



Contents lists available at ScienceDirect

Industrial Marketing Management



Agencing markets: Actualizing ongoing market innovation

Winfred Ikiring Onyas^{a,*}, Annmarie Ryan^{b,1}^a School of Management, University of Leicester, University Road, Leicester LE1 7RH, United Kingdom^b University of Limerick, Kemmy Business School, Department of Management & Marketing, Ireland

ARTICLE INFO

Article history:

Received 18 December 2012

Received in revised form 23 February 2014

Accepted 12 May 2014

Available online xxxx

Keywords:

Market innovation

Agencements

Agencing

Sustainability markets *in-the-making*

Coffee

ABSTRACT

This paper explores what it takes to actualize market innovation. It traces the ongoing efforts instigated by an exporter to bring about, and transform a mainstream market into, a new sustainability market; a market designed to advance ecological and social sustainability goals. We draw attention to the diverse and heterogeneous composite – a socio-technical agencement – whose transformative connections collectively reconfigure and transform the mainstream market into a sustainability market. This paper draws on evidence from an ethnographic study of a newly established sustainability coffee market in Uganda to discuss how market innovation unfolds. It illustrates the ongoing character of market innovation and reveals the agencing work involved in bringing about the agencement and capacitating agencies to realize market innovation.

© 2014 Elsevier Inc. All rights reserved.

1. Introduction

It is generally recognized that the achievement of sustainability goals will require changes to our marketing systems (Bruntland, 1987; Capra, 1983; Shove & Walker, 2010). These changes, whether conceived as radical or incremental, necessitate innovative re-conceptualizations of consumption, production and market practices (Azzone & Noci, 1998; Shove, 2010). This paper focuses on sustainability markets *in-the-making*; markets intentionally designed to advance ecological and social sustainability goals. Sustainability markets (for example, Fairtrade and organic certification programs) aim to enhance the livelihoods of small-scale farmers in subsistence marketplaces. Research on subsistence marketplaces *in-the-making*, however, remains embryonic in spite of the growing Bottom of the Pyramid and Subsistence Marketplaces literature.² This study focuses on a rural setting in Uganda where smallholder farmers grow Arabica coffee for a living. These farmers, who live at or near subsistence levels (Viswanathan & Rosa, 2010) are important actors in the coffee value chain connecting Southern producers to Northern consumers (Giovannucci et al., 2008; Ponte, 2002).

Coffee, the commodity of interest in this paper, is one of the most widely traded in the world. However, this commodity is at the nexus of controversy in global trade and is associated with political, ecological,

economic and social inequalities (Raynolds, 2002). Following a period of crisis in the coffee market (1989–2001), sustainability coffee initiatives, specifically Fairtrade and organic certification, began to mushroom (Bacon, 2010; Kilian, Jones, Pratt, & Villalobos, 2006; Ponte, 2002). While coming under increased scrutiny (Giovannucci & Ponte, 2005; Taylor, 2005), these new market models seek to establish more equitable and direct links between farmers and consumers (Bacon, 2010). The market model we investigate here bears some resemblance with its Northern-driven sustainability market counterparts, in that they all seek to enhance ecological and social sustainability goals.

This paper investigates the practices instigated by an indigenous Ugandan coffee exporter, Good African Coffee (GAC), whose business promotes organic farming, offers superior prices for the higher quality coffee that its farmers produce, and enables farmers to save for the future. GAC emphasizes the 'trade not aid' motto, promoting practices which empower farmers to become entrepreneurial and autonomous. Of interest to us are the efforts involved in constructing a sustainability coffee market from scratch; specifically a sustainability market model which promotes the economic viability of farmers, environmental conservation, and social responsibility (Giovannucci & Ponte, 2005).

We examine the GAC market as a socio-technical agencement (STA); a market which organizes diverse and heterogeneous agencies (GAC, farmers, technology, organic and crop agronomy principles), relations and arrangements to collectively innovate through interaction (Callon, 2007a). The market-making efforts contribute in creating a sustainability market STA. We thus pose the question: how does a market innovation unfold? Specifically, how do the agencing efforts to bring about a sustainability market unfold? By 'agencing', we mean the efforts involved in constructing markets, and therefore, the STAs making up markets. The agencing efforts, we argue, illuminate the market's capacity to

* Corresponding author.

E-mail address: annmarie.ryan@ul.ie (A. Ryan).¹ Tel.: +353 61 202215.

² The terms Bottom of the Pyramid and Subsistence Marketplaces are used synonymously (Sridharan & Viswanathan, 2008) although it is suggested that the two markets differ. However, the explicit differences between the two types of markets are yet to be illuminated (Mason, Chakrabarti, & Singh, 2013).

act (or in this case, innovate) in different ways depending on the (re) configurations in the agencement (Çalışkan & Callon, 2010).

While attentive to the introduction of a new technology in this market, our analytical focus is on the technology's interactions with GAC and the farmers, and on the innovations that these interactions bring about. Akrich, Callon, Latour, and Monaghan (2002) highlight the importance of interaction, adaptation and flexibility in the success of innovations, suggesting that innovations result from an agencement's response to market fluctuations. We adopt Callon's (2010, p227) definition of market innovation as "simply another name for the process of transformation and reconfiguration of markets, of re-agencement of market STAs". Thus, we trace the efforts entailed in constructing a sustainability market; in (re)framing coffee, farmers, GAC and market encounters in the Kasese district in Uganda by for example, requalifying technology from a 'donation object' to an 'investment object', and farmers from 'donor recipients' to 'entrepreneurs'.

The paper is outlined as follows: We begin with a review of the literature on socio-technical agencements, drawing attention to their transformative qualities which enable market innovation. Next, we outline the ethnographic methodology adopted and the contextual background of the study. An empirical analysis follows, tracing how the focal technology, in interaction with elements of the GAC market STA, reconfigured the market. In the discussion that follows, we reflect on how the creation of an interactive environment or a socio-technical agencement allows agencies to collectively (re)configure a sustainability market and realize market innovation. We then conclude, highlighting the implications of our work for theory, policy and practice.

2. Literature review

This paper follows recent calls for a richer understanding of the dynamics of how innovations emerge and unfold in practice (Hoholm & Araujo, 2011). It explores these dynamics by tracing how innovations unfold in market STAs. Drawing from Callon (2010), market innovation reconfigures STAs, reframing goods, agencies and market encounters in the process. From this definition, we see STAs as a useful analytical framework for us to study market innovation as a collective action performed in markets (Çalışkan & Callon, 2010; McFall, 2009). STAs are characterized as generative and promoting market innovation, engendering diverse and heterogeneous entities, relations, arrangements and innovative actions (Çalışkan & Callon, 2010; Callon, 2005, 2007b). Indeed, as Akrich et al. (2002, p190) suggest, innovation thrives in situations of diversity, opening up numerous possibilities for agencies "to interact and to choose whom to interact with". Therefore, depending on how the STA is (re)configured, diverse forms of action are generated (Çalışkan & Callon, 2010).

According to Hardie and MacKenzie (2007), agencements make visible the often-obscured composite acting behind the scenes to enact markets. They take on a hybrid collective character, illustrating the collective action performing the whole (Çalışkan & Callon, 2010; McFall, 2009). We thus see agency as attributed to the collective, rather than individual, agency (Çalışkan & Callon, 2010; Hardie & MacKenzie, 2007). In our analysis therefore, we extend beyond the focal technology examined and the market reconfigurations it triggers, to investigate elements of the agencement, of which the technology is a part; and how the composite, in tandem, constructs the sustainability market. We draw attention to the connections and underpinnings that STAs uncover (Hardie & MacKenzie, 2007), which illuminate their generative and transformative capacity (McFall, 2009). STAs, as McFall (2009) highlights, privilege these connections, transforming situations (markets in this case) by producing differences (Callon, 2008). Hence, by tracing these connections and the reconfigurations they enact, we are able to understand the innovative capacity of markets and ascertain the extent to which market innovation is achieved.

Drawing on McFall (2009, p52), we examine "how forms of market activity come to be instantiated"; in this case, the composite acting

behind the scenes to enact a sustainability market). Hardie and MacKenzie (2007, p74), however, highlight the enormity of the task of tracing an agencement and its interconnected world, advising that inquiry into agencements be selective by, for example, focusing on the non-obvious aspects of agencements or on tracing how agencements – their composition and configuration – affect economic action. It is on the latter point that we focus our analysis. That is, on the way in which elements of the GAC market STA are enrolled and configured so that they can collectively construct the new sustainability market.

Similar to Muniesa, Mollo, and Callon (2007), we consider neither 'market' nor 'sustainability' qualifications as coming from outside of the STA that we analyze here, as these qualifications exist inside of the STA. Unlike MacKenzie's (2003) analysis of the Black and Scholes formulae, the world of the GAC model we investigate has yet to become actual. However, to explore a market model's actualization *in-the-making* entails tracing the market-shaping (and counter-) efforts involved. For, as Callon (2007b, p320–321) suggests, to realize the market model entails an adjustment process; "a long sequence of trial and error, reconfigurations and reformulations...an adjustment that is never a given in advance and always requires specific investments". As such, we are less interested in the outright 'success' or 'failure' of the model, but in the adjustments made following a failure, dispute or crisis in the model, where the model "is given a new twist that translates into an alteration of the socio-technical agencements...And the game is never over, for new framings are always possible" (Callon, 2007b, p321).

We use the term 'agencing' to refer to the efforts involved in constructing markets, and therefore, the STAs making up markets. Agencing then can be taken to mean, in Bogue's (2007) terms, the action that brings the agencement into existence including, for instance, the act of arranging an agencement. As Çalışkan and Callon (2010, p9) put it; "Agencements denote sociotechnical arrangements when they are considered from the point [of] view of their capacity to act and to give meaning to action". Bogue (2007) points to this agencing as constituent of Deluze & Guattari's concept of assemblage, wherein assemblage not only refers to the arrangement, but also to the act of arranging those things. This is what Callon (2008) as cited by Araujo & Kjellberg (2009, p201) refers to as "strategies for realizing sought-after economic agencies". In this paper, therefore, we look into agencing as a generative process – a collective action that brings the agencement into being (after Bogue, 2007) and capacitates agencies to act in a certain way (after Callon, 2008). Specifically, we consider those agencing efforts which enable market innovation, entailed in reconfiguring one type of market (a mainstream market) into another (a sustainability market).

3. Method

This study draws from the empirical material obtained in 2010 using ethnographic methods, including, field notes, participant observation, interviews and visual methods. Over a 5-week period, the lead researcher examined the highly specific and concrete actions of agencies (Kjellberg & Helgesson, 2006) involved in reconfiguring the GAC market in innovative ways; tracing, as Becker (1998, p50) puts it, "who did what so that this thing (agency) should now exist as it does". The great attention to detail permitted an in-depth understanding of the GAC market agencement *in-the-making*.

The field research took place during the pre-harvest/start-of-harvest period. The timing of the research enabled the researcher to gather data on the day-to-day practices of coffee farmers and GAC including: coffee harvesting, crop agronomy (mulching, weeding, clearing trenches, and pruning and stumping coffee trees), wet processing and coffee exchange. By investigating into these practices, the researcher was able to trace the interacting components constituting and enacting the GAC market STA including farmers, GAC, crop agronomy and organic farming principles.

The field study took place in four research settings. 1/Kitante home-stead at the Nakasero village; a research setting selected because the

Download English Version:

<https://daneshyari.com/en/article/7433076>

Download Persian Version:

<https://daneshyari.com/article/7433076>

[Daneshyari.com](https://daneshyari.com)