

Approaches to Theorizing Markets

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ABSTRACT

Purpose

In the last 5 years a debate has risen on the concept of markets, on how markets come to being, and on the role of practices and its dynamics. There have been some cross referencing between authors but, so far, no effort has been conducted analysing the links between the various perspectives within the debate on the concept of the market. This paper aims to address this gap and to propose an integrative framework.

Methodology/approach

Through a literature review, the paper focuses on recent studies about new conceptualizations of the market.

Findings-

From the analysis it emerges that scholars are moving their focus from marketing to markets, where markets are seen as a socio-historically situated institution. The authors develop an integrative framework of the emerging interpretations of the market. The framework identifies two core categories (market process and market outcome) and the links between them.

Research Implications-

This paper offers a contribution to the debate about markets, outlining some directions for the research.

Practical Implications-

A deeper understanding of the market concept and its functioning can help practitioners in their market co-creation process.

Originality/value-

As several studies are theorizing new conceptualizations of market, this paper offers an insightful review of the state of the art and makes a contribution for a further development.

Key words (max 5): market, value co-creation, S-D logic, social construction, resource integration

Paper type-Conceptual paper

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Work in progress

INTRODUCTION

Buzzell (1999) in the *Journal of Marketing* special issue on “Fundamental Issues and Directions for Marketing” discusses the need to “consider the question on how a market should be defined” (p. 61). In the last 5 years a debate has risen on the concept of markets, on how markets come to being, and on the role of practices and its dynamics (Peñaloza and Venkatesh 2006, Golfetto and Rinallo 2006, Venkatash and Peñaloza 2006, Kjellberg and Helgesson 2006, 2007, Azimont and Araujo 2007, Araujo 2007, Ellis et al 2010). Several of these academics adopt a postmodern vision of the market, and understand social reality as an ongoing creation process. Almost simultaneously, the Service Dominant Logic [S-D logic] (Vargo and Lusch 2004) suggests the need to revisit the positive foundations of the marketing discipline (Vargo and Morgan 2005) and develop a positive theory of the market (Vargo 2007, 2009).

There have been some cross referencing between authors but, so far, no effort has been conducted analysing the links between the various perspectives within the debate on the concept of the market. This paper aims to address this gap. The authors develop an integrative framework of the emerging interpretations of the market. The framework identifies core categories and the links between them.

The paper is structured as following. First a brief historical evolution of the market concept within marketing is presented. Next, through a literature review, the recent conceptualizations of the market are discussed. Then, the integrative framework is developed. The paper closes with a discussion of a set of academic and managerial implications.

BRIEF HISTORICAL EVOLUTION OF THE MARKET CONCEPT WITHIN MARKETING

Origins: from the Marketplace to the Market Concept

In the ancient Greece, the term *Agorà* (ἀγορά, from ἀγείρω = to collect, to gather) identified the marketplace as the centre of the city’s commercial, economic and political life. It was the main

place where people performed activities and created interpersonal relationships by exchanging ideas and arguments. Also at the beginning of the Roman period the market was identified with a physical place: the *Forum*. Later the Forum was transformed into a political centre while the term *Mercatum* (Latin *mercari*: to trade) -from which the term market derived- was used to identify the place for commercial activities and where negotiations among producers, traders and consumers occurred. In the Middle Ages (and in the following centuries) market places not only had a commercial role, but were also centres to communicate and diffuse experiences, cultural and political news. Around the 18th century, a shift to a more abstract connotation of the term market took place. Market became associated to the set of demand and supply; it was the match point for the realization of economic exchanges between buyers and sellers (Smith 1776, Marshall 1890).

Views of the Market Concept in the Marketing Literature

In marketing, initial works build on this economic perspective of the market. The aim was to understand social and economic processes fostering exchanges (Shaw 1912, McGarry's 1950, McCarthy 1960). Alderson and Martin's (1965) "Law of Exchange" clearly evidences this distance between supply and demand,

"Given that x is an element of the assortment A_1 and y is an element of the assortment A_2 , x is exchangeable for y if and only if these three conditions hold: (a) x is different from y , (b) the potency of assortment A_1 is increased by dropping x and adding y , and (c) the potency of assortment A_2 is increased by adding x and dropping y " (p. 121).

Kotler (1967) introduces two definitions of the term markets: as "an arena for potential exchanges" (p. 6) as well as "all person or business units who buy or may be induced to buy a product or service" (p. 6). Both interpretations to the term (market as *situ* for exchanges and market as a synonym of the demand) build on the economic literature. Currently this view is reflected in, for example, the market orientation scales (Kolhi and Jaworski 1990, Naver and Slater 1990; Kohli, Jaworski, Kumar 1993) as well as the latest AMA definition of marketing. Kolhi and Jaworski's MARKOR stages (information generation, information dissemination and organizational responsiveness) show a clear division between supply and demand. The AMA 2007 definition reads,

"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and

society at large”.

This definition reinforces the view that the ‘selling party’ has the responsibility of creating and delivering value to a set of stakeholders.

In the 70s an alternative approach to understanding the setting in which exchanges occurs was introduced. It was Bagozzi (1974) who ‘repositioned’ social exchange school (McInnes 1964). In 1974 he stated that in *exchange systems*, “the actors’ behaviours are affected by endogenous and exogenous variables” (p.78). In 1978 Bagozzi argued that,

“No longer are buyers and sellers treated solely as isolated actors *emitting or responding* to stimuli. Rather, marketing behaviour is now regarded as an inherently social activity where outcomes of exchange depend on bargaining, negotiation, power, conflict and the *shared meaning* existing between buyer and sellers exchange relationships” (italics added) (p. 536).

This view builds on *systems theory* (von Bertalanffy 1968, Beer 1972, 1975) and the works of organizational theory scholars such as Boulding (1956, 1981). Boulding states that organizations and their environments are engaged in a pattern of co-creation, where each produces the other. Environments then become in some measure always negotiated environments, rather than independent external forces. This ecological perspective makes two important contributions. First, that organizational environments can be seen as being a product of human creativity, in other words they can be understood as socially constructed phenomena (Berger and Luckmann 1967; Weick 1979; Bourgeois 1980). Second, resources can be seen as abundant and self-renewing and organisms can collaborate as well as compete.

In marketing, the system perspective is integrated with insights from total quality management (Ishikawa 1985), human resource management (Mintzberg 1973), social exchange theory (Thibaut and Kelly 1959), and from the resource dependence theory (Pfeffer and Salancik 1978). This alternative perspective (to the economic view of the market) is adopted by the inter-organizational schools (ej. Arndt 1979), the IMP group (ej. Hakansson 1982), the service school (ej. Normann 1984, Grönroos and Gummesson 1985) as well as the network approach (ej. Thorelli 1989). In Arndt’s (1979) words,

“[it] calls for more attention to maintenance of effective inter-organizational *marketing systems*, this is a contrast to the traditional concentration on the marketing mix” (italics added) (p.75).

As a result, terms such as markets-as-networks (Thorelli 1989; Matsson 1997; Snehota 2003) begin to be adopted. Hakansson and Snehota (1989) depict the strong believe in the organization's embeddedness in its context. In their words,

“the network approach seems to open up a quite new way of conceptualizing companies with markets...The establishment and development of an inter-organizational relationship requires a ‘mutual orientation’” (colons in original) (pp.529-530).

The brief review shows that the Greek Agorà, the Romanian Forum and the later Mercatum were places for comparison and relational construction but, now, the concept of market has widens the connotations but has lost the contents.

Current Critical Review of the Market Concept

Currently, a revival of the debate on the adequacy of the economic view of the market is taking place. Some marketing scholars have assumed a critical point of view about the concept of the market and its use within the discipline. For example, Venkatesh, Peñaloza and Firat (2006, p. 252) point out that “the term market is everywhere and nowhere in our literature”. Ellis et al (2010, p. 228) argue that, that “marketing scholars have taken for granted the existence of ‘the market’ as a priori, self-generating reality and there is only a nascent understanding of markets (and market exchanges)”. Simultaneously, but from a different epistemological approach, Vargo (2007) outlines the need to develop a positive theory of market as a positive theory of human exchange.

In short, there seems to be a growing agreement that the concept of the market has been under-theorized by marketing scholars and that there has been an over dependence on the traditional economic theory of the market. As a result a debate on market's forms and practices has aroused (Peñaloza and Venkatesh 2006; Azimont and Araujo 2007; Araujo 2007; Golfetto and Rinaldo 2006; Venkatash and Peñaloza 2006; Kjellberg and Helgesson 2006, 2007). The debate on the market concept and market-making can be integrated with the studies, within the effectual logic, on new market creation (Sarasvathy and Dew 2005; Dew and Sarasvathy 2007, 2009). Several of these authors adopt a postmodern vision of the market, where social reality is understood as an ongoing creation process. The emergent character of the reality is shaped and steadied by the interacting actors. These studies evidence that scholars are moving from markets *as given* to markets *as a socio-historically situated institution*. The next section will review the different re-

conceptualizations of the market.

RE-CONCEPTUALIZATION OF THE MARKET

This section reviews articles with regard to their contribution to the debate on the conceptualization of the market. A few clarifications need to be made: first, the paper recognizes the importance of the debate initiated in the 70s but focuses on the recent discussion on the re-conceptualization of the market; second, the above mentioned authors draw from diverse theoretical backgrounds thus their ontological and epistemological positions need to be clarified; and third, given that often the discussion of the definition of the market takes place within papers that are focused on other topics it is necessary to specify that this review does not provide an exhaustive discussion of the author's arguments on the other themes. Table 1 summarizes the approaches to markets: Markets as signs and meaning; markets as practices; markets as configurations; markets as metaphors and discourses; markets as effectual artifacts; and markers as resource integration for value co-creation.

INSERT TABLE 1 HERE

1. Markets as signs and meaning

Venkatesh, Peñaloza and Firat (2006), Venkatesh and Peñaloza (2006), Peñaloza and Venkatesh (2006) launch a call for studying markets and, specifically, markets as sign systems. They build on the interpretative and critical literature from consumer behaviour and see market as a social construction. They support their view on five pillars.

First, the importance to adopt not only a marketer's but also a consumer's perspective. To them, marketers and consumers co-produce meanings which should be incorporated into the value equation. Second, this value equation sees value-in-exchange and value-in-use as interlinked, i.e. "value may be seen to be constituted in exchange and in use simultaneously and sequentially" (Peñaloza and Venkatesh 2006, p. 303). Third, they introduce a new perspective of value: value-as-meaning, i.e. exchange of meaning and use of meaning. Fourth, they propose moving from a subject-object approach to studying the subject-subject relationship. Fifth, the need to shift from looking at isolated individuals to social beings inhabiting communities. There is the need to view relations in the context of society not as separate matter. In this perspective "markets are not self-contained entities but rather take on distinct discursive focus and material practices across various social contexts and over time" (Venkatesh and Peñaloza 2006, p.147).

Summing up, “a market is constituted by marketers and consumers in their activities and discourses via an enacted process, a social construction that takes place prior to, during and after the actual exchange and use(s) take place” (Peñaloza and Venkatesh 2006, p.303).

2. Markets as practices

The concept of practices is central in the debate on market and market shaping adopted by Andersson et al. (2006), Golfetto and Rinallo (2006), Kjellberg and Helgesson, (2006, 2007), Azimont and Araujo (2007), Araujo, (2007), Arajuo, Kjellberg and Spencer (2008). These authors’ adopt a relativist ontological and a realist epistemological position, and build on Callon’s (1998) practice-based approach to social science. The authors’ discussed in this section move the debate focus from marketing to the market.

Kjellberg and Helgesson (2006) describe markets as composed by several interlinked sets of practices, such as: i) exchange practices involving individual transactions; ii) normalizing practices referring the formulation of market behaviour’s rules and norms; and iii) representational practices describing the structure and the functioning of specific markets. In a similar vein Andersson et al. (2006) point out that markets are performed as actors engage in market practices, were a specific combination of practices define the exchange mode.

Adopting a practice-based approach implies moving from a *representational idiom* (as Venkatesh and Peñalosa 2006 use) to a *performative idiom*. The former argues that it is possible to reach a comprehensive and accurate representations and typologies of markets (Venkatesh and Peñaloza 2006). The latter directs attention to the emergent and unfolding practices that actors engage in to construct and problematize markets. The first group will argue that *reality is socially constructed* while the second suggests that *social reality is constructed*. As a result, a market is constructed by the representation of its actors.

The authors’ discussed in this section focus on market-making where the construction of markets depends on the participation of different actors and their interpretations (i.e. calculative agencies). In Azimont and Araujo’s (2007) words, “a variety of market actors acting in accordance with different market representations and engaging in divergent market practices, each trying to shape the market in a different fashion” (p. 850). The multiplicity of theoretical influences and practices shapes markets where “different actors will attempt to perform their own version of the market underpinned by a different configuration of market practices” (Azimont and Araujo 2007, p. 858) and “since market actors can be assumed to make a difference by acting strategically, we should expect multiple market definitions among actors who, through their initiatives, may affect future

market conditions” (Kjellberg and Helgesson 2006, p. 849) As Golfetto and Rinallo (2006) notice actors represent market in a way that is beneficial to themselves, stressing “the socially constructed nature of the link between the representation and its referent (p. 857)”.

Callon (1998) suggests that market exchange is enabled by a process of framing that allows distinct agents to come together and agree a price for the exchange of goods and money. The construction of markets requires activities that disentangle exchange from their context as well as activities that embed exchange in a specific context (Araujo 2007). Araujo et al (2008) argue that market should be studied as ever-changing (rather than as stabilized entities: representational idiom) shaped by multiple calculative agencies (consumers, marketers, regulatory agencies ...). Moreover “markets take on a wide variety of forms and no stable set of dimensions captures their essence” (Araujo et al 2010, p. 5).

Summing up, these scholars see market as constituted by market practices, defined “as all activities that contribute to constitute markets” (Kjellberg and Helgesson 2006, p. 842) , where markets are practical outcomes of organizing efforts, they are always in the making rather than ready-made (Araujo et al 2010).

3. Markets as configurations

The works by Storbacka and Nenonen (2010, 2011), Nenonen and Storbacka (2010) and Korkman, Storbacka and Harald (2010) also adopt a practice-based approach. They contribute to marketing knowledge on markets by linking the configurational approach (Miller 1996, Meyer et al 1993), the service literature (Normann 2001, Gronroos 2008), the ARA¹ model (Håkansson and Johanson 1992), and the S-D logic (Vargo and Lusch 2006, 2008, Vargo 2007).

This approach points out that “markets can be viewed as configurations of market actors engaging in market practices” (Storbacka and Nenonen 2011, p.241). Configurations are “constellations of elements that commonly occur together because their interdependence makes them fall into patterns” (Miller 1986, p. 236). Storbacka and Nenonen (2010) suggest three configurational elements: the market actors' mental models, their business models, and the market practices (that connect the different actor's business models).

Alignment of the configurational elements improves configurational fit. Markets are defined as “configurations of interdependent elements that facilitate resource integration, and make increased density of resources (i.e. use value) possible for the participating actors” (Storbacka and Nenonen 2011, p.243). The interactions between market actors in a market configuration can be defined as

¹ ARA: actors-resources-activities

market practices. The concept of practice refers to ‘a way of doing’ which is embedded in a context of interlinked subjective and objective elements. Firm’s actions produce market configuration and, likewise, a firm's actions are the consequence of the market configuration. An actor wanting to influence the market configuration can do so by working on its mental models and business models. The power of the actor’s mental and business models is mediated by the actor’s network position, its influence, and the fact that a change in any element evokes reactions from other actors. Firms can actively alter market configurations by engaging in market scripting, i.e. offering market propositions that illustrate their view on how the market should be configured and engaging actors in activities aimed at creating a shared market view. In market scripting the scripting actor aims to align the mental models and business models of other market actors so that they reinforce the mental and business models of the scripting actor and increase the ‘marketness’ of the market configuration. Thus the main capabilities for marketers are value sensing and market scripting. Market configurations are perpetually dynamic and developing as new actors enter the context, and as different market actors introduce new ideas and new business model elements in the network. A change in any configurational element is likely to evoke a reaction from all actors wanting to shape the market in their favour. This leads to a perpetual oscillation effect between the elements in the configuration; between the actor and the market. A market actor wanting to script a market needs to influence this oscillation.

Summing up, markets can be said to evolve and develop in a perpetual and dynamic oscillating process as scripting actors translate their mental models into an active development of business model elements which affect the actor's value-creating practices and, consequently, the market practices that network actors are engaged in.

4. Markets as metaphors and discourses

Ellis, Jack, Hopkinson and O’Reilly (2010) adopt a social constructionist view of markets and disagree with the idea of the market as taken-for-granted, i.e. a priori self-generating reality. Discourse is studied to understand the multiplicity of ways the *boundary work* goes into the process of identity construction and social differentiation of a variety of actors in social exchanges.

Links are built between the ‘boundary work’ (Hernes and Paulsen 2003) and Callon’s (1998) notion of ‘framing’ to discuss *how markets come into being*. In terms of setting boundaries around market activities, ‘framing’ demarcates those elements which are taken into account and those which are ignored (or treated as ‘external’). In this way, market transactions can be constructed, or performed, whereby things are transformed into commodities and agents into sellers and buyers (Callon’s Law

of Markets). Framing allows disentangling the thing and, thus, for ‘markets to exist’.

Ellis et al (2010) argue that Lien (1997) key contribution is to draw attention to the role of metaphor, specifically the *market metaphor*. The metaphors (or theories) that are commonly used by actors to structure propositional claims or to justify certain strategies create social realities which may guide future actions.

Exploring *discursive practices* is important to the study of marketing since it illustrates how marketers and customers construct the relationship that constitutes the proximate environment of ‘the market’, while simultaneously securing their position within (or indeed outwith) it. Market actors tend to see themselves in terms of an ongoing ‘conversation’ that takes place across a further perceived boundary; a boundary between ‘internal’ ideas, desires and affections, and ‘external’ images.

Summing up a focus on identity discourse helps to direct analytic attention to how social actors recursively make sense of themselves in relation to others. Through ‘discursive positioning’ (e.g. Hopkinson, 2001), placing ourselves vis-a`-vis others by drawing distinctions or by assuming resemblance and relatedness in everyday discourse, we talk our identities into being, producing a particular notion of ‘us’ or ‘me’ by comparison to ‘them’. Identity can therefore be seen as a matter of locating boundaries through the discursive enactment of relationships of similarity and difference.

Market actors tend to picture themselves in terms of an ongoing ‘conversation’ that takes place across a perceived boundary; a boundary between ‘internal’ ideas, desires and affections, and ‘external’ images and evaluation.

5. Markets as effectual artifact

Another contribution to the debate on market concept comes from the studies on the effectual logic on new market creation within an entrepreneurship perspective (Sarasvathy and Dew 2005, Dew and Sarasvathy 2007, Read et al 2009). The term effectual is used to describe entrepreneurs who effect the transformation of uncertain and complex situation into new markets (but also new products, services, firms). Effectuation lies on a logic of non predictive control “that is, to the extent that people can control the future they do not need to predict it” (Read et al 2009). Effectual logic “allows who comes on board to determine what the new market will look like” (Sarasvathy and Dew 2005, p. 558) and it is based on a dynamic model of stakeholder interaction. A new market creation depends so from a process of expanding network, which transform existing realities into new alternatives through a chain of effectual commitment. This view is a radical departure from the

contingency theory (Burns and Stalker 1961, Lawrence and Lorsch 1967) and the population-ecology view of organizations (Aldrich 1979) which argued that the environment [i.e., the market] acted a process of selection on the newcomers.

From this approach there is no one market, actors consider alternative markets: “wilful agents with complex motivations who recognize that they are among other intentional beings with whom they can work together to construct as well as select new possibilities” (Sarasvathy and Dew 2005, p. 538). In the effectual logic the environment is endogenous to the actions of effectuators and the market is co-create through commitments by a network of partner through an iterative and interactive process.

“Each new membership in the effectual network negotiates a tiny piece of the future market and the market that comes to be eventually is like a quilt stitched together through the effectual network as it grows and gradually transforms extant realities into the familiar artefact of the market. In essence, then, each new member in the network not only brings certain resources to the venture, including who they are, what they know, and whom they know, but also a set of constraints [...] Over a period of time, assuming the network keeps growing and is not dissolved due to exogenous shocks or fatal conflicts within its ranks, the pool of constraints converges into the new market” (Sarasvathy and Dew 2005, p. 548 and p.550).

Read et al (2009) stress the cooperative shaping of market rather than the competitive struggle and focus on a co-creation process that involved all people as potential stakeholders who through negotiation determine their roles and relationships.

Summing up, effectuation is a sort of exploration that sees market as artifact -lying on the dialectic between inner and outer environment- and market creation as “a process of transformation of external realities into new possibilities [...] a process involving a new network of stakeholders. The network is initiated through an *effectual* commitment that sets in motion two concurrent cycles of *expanding* resources and *converging* constraints that result in the new market” (italics in original) (Sarasvathy and Dew 2005, p.533).

6. Markets as resource integration for value co-creation

Vargo (2007, 2009a) sees the Service-Dominant logic as a step for building a positive theory of market. Three of the S-D logic foundational premises refer to role of market actors (Vargo and

Lusch 2008):

FP7: The enterprise cannot create and/or deliver value independently, but only offer value propositions. Enterprises can offer their applied resources for value creation and collaboratively (interactively) create value following acceptance of value propositions.

FP8: A service-centered view is inherently customer oriented and relational because service is defined in terms of customer-determined benefit and co-created.

FP9 Organizations exist to integrate and transform micro specialized competences into complex services that are demanded in the marketplace.

These propositions show that, for the S-D logic, the purpose of economic exchange is service provision for and in conjunction with another party in order to obtain reciprocal service. Marketing is seen as the provision of service and value propositions to the market.

In line with the market view suggested by the 'market as practices', Vargo (2009b) sees markets as created from practices. He affirms that markets do not exist, but "they are imagined and created by linking resources with peoples' lives". Moreover, "markets and organizations are social schemes that facilitate coordinated behaviour, conserving the critical scarce resource of human ability to handle complexity" (Vargo 2009b quotes Simon, 1946, p. 49).

Vargo (2009a) outlines four steps for a theory of markets:

1. Understanding value creation (and the role of operant resources). Value creation is at the centre of a theory of market and drivers for value creation are operant resources
2. Understanding that value is phenomenologically determined by the beneficiary. Value is determined by the beneficiary and it is created in the process of the resource transformation that occurs through resource interaction and integration, It is indeed the application of resources for the benefit of another entity that motivated exchange.
3. Elimination of the producer-consumer distinction. Rigid differences on the roles of market actors (such as suppliers and customers) are overcome by viewing them as actors integrating resources (Vargo and Lusch 2011). Actors in a market interactively create value.
4. Network perspective (not dyadic perspective). Resource integration is not a unidirectional process -from customer to company- but is multidirectional.

In details, from a S-D logic perspective, a theory of the market is a theory of resource integration as a main mechanism of value creation. Actors specialize and exchange resources for mutual benefits. The positive role of the market is built around the interaction of three types of resources: market resources (that are resources' exchange through a market); private resources owned by consumers

or available in the consumer sphere; and public and natural resources (freely available in the market or in social context to all the actors). These resources are integrated and exchange by actors for mutual benefit (Vargo, 2009)

Summing up, there is a market system that is transitory, linked, contextual configuration of resources and exchanges. There are no a priori markets, but markets are function of marketing as they are performed by practices. They can become institutionalized through inter-subjective realities.

THEORIZING MARKET: CATEGORIES AND KEY CONCEPTS

In re-conceptualizing markets, management scholars moved away from neoclassical economic perspective and introduce recent contributions from the social sciences, namely Callon's (1998) performativity concept; Giddens' (1984) structuration theory; Schatzki's (2001) practice approach. These influences spur a vision of market and society based on interactions and relations. The social element is used to shed a brighter light on the economics sphere in order to understand human action where also the no human part is taken into account.

By drawing on the six analysed approaches we identify two meta-categories: 1) markets as a process; 2) markets as an outcome, as a result. The process and the outcome are in a dialectical relationship. Each influences the other and in its turn it is the result of the other: the process produces an outcome, which is continuously shaped by the process. It is in this dialectical dynamism that both perspectives are integrated!

Markets as a process

Under the market as process perspectives we position the practice, resource integration and, partially, the configuration and the metaphors and discourses views. From this perspective, the market is seen as a recursive process of making and re-making (Kjellberg and Helgesson 2006). It is a process of *transformation* of extant realities into new possibilities by a network of stakeholders (Sarasvathy and Dew, 2005). The market is not seen as simple economic affair, but as a complex societal process (Korkman, Storbacka and Harald 2010). It can be represented "by the practical dynamics of everyday life, and by circumstances in which economic exchange is embedded" (Korkman, Storbacka and Harald 2010, p. 237). It is a process of construction, co-created by actors in a conversational interaction where relations are built and performed.

Markets as process approaches have focused on four interlinked dimensions: practices, resource

integration, scripting (drawn from markets as configurations), and discourses (drawn from markets as metaphors and discourses).

- Focusing on practices moves the attention towards the processual aspects of the exchange, usage or consumption (rather than focusing on the outcomes of the exchange, usage or consumption).
- Resource integration calls the attention to the fact that actors use and integrate resources to create mutual value. As a result, the resources available to network determine the market making (considering also the constraints: Sarasvathy and Dew, 2005) and the possible value creation (Vargo and Lusch, 2008)
- The scripting process highlights the conscious set of actions conducted by actors to transform their contexts.
- Discourses stress the role of meaning or creating 'new' descriptions of the market.

Though distinct, the four aspects are related. *Practices* stress the emergent and plastic character of reality. Performing practices depends on the owned or available resources and on the actors' capabilities to use those resources. What happens in performing practices is a *resource integration*. Different actors engage in practices that are wider than simply actions as they are culturally embedded ways of doing that involve actions and contexts. By performing practices actors can set up a scripting process to shape markets. The *scripting* capacity requires setting up of a conversational process where actor's *discourses* involve the identity construction and the development of relationships.

Market as an outcome

Under the market's outcome perspectives we position the sign and meaning, the effectual commitment views and, partially, the configuration and the metaphor and discourses. In this case the focus is on the outcome of the process. This outcome as a socially constructed reality. It is a construction designed and constructed by people in their social practices.

Markets as outcome approaches have focused on four dimensions: artifact, metaphor, value and configuration.

- The market as artifact (Sarasvathy and Dew, 2005) stresses that the market created by an effectual network becomes a dialectic between inner and outer environments where each comes to resemble the other in important way.
- Market as metaphors highlights the representation of actors' ideas.
- The value concept involves value in exchange, value in use and value in context. The three

dimensions of value are different (though interlinked) outcomes of market making due to different actors who strive to script their view of the market 'outcome'.

- Market as a configuration of elements, stress the market 'outcomes' is a constellation of design elements falling into patterns, as they are interdependent, in order to get harmony, consonance, or fit between the configurative elements

Through *metaphors*, signs and meanings arise and foster *value* creation. The embeddedness of value creation means that firms do not focus on economic exchange per se, but on the practical relations between the socio-cultural resources. *Configurations* arise from practices and resource integration and can be influenced by the scripting process of actors. Elements of configurations interact to make *value* co-creation possible for actors.

ACADEMIC AND MANAGERIAL IMPLICATIONS

A theoretical development needs the identification of core categories and dimensions within these categories (Hunt, 2000; Gummesson, 2002). The core categories try to grasp the real essence of a phenomenon, while the dimensions help to explain the contents. In this paper we tried to do a first step toward the identification of core categories and key dimensions. We drew from recent approaches on the conceptualizations of the market and we identified some possible links among them.

After reviewing the literature and trying to see the connections between the different efforts a first conclusion is the need to define a clear research agenda.

First the process of market making could be investigated. It would be interesting to study how do market practices emerge and how are they shaped. In the analysis of practices the focus could be on resource integration mechanism and on how relationships and discourses enacting markets. The investigation of the scripting process by actors could shed light on the understanding of multiple contexts and different market views shaping market.

Second the attention could be also posited on the outcomes of market making. We need to understand how actors produce signs and meanings and how they influence value. In this view the understanding could be supplemented by the analysis of the role of metaphors. Which kind of metaphors are produces and how the metaphors help actors to script the market. In the scripting process it would be also necessary to address how configuration arises and how configurative elements interact.

The next step is so to draw on disparate knowledge about aspects of the market, looking for

additional transcending concepts and continuing to search for the commonalities, rather than the differences in what we know. In this way we could reframe our market conceptualization and have a better basis for marketing.

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Table 1: Approaches to Markets

Approaches	Authors	Ontological/ Epistemic position	Main focus	Market definition	Main contents	Cross references
Market as signs and meaning	Venkatesh, Peñaloza and Firat (2006); Peñaloza and Venkatesh (2006); Venkatesh and Peñaloza (2006)	Ontology (subjective) Epistemology (social constructivist) Reality is socially constructed	markets as signs and meaning	“a market is constituted by marketers and consumers in their activities and discourses via an enacted process, a social construction that takes place prior to, during and after the actual exchange and use(s) take place” (Peñaloza and Venkatesh 2006, p.303).	Value-as-meaning Value-in-use Value-in-exchange Social entity Marketers/consumers view Subjectivity Representational idiom	Gronroos (1994) Gummesson (2002) Vargo and Lusch (2004)
Market as practices	Kjellberg and Helgesson (2006, 2007); Araujo (2007); Araujo et al (2008); Golfetto and Rinallo (2006)	Ontology (relativist) Epistemology (realist) Social reality is constructed	Market-making	Market as constituted by market practices, defined “as all activities that contribute to constitute markets” (Kjellberg and Helgesson 2006, p. 842) , where markets are practical outcomes of organizing efforts, they are always in the making rather than ready-made	Exchange Practices Normalizing Practices Representational Practices Performative idiom Multiplicity Framing Ever-changing	Venkatesh et al (2006) Venkatesh and Peñaloza (2006),
Market as configurations	Storbacka Nenonen (2010, 2011); Nenonen, Stornacka (2010); Korkman, Storbacka and Harald (2010)	Ontology (relativist) Epistemology (realist)	How are markets formed and how can they be changed	Markets are defined as configurations of interdependent elements that make increased density of resources and capabilities, and value co-creation possible for the participating actors. Markets evolve and develop in a perpetual and dynamic oscillating process as scripting actors translate their mental models into an active development of business model elements which affect the actor's value-creating practices and, consequently, the market practices that network actors are engaged in.	Mental models Business models Market practices Marketing scripting Resource integration Network position	Venkatesh et al (2006), Araujo et al (2008), Azimont and Araujo (2007), Kjellberg and Helgesson (2006), Lusch et al at (2010), Vargo and Lusch (2004, 2008)
Market as metaphors and discourse	Ellis, Jack, Hopkinson and O'Reilly (2010)	Ontology (relativist) Epistemology (Social constructionist)	Identity construction	Market actors tend to picture themselves in terms of an ongoing ‘conversation’ that takes place across a perceived boundary; a boundary between ‘internal’ ideas, desires and affections, and ‘external’ images and evaluation.	Discourse Metaphors Identity Boundary	Araujo et al (2008), Kjellberg and Helgesson (2006)
Market as effectual artifacts	Sarasvaty and Dew (2005) Dew and Sarasvaty (2007); Reed et al. (2009)		How new market are created through an effectual logic ,	Market as artifact - lying on the dialectic between inner and outer environment - and market creation as “a process of transformation of external realities into new possibilities [...] a process involving a new network of stakeholders through an <i>effectual</i> commitment <i>expanding</i> resources and <i>converging</i> constraints)	Network Resources Constraints Commitment	Vargo and Lusch (2006)
Market as resource integration/ value co-creation	Vargo (2007, 2009a, 2009b); Vargo and Lusch, (2011)		Market are shaped by resource integration	A market system is transitory, linked, contextual configuration of resources and exchanges. There are no a priori markets, but markets are function of marketing as they are performed by practices. They can become institutionalized through inter-subjective realities.	Practices Resources (market, private, public) Resource integration Value co-creation Actors (inter subjective) Networks	Venkatesh et al (2006), Araujo et al (2008), Azimont and Araujo (2007), Kjellberg and Helgesson (2006)

Figure 1: Market categorisation



