

Market Practices: Insights into Market Evolution and Market Actor Motivation to Conform

Gosling Martyn, Richard James E.

Purpose - Marketing theorizing has diverged from the neoclassical economics goods-centric model of markets. The market practice model founded on social practice theory provides an alternative approach towards a general theory of markets. This conceptual paper explores the insights provided by the model towards salient questions raised by Vargo et al (2017) as to how markets emerge and evolve, how competitive and social issues affect the configuration of markets, and how market actors are motivated to change behaviors.

Design/Methodology/Approach – The authors draw on diverse literature to advance the market practice model, and explicate how market actors determine the ‘us’ within a market from the ‘others’ outside the market, and thus how market actors adopt specific practices in order to engage and exchange in a market. The approach also draws on understandings of competitive intensity amongst providers and amongst users as influencing market change and actor conformity.

Findings – The market practice model is a recent conceptualization contributing to the debate of a general theory of markets in the services-paradigm. The model describes market boundaries, and thus performances by market actors, as defined by the limits of specific categories of market practices termed *parameters*. The model provides insights into how markets change as parameterising practices emerge and evolve or dissipate. Change in one or more parameters may not only change the boundaries of a market but also force changes to the embedded institutional practices prescribing the performances by market actors. We present two distinct but related approaches to the willingness of market actors to perform in step with the specific practices of a market in order to gain and retain inclusion.

Originality/Value – The market practice model provides insights essential to market conceptualizations accounting for dynamisms and complexity. This paper advances the debate of markets as social structures demarcated by specific categories of routinized practices by explicating market formation and evolution, and actor compliance. Such conceptualizations are vital in forwarding the service-dominant paradigm.

Research implications: Market boundary definition and actor performances provides a dynamic context for future market conceptualizations impacting on market understanding and marketing strategies.

Key words – Markets, market boundaries, social practice theory, market evolution, market actor conformance

Paper type – Conceptual paper