

Actor engagement practices in market shaping

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Purpose: Markets are shaped by the purposive actions of actors, aimed at creating new linkages, improving resource density and, hence, value creation in a market (Nenonen et al, 2018). New resource linkages imply the creation, or change of actor engagement (AE hereafter) practices. However, little is understood about how ecosystem actors create or modify these resource linkages. Drawing on actor engagement (Brodie et al., 2019) and markets-as-practices literatures (Kjellberg & Helgesson, 2007; Aroujo & Kjellberg, 2011), this conceptual paper thus develops a conceptual framework examining the role of AE practices in market shaping. Hence, it contributes to our understanding of the (re-)formation of resource linkages as AE behaviors evolve and become institutionalised.

Design/methodology/approach: The conceptual development is supported by an illustrative case study of the Winding Tree (<https://windingtree.com/>), a decentralized travel ecosystem using blockchain technology. The Winding Tree empowers actors (e.g. airlines, partners and customers) to collaborate and innovate together based on an open decentralized infrastructure (i.e. engagement platform) without any middlemen (e.g. travel agencies) being involved, thus providing ideal conditions for demonstrating market shaping through evolving AE practices.

Findings: AE is a dynamic, iterative process embodying actors' dispositions to invest resources in their interactions with other connected actors in a service system (Brodie et al., 2019). We argue that it is through the engagement process that actors interact and create new resource linkages. Hence, market shaping necessitates the creation of, or change in, AE behaviors. However, behavioral change in an individual is insufficient, as successful market shaping will require all actors in an ecosystem (including 'customers', 'partners', 'suppliers' and 'users' of the new solution) to adopt new practices to accommodate or support new market offerings. Although the institutionalization of engagement behaviors to practices can occur organically, as individual engagement behaviors coalesce and become institutionalized over time, the case of market shaping reflects the purposive actions of a focal actor, or group of actors, to create new engagement behaviors.

Originality/value: This paper demonstrates actor engagement as one key mechanism for market shaping. When established market representations are disrupted, a process of de-institutionalization of engagement behaviors takes place. Inversely, when engagement practices are established as new norms and expectations, processes of institutionalization occur. While previous literature has recognized engagement as an iterative process, this is the first paper to examine the institutionalization process of engagement behaviors leading to new resource linkages and the shaping of new markets.

References

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