

## Viability Conditions and Market Shaping

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**Purpose** - Practitioners and academics are increasingly recognising proactive market shaping as a suitable strategy to navigate the increasingly unpredictable operating environment (cf. Harrison & Kjellberg, 2016; Kindström et al., 2018; Nenonen & Storbacka, 2018). Market systems are characterised by plasticity (i.e. the markets' ability to both take and retain form: Nenonen et al., 2014). Not surprisingly, most of the existing market-shaping studies focus on how a focal actor can induce a market to take a new form which is seen to be beneficial (i.e. viable) from his or her perspective. However, there is almost no research on how aspiring market-shapers should approach the market's ability to retain form – even though market-shaping strategies aim at creating market systems that retain their novel form, at least temporarily. Thus, the purpose of this paper is to examine under which conditions market-shaping strategies result in a viable system for the focal actor (i.e. able to survive over time: Barile and Polese, 2010) by adapting to the changing environment (von Bertalanffy, 1968).

**Design/methodology/approach** - We examine this process using an emergentist and systems approach, in which a market is seen as a system and market shaping is seen as activities that deliberately augment and steer the conditions under which the emergence of a new market takes place (i.e. the taking of form), and the conditions under which the emergent new properties of the market are viable and able to be maintained (the retaining of form). In this context we define emergence as an ongoing process that generates new emergent properties (e.g. entities, structures, concepts, qualities, capacities, mechanisms) from a structure of actors and relationships (Barile and Polese, 2010) where the whole is more than the sum of its constituent parts (Capra, 1996; Peters, 2016). In our illustrative case example, we look at a single longitudinal case over a ten-year period. Specifically, the wooden high-rise building market in Finland between 2008 and 2018. This market was able to emerge at a particular point in time and retain its form, even though the actual technology necessary to produce the laminated wood products necessary for high-rise building had been known about for some years.

**Findings** - Systems operate within conditions (e.g. process design, information technology, management behaviour, feedback systems, market structure, resource density, environment). While there are many systems conditions, only a vital few may be needed to make substantial viable change and self-regulation possible. The capacity to retain form in markets is often explained in terms of mechanisms (i.e. formalization, institutionalization, routinization, and materialization: Nenonen et al 2014) operating under specific conditions. We highlight in our case example instances where such mechanisms and conditions help explain the viability of the market from the perspective of the focal actor.

**Originality/value** - While much of the literature and research on creativity, innovation, and co-creation shows that access to new and novel resources are fundamental for success, we know less about the more mundane aspects of maintenance and utilisation. We explore how these aspects support the viability conditions needed for systems to not only take but also to retain form over time.

## References

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