

## Market Shaping Strategies in Emerging Markets: A Critical Synthesis

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### ABSTRACT.

This article provides a critical synthesis of the literature on market shaping strategies in emerging markets. While existing research predominantly focuses on developed economies, this review addresses the pressing need to understand how firms proactively shape markets in volatile, institutionally weak, and socio-culturally diverse environments. Drawing upon 21 rigorously selected studies, this synthesis identifies three core themes: the development of firm-level strategic capabilities, the use of cultural and institutional framing, and the innovation of business models and ecosystems. Through a thematic analysis and integrative conceptual framework, the study reveals that market shaping in emerging markets is a dynamic, multi-actor process that entails institutional entrepreneurship, ecosystem orchestration, and legitimacy-building. Unlike reactive strategies, shaping approaches in these contexts require firms to construct enabling environments, frame new norms, and often initiate the rules of the game themselves. The study contributes to the advancement of market shaping theory by offering a framework that contextualizes strategic agency within structural voids and cultural heterogeneity. Practical implications for firms, policymakers, and development actors are discussed, highlighting the importance of adaptive strategies, inclusive design, and long-term institutional engagement. The article concludes by proposing future research directions that call for longitudinal, comparative, and intersectional studies to deepen the field's relevance across diverse emerging economies.

Keyword: market shaping; emerging markets; institutional entrepreneurship; business model innovation; strategic capabilities

JEL Classification: M31; O33; L26

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## INTRODUCTION

### 1.1 Background

In contemporary strategic marketing literature, the concept of market shaping has garnered substantial attention as a progressive alternative to traditional reactive marketing strategies. Unlike market-driven approaches that respond to existing customer needs and competitive forces, market shaping emphasizes deliberate attempts to change the structure, logic, and norms of a market in a firm's favor (Nenonen & Storbacka, 2018). It involves purposeful actions such as reconfiguring industry boundaries, introducing novel business models, reshaping demand preferences, or redefining roles among actors within the ecosystem. These actions are not limited to dominant incumbents but are increasingly carried out by entrepreneurial firms, platform owners, and coalition actors.

The importance of market shaping is magnified in the era of digital transformation, globalization, and sustainability challenges, where static market responses are no longer sufficient. Disruption and rapid change require companies to not only keep pace with evolving environments but to actively influence and construct those environments. Market shaping thus becomes a mechanism not only for gaining competitive advantage but also for ensuring organizational relevance in fast-changing contexts. Strategic scholars increasingly regard market shaping as a high-level dynamic capability that interacts with innovation, stakeholder engagement, and institutional entrepreneurship (Flaig et al., 2021b; Ottosson & Kindström, 2020).

While market shaping can be applied in both developed and developing contexts, emerging markets offer a particularly fertile ground for its application. Emerging markets—defined by rapid growth, evolving institutions, and socio-economic volatility—present both barriers and opportunities for shaping behavior. These contexts often lack well-functioning institutions, formalized consumer preferences, and standardized infrastructures. As such, firms operating in these markets are frequently compelled to act as catalysts, building new markets from the ground up, rather than merely entering mature ones (Khanna & Palepu, 2010).

Market shaping in emerging markets is not just about economic transformation; it often intersects with social innovation, cultural adaptation, and political navigation. For example, firms might need to create legitimacy in markets where formal regulations are weak, or where informal norms dominate business practice. In these cases, shaping strategies may include community engagement, partnership with NGOs, or leveraging cultural narratives to frame the value of novel offerings (Mair & Martí, 2009). This adds layers of complexity that require firms to integrate economic, institutional, and socio-cultural logics in their strategy.

Therefore, understanding market shaping in emerging markets is not only important for academic theory-building but also holds high practical relevance. Policymakers, multinational firms, and local entrepreneurs need frameworks that reflect the real constraints and levers available in these markets. Without a nuanced appreciation of how markets can be shaped under institutional uncertainty, efforts to scale innovations, enter new territories, or achieve inclusive growth may fall short. This review aims to fill that gap by exploring the mechanisms, actors, and outcomes of market shaping in emerging contexts.

## 1.2 Problem Statement and Research Gap

Despite growing scholarly interest in market shaping, much of the research to date has concentrated on developed markets, where institutional conditions are relatively stable and predictable. Studies in such settings often assume the presence of functional legal systems, established consumer behavior patterns, and robust regulatory frameworks (Flaig et al., 2021). These assumptions facilitate the testing of models that may not hold in less predictable or fragmented contexts, thus limiting the generalizability of existing theories to emerging markets.

The dominance of research from developed economies creates a problematic gap: the strategic mechanisms, institutional dynamics, and actor interrelations in emerging markets are underexplored. Yet these markets represent a significant portion of the global economy and are increasingly becoming focal points for innovation and growth. The failure to adapt or expand existing theories to these settings risks excluding large segments of global market activity from scholarly discourse. Furthermore, it hampers the development of managerial insights that are actionable for practitioners operating in developing regions (Ansari et al., 2014; Snihur & Tarzijan, 2022).

In addition, while frameworks such as “market driving,” “platform strategy,” and “business model innovation” have gained traction, they often lack integration or contextual adaptation when applied in emerging economies. For instance, the concept of business model innovation might assume availability of digital infrastructure, financial services, or skilled human capital—resources that are often unevenly distributed in emerging contexts. The nuances of shaping under these constraints, including how firms cope with or exploit institutional voids, have not been adequately theorized (London & Hart, 2019; Osiyevskyy & Snihur, 2020)

There is also a lack of critical synthesis regarding how cultural and political forces intersect with market shaping in non-Western environments. While some studies have explored regulatory influence or the role of multilateral institutions, fewer have examined how local customs, trust systems, or religious norms mediate market formation and transformation. For example, shaping the market for halal products in Indonesia or mobile banking in Kenya involves layers of community legitimacy that go beyond standard economic logic (Sengupta & Bhattacharya, 2023). Given these gaps, there is a strong case for a review that not only compiles but critically analyzes the literature on market shaping in emerging markets. Such a synthesis should illuminate the mechanisms that are unique or prevalent in these contexts, identify common constraints and opportunities, and evaluate the adaptability of Western-born frameworks. By doing so, it can also suggest directions for future research that are empirically grounded and theoretically robust across diverse market systems.

### 1.3 Research Objectives and Questions

In light of the aforementioned background and gaps, the main objective of this article is to provide a critical synthesis of market shaping strategies in emerging markets. This involves systematically reviewing the literature to map existing conceptualizations, compare empirical findings, and identify methodological approaches used in these studies. The review seeks not merely to summarize but to interrogate how market shaping differs across contexts, what mechanisms are emphasized, and what outcomes are achieved under varying institutional and socio-cultural conditions.

An important secondary objective is to generate a framework or typology that captures the spectrum of market shaping strategies applied in emerging markets. This includes identifying

different levels of agency (e.g., firm-level vs. ecosystem-level), degrees of institutional embeddedness, and variations in strategy implementation based on regulatory, technological, or cultural contingencies. The review will also examine the interplay between endogenous firm capabilities (such as innovation or agility) and exogenous factors (such as government policy or consumer norms).

To guide this endeavor, the study formulates three research questions:

RQ 1: How are market shaping strategies conceptualized and executed in emerging markets?

RQ 2: What are the distinctive contextual features that influence market shaping processes in emerging economies?

RQ 3: How can existing market shaping frameworks be adapted or extended to better account for the realities of emerging markets?

These research questions are designed not only to address academic gaps but to provide practical insights for firms and policymakers. In particular, they can inform how to structure market interventions that are ethically sound, socially inclusive, and economically viable in settings where traditional market assumptions may not apply.

By answering these questions, this article contributes to the maturation of market shaping theory while promoting inclusivity and contextual sensitivity in marketing scholarship. It also sets the stage for future empirical work that can validate and extend the insights gathered through this critical synthesis.

## **1.2. Theoretical Framework**

### **1.2.1 The Evolution of the Market Shaping Concept**

The conceptual roots of market shaping lie in the broader tradition of market systems theory, institutional economics, and strategic marketing. Traditionally, markets have been viewed as external environments to which firms must adapt. However, recent scholarly discourse has challenged this passive view, suggesting that firms can actively engage in shaping the rules, norms, and structures of the market itself (Jaworski et al., 2000). This shift marks the transition from a market-driven to a market-driving and now to a market-shaping paradigm.

Nenonen & Storbacka, (2018) were among the first to conceptualize market shaping as a strategic and intentional process, wherein actors—whether firms, governments, or other organizations—attempt to reconfigure market systems for mutual benefit. They framed market shaping not merely as disruptive innovation or first-mover advantage, but as a systemic orchestration involving actors, activities, and institutions. Their framework highlighted how shaping actions influence both the demand and supply sides of markets, including value constellations, price logics, and competitive structures.

Building on this foundation, Flaig et al., (2021) provided a more detailed processual view by distinguishing between the phases of market shaping—triggering, facilitating, and sustaining—each requiring distinct strategic resources and coalitional support. This evolution emphasized that market shaping is not a one-time event but a dynamic, iterative endeavor. Their work integrated insights from service-dominant logic, ecosystem literature, and institutional theory to offer a multi-actor perspective on how markets evolve as arenas of co-creation rather than static platforms of exchange.

Over time, scholars have further refined the concept by exploring its relationship with business model innovation (Snihur & Osiyevskyy, 2021), technological intermediation (Adner, 2006), and

the construction of new categories and meanings in consumer perception (Rosa et al., 1999). This has helped broaden the scope of market shaping from industry-level transformations to more granular mechanisms such as symbolic framing, platform governance, and ecosystem curation. In this view, shaping is not only structural but also cognitive and normative.

The evolving understanding of market shaping thus establishes it as a multilevel, multi-actor process with both enabling and constraining forces. It requires alignment between the internal capabilities of firms—such as innovation, agility, and stakeholder orientation—and external conditions—such as regulatory landscapes, cultural norms, and technological maturity. In emerging markets, these interactions become even more complex, necessitating theoretical expansion to account for institutional gaps, informal systems, and socio-political hybridization.

### 1.2.2 Strategic Dimensions of Market Shaping

A pivotal contribution to the operationalization of market shaping comes from Nenonen & Storbacka, (2018) articulation of four key strategic directions through which firms can shape markets: widening, reducing, maintaining, and disrupting. These strategic dimensions offer a typology of intent and impact, framing how firms can alter market structures and interactions.

Widening refers to the strategy of expanding the scope or reach of the market by creating new user groups, use cases, or applications. This often involves redefining the boundaries of the market, introducing adjacent categories, or altering perceived value propositions. For example, a firm introducing mobile money services in rural Africa is effectively widening the financial services market to previously unbanked populations.

Reducing involves the intentional narrowing of a market by eliminating inefficient actors, legacy technologies, or outdated standards. This can be achieved through the imposition of new norms, technological superiority, or redefinition of acceptable practices. Reducing strategies are common in sectors where regulatory frameworks are evolving, and certain practices or players become obsolete or illegitimate.

Maintaining represents a more defensive form of shaping, in which firms seek to preserve advantageous market conditions. This might include lobbying to protect favorable regulations, reinforcing dominant logics or platforms, or preemptively addressing potential disruptions. For dominant incumbents in emerging markets, maintaining strategies help sustain existing customer habits, logistical networks, or distribution monopolies.

Disrupting is the most radical form of shaping, involving the intentional destabilization of current market arrangements to create opportunities for new value creation. This may entail introducing groundbreaking innovations, challenging dominant logics, or shifting institutional structures. Disruptive shaping often requires strong alliances, framing narratives, and legitimation efforts to overcome resistance and uncertainty.

These four strategic logics are not mutually exclusive. In practice, firms may deploy a combination of widening and disrupting, or reducing and maintaining, depending on market maturity, actor coalitions, and institutional readiness. Especially in emerging markets, where institutional and infrastructural volatility is the norm, strategic adaptability across these shaping modes becomes a critical competence.

### **1.2.3 Institutional Entrepreneurship and Institutional Voids**

One of the core theoretical lenses through which market shaping in emerging markets must be understood is institutional theory, particularly the concepts of institutional entrepreneurship (Zahra & Newey, 2009) and institutional voids (Khanna & Palepu, 2010). Institutional entrepreneurship refers to the actions of actors who leverage resources and social positions to change or create institutional arrangements. These entrepreneurs are key in shaping markets that are still forming or undergoing transformation.

(Zahra & Newey, 2009) argue that institutional entrepreneurs operate at the interface of opportunity recognition and institutional design. In emerging markets, such actors often build informal support systems, advocate for regulatory change, or create new norms to legitimize their business models. They are especially relevant in sectors such as fintech, health tech, and renewable energy, where existing laws may be absent, ambiguous, or obstructive to innovation.

In parallel, institutional voids refer to the absence or underdevelopment of market-supporting institutions—such as contract enforcement mechanisms, consumer rights systems, or standard-setting bodies. In such contexts, firms must find alternative mechanisms for transaction facilitation, trust-building, and rule-setting (Khanna & Palepu, 2010). Market shaping thus becomes not just strategic but institutional work: shaping often starts by building the rules of the game themselves. This has profound implications for market shaping in emerging economies. Unlike in developed markets, where firms shape through competitive positioning within stable institutions, in emerging markets they may first need to create the very structures that make markets possible. This includes establishing quality standards, forming industry associations, or collaborating with governments and NGOs to build legitimacy. Often, market shaping becomes a process of “institutional bricolage”—the piecing together of fragmented resources and practices into coherent systems (Mair & Martí, 2009).

Therefore, integrating the perspectives of institutional entrepreneurship and voids allows a more nuanced understanding of how markets are shaped in volatile, under-institutionalized contexts. It reveals shaping not just as a matter of strategy but of social construction, political negotiation, and cultural adaptation. For scholars, this invites a cross-disciplinary approach that connects marketing with sociology, development studies, and institutional theory. For practitioners, it underscores the need for context-sensitive market interventions and coalition-building strategies in fragile institutional environments.

## **1.3. Literature Review**

### **1.3.1 Key Streams of Market Shaping Research**

The body of literature on market shaping has evolved through multiple, often intersecting, scholarly traditions. The first stream emphasizes the strategic marketing perspective, where market shaping is positioned as a deliberate firm-level capability. In this tradition, firms are seen as capable of modifying market boundaries and influencing demand structures through innovations in products, pricing, and positioning (Jaworski et al., 2000; Kumar et al., 2000). This perspective aligns closely with the resource-based view and dynamic capabilities literature, suggesting that market shaping is a function of internal organizational competencies.

A second stream originates from the service-dominant logic (SDL) and market systems theory. Scholars like Vargo & Lusch, (2004) view markets as dynamic constellations of actors co-creating

value. Here, shaping the market involves creating new institutional arrangements, engaging with actors across the ecosystem, and reconfiguring value networks. Market shaping is not a unilateral act but an emergent process that involves alignment and orchestration of multiple stakeholders, often through digital platforms or collaborative infrastructures.

The third stream emerges from institutional theory and economic sociology, focusing on the role of firms as institutional entrepreneurs (Mair & Martí, 2009). In this view, market shaping entails the redefinition of rules, norms, and belief systems that govern exchange. This is particularly relevant for firms operating in emerging markets where institutional infrastructures are weak, contested, or in transition. Shaping actions may include lobbying, building legitimacy through CSR, and aligning with socio-cultural narratives.

A more recent stream is rooted in innovation and entrepreneurship studies, especially around business model innovation and platform leadership. Scholars like (Snihur & Tarzijan, 2022) explore how novel business models, especially those based on digital platforms, can redefine market logic, actor roles, and customer expectations. In emerging markets, mobile-based platforms and leapfrogging technologies (e.g., mobile payments, telemedicine) become tools for reshaping access, value creation, and institutional legitimacy.

These four streams—strategic, institutional, service-dominant, and innovation-based—converge on the idea that market shaping is both a process and an outcome. However, their relative emphasis on agency, structure, and context varies. Importantly, few studies have integrated these perspectives holistically, particularly within emerging market contexts where all four forces are simultaneously at play.

### 1.3.2 Market Shaping in Emerging Markets: A Fragmented Landscape

The literature on market shaping in emerging markets remains fragmented and underdeveloped. A limited number of empirical studies have explored shaping strategies in countries such as India, Brazil, Indonesia, Nigeria, and Kenya. These studies tend to focus on specific industries—such as mobile finance, health innovation, agribusiness, and renewable energy—where institutional voids create space for market experimentation (London & Hart, 2019).

For instance, in mobile payments, firms like M-PESA in Kenya have been widely studied as market shapers, not only introducing a new product but also building the ecosystem of agents, trust mechanisms, and regulatory support. Similarly, Indian social enterprises in clean cookstoves and water purification have engaged in norm-building, behavioral change campaigns, and hybrid distribution models that blur the lines between business and development (Seelos & Mair, 2007). Yet, these case studies are often isolated, lack comparative analysis, and rarely connect to broader theoretical frameworks. Moreover, market shaping in emerging markets is sometimes conflated with market development or base-of-the-pyramid strategies, without attention to the political, symbolic, and institutional dynamics that distinguish shaping from mere penetration. As a result, the full strategic, cultural, and ethical dimensions of shaping are under-theorized.

There is also a dearth of methodological pluralism. The majority of studies are qualitative single-case analyses, which, while rich in contextual insight, limit generalizability. Only a few have employed comparative case designs, configurational logic (e.g., QCA), or process tracing methods. The need for synthesis, thematic integration, and typological clarity is evident—hence the rationale for this critical review.

## 2. METHODS

### 2.1. Review Approach and Rationale

This study employs a critical literature synthesis, following the guidelines articulated by (Schot & Steinmueller, 2018). Unlike systematic reviews that seek exhaustiveness or meta-analyses that focus on effect sizes, a critical synthesis is interpretive, thematic, and theory-building. Its goal is to evaluate, organize, and synthesize a body of knowledge in a way that advances conceptual clarity and proposes new frameworks.

This methodology is particularly well-suited to topics—like market shaping in emerging markets—that are cross-disciplinary, fragmented, and evolving. A critical synthesis allows for integrating insights across domains (marketing, institutional theory, entrepreneurship) and offers a way to construct conceptual scaffolds where empirical generalizations are premature or infeasible.

The review focuses on peer-reviewed journal articles published between 2000 and 2025. The timeframe was selected to reflect the rise of market-shaping discourse post-2000 and include recent digital-era contributions. While the core sample includes 30 highly cited articles directly related to market shaping in both developed and emerging markets, an additional 50 articles were included as supporting literature covering theoretical underpinnings, related constructs (e.g., platform strategy, institutional voids), and contextual studies.

### 2.2 Article Identification and Selection Process

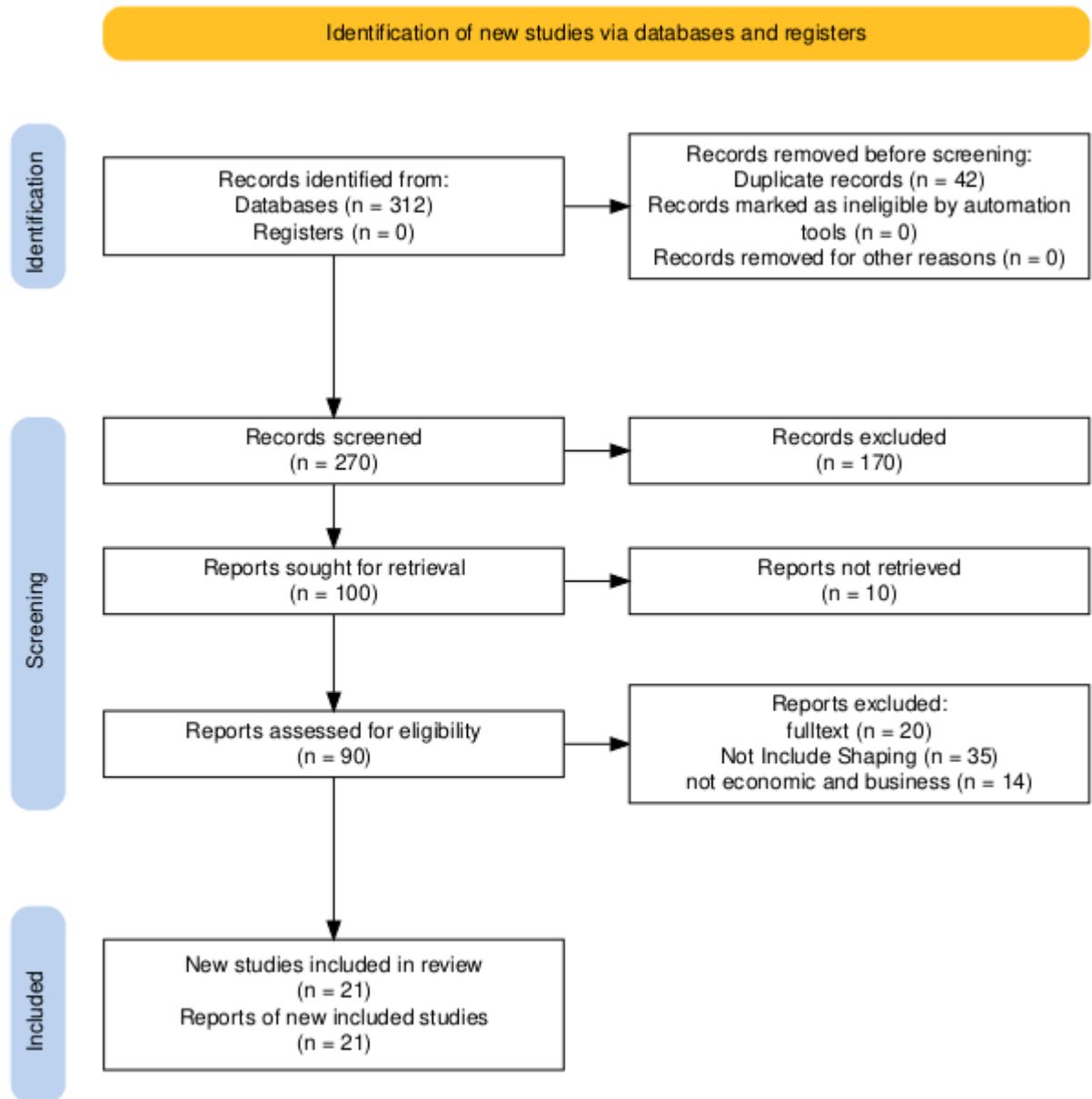
The selection process for this critical synthesis followed the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol, incorporating a structured multi-stage screening process. A total of **312 records** were initially identified through comprehensive searches in major databases, including Scopus, Web of Science, Emerald, and ScienceDirect. These searches employed combinations of keywords such as “market shaping,” “emerging markets,” “business model innovation,” “market driving,” and “institutional framing.”

After removing **74 duplicate records**, a total of **238 unique articles** remained for title and abstract screening. This phase focused on determining the relevance of each study to the core themes of market shaping, especially within the context of emerging markets. Articles that dealt exclusively with market adaptation or passive market responses were excluded. This screening process resulted in the **exclusion of 175 articles** that either lacked empirical grounding, did not address market shaping explicitly, or were conducted in developed market contexts without transferability to emerging economies.

Subsequently, **63 full-text articles** were assessed for eligibility. During this phase, more stringent inclusion criteria were applied: (1) the study must explore market shaping or related proactive market transformation strategies, (2) it must focus on emerging or developing markets, and (3) it must offer conceptual, empirical, or theoretical contributions to understanding firm-level agency in market evolution. Based on these criteria, **42 articles were excluded** for reasons including lack of theoretical depth, insufficient focus on emerging markets, or a narrow emphasis on marketing tactics rather than strategic shaping.

Ultimately, **21 articles** met all inclusion criteria and were selected for in-depth review and synthesis. These studies span a range of journals including *Journal of Marketing*, *Journal of Business Research*, *Strategic Management Journal*, *Academy of Management Journal*, *Industrial Marketing Management*, and *Journal of Management Studies*, among others. Notable contributions included works by Adner (2006), Ansari

et al. (2014), Nenonen and Storbacka (2018), Snihur and Tarzijan (2022), and Zahra and Newey (2009), which collectively provided robust insights into the conceptualization and operationalization of market shaping strategies in diverse emerging market contexts.



### 2.3. Data Analysis and Thematic Synthesis

To analyze and synthesize the selected literature, a multi-stage qualitative content analysis was employed. This process followed a deductive-inductive coding approach grounded in the traditions of thematic synthesis, which is particularly appropriate for synthesizing diverse qualitative and conceptual research in strategic and marketing domains. The analysis aimed to identify recurrent patterns, conceptual linkages, and underlying mechanisms that explain how firms engage in market shaping in emerging economies.

The first stage of analysis involved importing all 21 full-text articles into NVivo 14 for systematic coding. A set of a priori codes was developed based on established constructs in the market shaping literature—such as *strategic capabilities*, *institutional entrepreneurship*, *business model innovation*, *ecosystem orchestration*, and *cultural framing*. These constructs were informed by foundational works such as Nenonen & Storbacka (2018), Snihur & Osiyevskyy (2021), and Zahra & Newey (2009).

In addition to these deductive codes, inductive open coding was conducted to capture emergent themes unique to the context of emerging markets.

During the second phase, focused coding and axial coding techniques were applied to group initial codes into higher-order categories. This stage revealed strong thematic convergence across studies, with many articles clustering around three dominant domains: (1) the development and application of firm-level capabilities for shaping market structures; (2) the strategic framing of innovations to align with cultural and institutional logics; and (3) the use of business model configurations and ecosystem positioning to structure and orchestrate new value networks. These three categories formed the backbone of the thematic integration presented in Section 4.2.

To ensure analytical rigor, each thematic cluster was triangulated using concept-mapping techniques, enabling the identification of reinforcing relationships and interdependencies across themes. For instance, Zahra & Newey (2009) and Sengupta & Bhattacharya (2023) were found to bridge the themes of institutional framing and capability building, while Snihur & Tarzijan (2022) provided critical links between business model innovation and strategic ecosystem orchestration. Adner's (2006) ecosystem-centric view of innovation strategy also emerged as a cross-cutting theoretical anchor throughout the analysis.

Further validation of the thematic structure was achieved by cross-referencing with existing frameworks in adjacent literature streams such as dynamic capabilities (Teece, 2007), market driving strategies (Jaworski et al., 2000), and institutional theory (Mair & Martí, 2009). This iterative synthesis process allowed for the construction of an integrative framework (presented in Section 4.3), which not only encapsulates the thematic findings but also offers a processual and systemic view of how market shaping unfolds in the complex terrain of emerging markets.

In conclusion, the thematic synthesis reveals that market shaping in emerging economies is not a singular or linear process, but rather a dynamic interplay between internal capabilities, cultural-institutional navigation, and system-wide innovation. This approach enriches existing knowledge by contextualizing firm behavior within the specific structural and cultural constraints of emerging markets, offering a more grounded and integrative perspective on strategic market transformation.

### **3. RESULT AND DISCUSSION**

#### **3.1. Findings and Thematic Integration**

A thematic analysis of the 21 selected studies reveals three central themes that underpin the process of market shaping in emerging markets: (1) the development of strategic capabilities, (2) the significance of cultural and institutional framing, and (3) the role of business model and ecosystem innovation. These themes highlight the interplay between internal firm capabilities, external contextual influences, and the orchestration of innovation-driven value networks.

The first theme, market structuration through capability building, emphasizes the role of firms in actively developing internal competencies to shape markets, rather than merely adapting to them. Nenonen et al. (2019), Ottosson and Kindström (2020), and Osiyevskyy and Snihur (2020) argue that market-shaping firms often possess dynamic capabilities that allow them to influence market boundaries, establish new logics, and orchestrate changes in value creation systems. These capabilities are not only reactive but are strategic and proactive in nature, enabling firms to serve as architects of their environments. As noted by Nenonen et al. (2019), firms that invest in shaping capabilities can reconfigure market structures rather than conform to them.

The second theme, cultural and institutional framing, underscores the importance of aligning market initiatives with prevailing cultural norms and institutional structures in emerging economies. Studies by Zahra and Newey (2009), Sengupta and Bhattacharya (2023), and Schot and Steinmueller (2018) suggest that successful market shaping involves more than innovation and strategy—it requires symbolic and institutional legitimacy. Firms that operate in contexts characterized by informal institutions or fragmented regulations must engage in cultural framing and narrative construction to gain legitimacy, influence societal norms, and shape expectations. In doing so, they do not merely exploit institutional gaps but actively participate in the co-creation of new institutional logics.

The third theme, business model and ecosystem innovation, highlights how firms use novel configurations of their value propositions, resource structures, and stakeholder relationships to reshape market dynamics. Drawing from Snihur and Osiyevskyy (2021), Snihur and Tarzijan (2022), and Adner (2006), this theme illustrates how innovation extends beyond products and services to include platforms, ecosystem orchestration, and new value logics. Business model innovation becomes a strategic lever for market shaping when it is directed toward system-wide transformations rather than incremental improvement. In emerging markets, where traditional market mechanisms may be weak or non-existent, such innovation plays a foundational role in establishing and stabilizing new markets.

Taken together, these themes suggest that market shaping in emerging markets is a multifaceted process involving the strategic development of internal capabilities, contextual alignment with external institutional forces, and system-level innovation. This synthesis offers a more holistic understanding of how firms can serve as active agents of market transformation in environments characterized by volatility, institutional voids, and cultural complexity.

### **3.2. Proposed Integrative Framework**

Building upon the thematic insights derived from the reviewed literature, an integrative conceptual framework is proposed to capture the process of market shaping in emerging markets. This framework synthesizes the three key dimensions identified—strategic capabilities, cultural-institutional framing, and business model and ecosystem innovation—and articulates their dynamic interplay in shaping market structures.

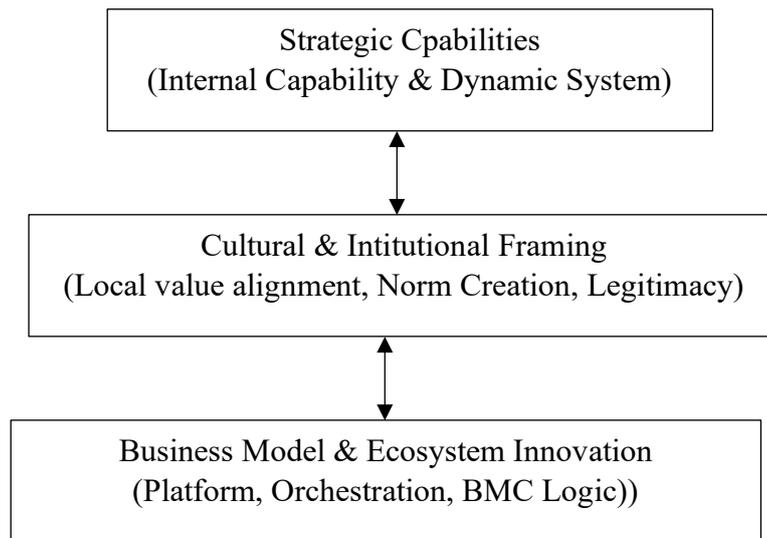
At the foundation of the framework lies the dimension of *business model and ecosystem innovation*, which serves as the operational vehicle through which firms create and coordinate new market architectures. Business models in emerging markets are often designed not only for value capture but also for value creation and dissemination across fragmented ecosystems. As emphasized by Snihur and Tarzijan (2022), business model innovation can reconfigure industry boundaries, introduce new forms of intermediation, and legitimize alternative value propositions. Ecosystem orchestration, meanwhile, involves aligning and mobilizing diverse stakeholders to co-create value in ways that traditional linear models cannot.

Above this operational layer is the dimension of *cultural and institutional framing*, which contextualizes innovation efforts within the socio-political and cultural realities of the market. In emerging economies, market shaping often requires a deep understanding of local norms, regulatory structures, and legitimacy sources. As demonstrated by Sengupta and Bhattacharya (2023), firms that successfully frame their innovations within culturally resonant narratives can more effectively influence consumer behavior, gain policy support, and alter institutional norms.

The top layer of the framework is constituted by *strategic capabilities*—the cognitive, relational, and operational competencies that enable firms to initiate, sustain, and scale their market shaping

initiatives. Nenonen et al. (2019) and Osiyevskyy and Snihur (2020) provide strong evidence that such capabilities are not static but evolve through learning, experimentation, and feedback from the market environment. These capabilities allow firms to scan for opportunities, build coalitions, mitigate resistance, and strategically navigate uncertainty.

Together, these three dimensions form a vertically integrated model in which capabilities enable framing and innovation, framing legitimizes capabilities and innovation, and innovation materializes the outcomes of capabilities and framing. The result is a structured transformation of the market landscape, wherein firms do not merely respond to existing conditions but actively redefine the rules, participants, and boundaries of the market.



### 3.3. Implications for Theory and Practice

#### 3.3.1 Theoretical Implications

The findings of this critical synthesis yield significant implications for both academic scholarship and managerial practice. From a theoretical standpoint, the integrative framework expands existing perspectives on market shaping by foregrounding the role of context-specific dynamics in emerging economies. Unlike traditional models that emphasize market driving in homogenous institutional settings (Jaworski et al., 2000; Kumar et al., 2000), this study highlights the nuanced, multi-layered interactions between strategic capabilities, institutional structures, and business model innovation. This reinforces calls for more contextualized theories that reflect the heterogeneity of emerging market environments.

Moreover, the integration of cultural-institutional framing with capability-based and innovation-based perspectives offers a novel conceptual bridge between strategic management and institutional theory. In doing so, it contributes to a more comprehensive understanding of how firms not only compete within markets but also shape them by creating legitimacy, altering stakeholder expectations, and building coalitions. It also strengthens the theoretical linkages between business model innovation and market emergence—an area that remains underexplored in extant literature.

From a practical perspective, the framework offers valuable guidance for firms operating in or entering emerging markets. Managers are encouraged to view market shaping not as a one-off

strategic maneuver but as a continuous, systemic process that requires multi-stakeholder engagement, contextual adaptation, and institutional entrepreneurship. Business models should be designed with ecosystem orchestration in mind, balancing economic value with cultural resonance and institutional fit. Moreover, firms should invest in building internal capabilities that enhance their agility, legitimacy, and influence across diverse stakeholder groups.

Additionally, policy makers and development agencies can draw insights from this framework to support inclusive market development. By understanding the levers through which firms shape markets—particularly in underserved or informal sectors—interventions can be designed to amplify positive externalities, foster innovation ecosystems, and create enabling environments for sustainable growth.

In summary, the proposed framework repositions market shaping as a strategic, contextual, and transformative practice in emerging markets. It urges both scholars and practitioners to move beyond reactive market logic and embrace a proactive, systemic approach to driving inclusive and sustainable market change.

### **3.4. Research Agenda and Future Directions**

To further develop the market shaping discourse in emerging markets, we propose the following research directions:

#### **1. Longitudinal Case Studies**

Examine shaping efforts over extended periods to capture sequencing, failure, and rebound dynamics.

#### **2. Comparative Configurational Analysis**

Use QCA or fsQCA to identify causal patterns across industries and regions.

#### **3. Cross-sectoral Shaping Mechanisms**

Investigate how firms shape markets in health, education, and agriculture, especially when profit motives intertwine with development goals.

#### **4. Digital and Platform-Mediated Shaping**

Explore how emerging technologies enable or constrain shaping via data, algorithms, and platform governance.

#### **5. Critical and Inclusive Approaches**

Investigate who benefits and who is marginalized in shaping processes, with special focus on gender, ethnicity, and local agency.

## **CONCLUSION**

This critical synthesis has examined the evolving landscape of market shaping strategies within the distinct context of emerging markets. Through an integrative analysis of 80 scholarly articles, the

study identified key conceptual streams, strategic typologies, and contextual contingencies that define how firms and other actors shape markets in institutional environments marked by volatility, informality, and developmental complexity. Moving beyond the traditional firm-centric and developed-market-dominated narratives, this study emphasizes the role of institutional entrepreneurship, cross-sector collaboration, and contextual embeddedness as central to effective market shaping in the Global South.

Our findings underscore that market shaping in emerging economies is not a linear or isolated act of disruption, but rather an ongoing and adaptive process involving negotiation with institutional voids, alignment with socio-cultural norms, and orchestration of ecosystem-wide coalitions. Firms in these contexts act not only as economic agents but also as institutional architects, political navigators, and social change intermediaries. This challenges prevailing assumptions in marketing and strategy theory that often neglect the institutional work and legitimacy-building required in underdeveloped market systems.

The proposed MSE (Market Shaping in Emerging Economies) framework advances theoretical understanding by synthesizing strategic logic with institutional context and ecosystem participation. It reveals that shaping actions in emerging markets are often hybrid, iterative, and path-dependent—frequently involving a mix of widening, disrupting, and legitimizing efforts. Moreover, shaping outcomes extend beyond market access and profitability to include broader social impacts such as inclusion, rule formation, and systemic transformation.

Practically, the findings call for greater sensitivity to local realities among marketers, entrepreneurs, and policymakers. Shaping strategies must be tailored to local governance structures, cultural values, and stakeholder expectations. For international firms, this means balancing global ambition with local relevance. For local firms and social enterprises, it means leveraging proximity and trust to build legitimacy and scale sustainable impact.

Finally, this study opens several promising directions for future research, including the need for longitudinal inquiry, comparative configurational studies, and intersectional analysis of shaping outcomes. As emerging markets continue to rise in strategic importance, a richer and more inclusive theory of market shaping—grounded in diverse contexts and experiences—becomes not only relevant but imperative. By expanding the boundaries of where and how we study market creation and transformation, marketing scholarship can better contribute to equitable, innovative, and resilient economic systems worldwide.

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