

Rapid market shaping through competitor collaboration

Baker Jonathan, Brodie Roderick, Nenonen Suvi

Purpose – The nascent area of market-shaping research has predominantly taken either a (macro) systems-level perspective (Humphreys, 2010), or a (micro) practice-level perspective (Kjellberg & Helgesson, 2007). Instead, we look at the role of a temporary meso-level collaboration by small, geographically isolated competitors to change the incumbent logic in wine markets globally. In the early 2000s, due to frustration at wine-cork failures, a small group of entrepreneurial winemakers in New Zealand formed a collective to institutionalize the screwcap as an acceptable closure on premium wines. Undertaking various forms of ‘market (institutional) work’ (Nenonen, Storbacka, & Frethey-Bentham, 2018) the collective initially coalesced around a shared problem, then gradually evolved from an ephemeral entity into a stable entity, progressively targeting greater numbers of other market actors. In toto, the collective modified logics in several markets globally.

Design/Methodology/approach – The study follows a qualitative inductive approach, drawing on 25 hours of interview data, organizational documents, and secondary data, e.g., websites, books, etc. The study synthesizes ‘market work’ and Sawyer’s (2005) theory of social emergence to explore the different types of market work undertaken at different stages of a collective’s evolution.

Findings – Outcomes of market work manifest at different levels of the market as a collective moves from being ephemeral to stable. Early market work focuses on visioning and negotiating through multi-directional communication patterns as goals and objectives are agreed (Zietsma & McKnight, 2009). Additionally, building legitimacy through the careful selection of alternative practices and collaborators is key in the early stages (Battilana & D’Aunno, 2009). Later, once a collaboration is stabilized and respected, communication patterns can become more one-way and coercive (Lawrence, Hardy, & Phillips, 2002). Additionally, market work involving demonizing incumbent practices changes long-held belief systems; while market work involving promoting and educating diffuses new meanings and understandings (Lawrence & Suddaby, 2006). Bundling these two types of market work appears key to rapid market-shaping (Hargrave & Van de Ven, 2009).

Research limitations/implications (if applicable) – As a single case study, generalizability is problematic.

Practical implications (if applicable) – Although large players have typically been found to be drivers of market change (Greenwood & Suddaby, 2006), we find small, isolated market actors also have the capacity to shape a market. However, when developing collaborations, who *not* to collaborate with is as important as who to collaborate with.

Originality/value – Little attention has been paid to how business collaborations attempt to modify previously accepted institutionalized elements in markets (Christiansen & Kroezen, 2016). An institutional lens coupled with emergence theory proves particularly valuable for examining strategic steps taken to change incumbent market practices, expectations and beliefs.

Key words – market-shaping, market work, competitor collaboration, social emergence, meso-level

Paper type – Research paper

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