).

Finally, all the above-mentioned research avenues would benefit from longitudinal analyses of market-shaping strategies and market dynamics: how do markets evolve, how does market change emerge and develop, are there

generic steps that can help focal actors to focus its actions? Such research would benefit from a number of long-term case studies of firms that have either been successful or unsuccessful (Ozcan & Santos, 2015) in their attempts to shape a market.

4.3. Managerial implications

The content of our paper contains important suggestions for practitioners. Viewing markets as endogenous to the firm implies major changes to strategy processes. First, markets cannot be seen as given structures where actors simply compete for positions. Therefore, the focus of strategy should not be so much on competing but more on how to increase value creation of the market configuration. This suggests that firms should broaden the unit of analysis in their strategy processes. Firms are accustomed to make firm-level strategies. However, to thrive in operating environments characterized by digitalization, malleability and unpredictability, firms should complement these firm-level action plans with deliberate strategies for their market systems. The aim of these system-level strategies is to improve the market system – and the outcomes it delivers – for all involved actors. Oftentimes these market-level strategies are devised and implemented collaboratively with other actors. Furthermore, these strategies to improve markets increasingly pay explicit attention to social and environmental sustainability.

Second, markets are constantly evolving as companies actively engage in market-shaping strategies. This suggests that opportunities are not precursors of strategy; instead opportunities should be seen as outcomes of deliberate market-shaping efforts. Any firm can choose to become a market-shaper by proactively and deliberately influencing how the 25 identified market system elements develop. However, it is not necessary – and oftentimes not possible – to affect all of the 25 market system elements at the same time. Thus, all market-shaping strategies should start with a robust assessment of the marketness of the market in question. Based on such an assessment, the market-shaping firm can assume an appropriate market-shaping role (e.g., market maker in a low marketness context vs. market champion in a high marketness context), determine the market system elements to focus on, the activities to initiate to influence these elements, and the collaborations to engage in.

Third, the appropriate market-shaping strategies – and sometimes even the success of the entire market-shaping initiative – is dependent on the clout of the actor. Therefore, the analyses preceding the formulation of market-shaping strategies should also include a realistic assessment of the firm's clout or market-shaping power. Appreciation of the clout will provide additional insights for the selection of the suitable market-shaping role (e.g., market

maker if the actor has a high clout vs. market activists if the actor is less powerful). Furthermore, as market-shaping strategies are often long-term initiatives, firms should gradually and systematically work on increasing their clout. Increasing one's market-shaping power can be achieved by developing new organizational capabilities as well as building new relationships to other relevant market actors. Improved clout will, in turn, open more opportunities for proactive market-shaping and hence increase the likelihood of positive outcomes.

Notes

- [1] Institutional logics are embedded in everyday actions and practices, and thus they change very slowly. Additionally, influencing institutional logics, containing often deeply ingrained belief systems, directly on a market-ecosystem level can be very challenging. Therefore, drawing on Scott (2014), we focus on the representations and transmitters of institutional logics. These representations and transmitters can take various forms such as signs and symbols, practices and routines, social structures, and codified institutions (e.g., laws, rules, or standards). The representations and transmitters of institutional logics are more tangible and often more easily influenced than the institutional logics themselves.
- [2] This is congruent with the market definition provided by Lee, Struben and Bingham (2018, p. 245): "structured and patterned exchanges that exhibit a high degree of regularity in product/service offering, the roles that actors play in the exchange, and the infrastructure that enables and governs the exchange".
- [3] This is what Block (1990) originally meant with marketness: "high marketness means that there is nothing to interfere with the dominance of price considerations, but as one moves down the continuum to lower levels of marketness, nonprice considerations take on greater importance. It is not as though prices are irrelevant under conditions of low marketness, it is just that they compete with other variables, so that one would expect price differences to be much larger before they led actors to respond (Block 1990, p. 51)." [4] In a recent managerial book (McGrath 2019) the arguments is that various "inflection points" are moments when the assumptions about your business change or become irrelevant, which can form a starting point for radical renewal.

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Emotional Labor and Service

When Arlie Hochschild introduced the concept of emotional labor in her seminal book „The Managed Heart“ (Hochschild 1983), she connected the construct to service work with two key observations. First, service organizations manage their service workers to engage in emotional labor in order to benefit customers' service experiences, satisfaction, and retention. Second, while emotional labor is beneficial for customers it may be costly for service workers. Since then, emotional labor has been an area of expanding research interest in organizational psychology and organizational behavior, as illustrated by recent reviews and meta-analyses (e.g., Grandey & Melloy 2017; Hülsheger & Schewe 2011). Current research has focused on the theoretical perspective on emotional labor as emotion regulation, which is defined as „the process by which individuals influence which emotions they have, when they have them and how they experience and express these emotions“ (Gross 1998, p. 275). The core of emotional labor as emotion regulation is that service workers regulate their own emotions in order to display appropriate emotions in service encounters. Obviously, appropriate emotions are those emotions in line with the customer service role.

However, the emotional labor as emotion regulation perspective vis a vis customers may overlook other aspects involved in emotional labor in service work (Bowen & Schneider 2014; Zapf 2002), specifically the dissonance created for workers between their own inner feelings and the positive behaviors (emotion-rule dissonance) in pursuit of appropriate service behavior. That dissonance may yield detrimental negative felt emotions as a source of stress (Semmer, Messerli, & Tschan 2016). Those emotions may be triggered by negative customer behaviors (Fischbach & Zapf 2004; Rupp & Spencer 2006) but context variables like the service climate and the internal service quality emphases may also be a source of service workers'

negative feelings (Bowen & Schneider 2014; Hong, Liao, Hu, & Jiang 2013). Unfortunately, little is known to date about the effects of a service organization's service climate and internal service on emotional labor and its effects on either customers or service workers. In order to broaden our understanding of emotional labor research beyond the emotional labor as emotion regulation focus, this special issue seeks to explore the role of emotional labor with a particular focus on the service context in which it occurs.

We welcome interdisciplinary contributions from disciplines like service management, organizational behavior, and occupational health psychology that consider emotional labor in context. Thus, exploration of issues such as the following are welcome: automatization (Paluch & Wirtz 2020), demographic changes (Dormann, Brod, & Engler 2017; Lichtenhaler & Fischbach 2016), proactive service behaviors (Lichtenhaler & Fischbach 2018), detangling negative affect from the surface acting concept (Semmer et al. 2016), low-cost service industries (Rajaguru 2016), violence, aggression and lack of respect in service encounters (Rupp & Spencer 2006), or customers' roles and activities in service delivery coproduction and cocreation (Anderson & Ostrom 2015).

We seek contributions that approach these kinds of issues vis a vis emotional labor in context:

- Theory development (e.g., models and conceptual frameworks that integrate emotional labor in the service context, like integrating emotional labor in the service climate research framework).
- Methodological advancements (e.g., studies that validate advanced measures of emotional labor task characteristics and emotion regulation strategies).
- Interplay between service climate characteristics/internal service characteristics and emotional labor (e.g. studies that demonstrate how service oriented leadership, HR practices, and system support affect emotional labor antecedents and consequences).

- Simultaneous effects of service work design and redesign on service workers and customers (e.g., studies that demonstrate how service characteristics affect service worker health and well-being and in turn emotional displays in service encounters).
- Expanding emotional labor research on unit-levels, organizational-levels and occupational levels (e.g., determinants and consequences of unit-level emotional labor; explaining emotional labor characteristics and consequences across occupations).
- Expanding emotional labor concepts (e.g., determinants and consequences of detachment strategies in emotional labor; external emotion regulation and sensitivity as an emotional labor requirement).
- Exploring the possible effects of context to mitigate the potential negative consequences of emotion regulation.

Submission

All manuscripts submitted must not have been published, accepted for publication, or be currently under consideration elsewhere. Manuscripts should be submitted in accordance with the author guidelines available on the journal homepage <https://rsw.beck.de/zeitschriften/smr/for-authors>.

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EXAMINING USER EXPERIENCE OF CONVERSATIONAL AGENTS IN HEDONIC DIGITAL SERVICES - ANTECEDENTS AND THE ROLE OF PSYCHOLOGICAL OWNERSHIP

Sebastian Danckwerts, Lasse Meißner, and Caspar Krampe

Conversational agents (CA) that interact with users in human language have become increasingly popular over the past years. This study explores antecedents of the user experience with CAs in hedonic digital services, utilizing the example of music streaming services. Moreover, this study investigates whether a positive CA user experience increases users' sense of psychological ownership towards the service, which in turn is supposed to positively influence users' intention to use the service's fee required premium version. Using structural equation modelling, the results indicate that perceived humanness and perceived personalization of the CA positively affect the user experience. The results also show that CAs can greatly benefit from higher humanness and personalization when users trust the hedonic digital service. Furthermore, psychological ownership has been identified as an underlying mechanism through which CA user experience leads to users' premium usage intention, indicating that CAs might be valuable for hedonic digital services. (to the whole article...)

PROFESSIONALISM KILLS THE TRADING STAR: EXPLAINING MEMBER PARTICIPATION IN TRADING COMMUNITIES

Sabine Benoit, Jens Hogreve, Christina Sichtmann, and Nicola Bilstein

Trading communities provide non-commercial members with an online platform on which to exchange goods. Its success depends on member participation; however, little is known about its drivers. Based on literature we identify five drivers. To capture their impact over time we test a latent growth curve model with longitudinal data

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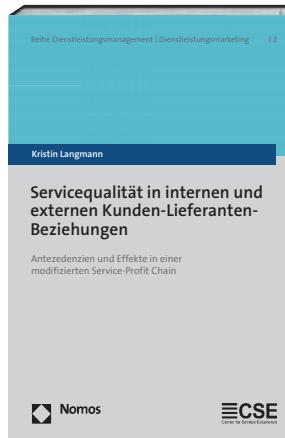
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