

Institutional work by market-shaping public actors

Market
shaping

Valtteri Kaartemo

Turku School of Economics, University of Turku, Turku, Finland, and

Suvi Nenonen and Charlotta Windahl

The University of Auckland Business School, Auckland, New Zealand

401

Received 8 August 2019
Revised 3 December 2019
15 February 2020
Accepted 4 June 2020

Abstract

Purpose – This study aims to identify institutional work mechanisms that public actors employ in market shaping.

Design/methodology/approach – The paper uses an abductive theorizing process, combining a literature review with an empirical exploration of three different market-shaping contexts.

Findings – The study identifies 20 granular mechanisms of institutional work that market-shaping public actors employ. These mechanisms are all potentially employable in creating, maintaining or disrupting markets. Institutional work *vis-à-vis* individual institutions may differ in direction from the institutional work *vis-à-vis* the market system. Public actors are not a homogeneous group but may have different values and support competing institutional logics even when operating in the same market.

Research limitations/implications – The empirical data were limited to three cases in three small open economies. Data collected from other markets and with other methods would provide more rigorous insight into market-shaping public actors.

Practical implications – The findings revealed institutional work mechanisms that public actors can use to shape markets. Companies wanting to engage public actors in market shaping should be aware of the values and institutional logics that influence market-shaping public actors.

Originality/value – The paper unites and expands on the scattered knowledge regarding institutional work in market shaping. It illuminates and dissects the role of public actors in market shaping, challenging the reactive stance that is often assigned to them. The study provides a better understanding of how conflicting market views affect markets. It also brings insights into the interplay between market-shaping actions and the multiple levels of market systems.

Keywords Market shaping, Public actors, Institutional work, Marketing, Institutional field, Institutional entrepreneurship

Paper type Research paper

Introduction

Rather than just sensing and responding to market change, actors are – increasingly and actively – shaping markets. The empirical evidence for this claim includes, for example, wineries collaborating to gain acceptance of screw caps on bottles of premium wine (Baker and Nenonen, 2020), *Cirque de Soleil* creating a new circus market (Baker *et al.*, 2019) and the biogas industry shaping markets for increased sustainability (Ottosson *et al.*, 2019). Along with, or perhaps due to, recent examples of companies undertaking market-shaping strategies (Gavetti *et al.*, 2017), there is a growing interest among marketing scholars in understanding dynamic markets and market change (Humphreys and Carpenter, 2018;

© Valtteri Kaartemo, Suvi Nenonen and Charlotta Windahl. This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at <http://creativecommons.org/licenses/by/4.0/legalcode>.

This paper forms part of a special section “The Naples Forum on Service”, guest edited by Cristina Mele and Francesco Polese.

This research is funded by the Academy of Finland (315604) and a Marsden grant (UOA1333) from the Royal Society of New Zealand.



Nenonen *et al.*, 2019b). This developing stream of research considers markets as malleable and emergent (e.g. Alvarez and Barney, 2007; Bingham *et al.*, 2007; Gavetti *et al.*, 2017; Storbacka and Nenonen, 2011) rather than static and mechanistic, the latter view is arguably inherited from (neoclassical) economics (Vargo and Lusch, 2016). From a theoretical standpoint, these marketing scholars often adopt an institutional perspective: markets are conceptualized as socio-material systems (Nenonen *et al.*, 2014) created through processes of legitimation (Humphreys, 2010; Kjellberg and Olson, 2017), where institutions (Scott, 1995) – common habits, norms, routines, rules and laws – guide the relations between and interactions of individual and collective actors (Lawrence and Suddaby, 2006).

Understanding market-shaping activities through the lens of institutional theory highlights the structural norms, beliefs and regulations that enable and constrain innovation activities (Edvardsson *et al.*, 2014; Koskela-Huotari *et al.*, 2016). Importantly, the concept of “institutional fields” expands the analytical framework from individual organizations to the contexts or the operating environments of many organizations, enabling zooming out (Nicolini, 2009) from dyadic buyer–seller exchanges to the wider market system. Consequently, operating environments cease to be abstract opportunities or a set of constraining institutions. Instead, these fields that comprise the “environment” are organized and susceptible to deliberate reorganization (Scott, 1995). Thus, actors can participate in institutional work (Lawrence and Suddaby, 2006) that drives change in the institutional logic of their field (Gawer and Phillips, 2013; Zietsma and Lawrence, 2010); in other words, through institutional work, actors can overcome the “paradox of embedded agency” (DiMaggio and Powell, 1991) and influence the very fabric of institutional structures such as markets.

While “new” market conceptualizations theoretically acknowledge the importance of institutions and institutional arrangements (Vargo and Lusch, 2016), few studies (with some exceptions, e.g. Baker and Nenonen, 2020; Nenonen *et al.*, 2019a) offer granular empirical understanding of how organizations create, maintain and disrupt institutions in market-shaping contexts (Koskela-Huotari *et al.*, 2016). Moreover, while marketing scholars have long emphasized the importance of networks (Håkansson and Ford, 2002; Johanson and Vahlne, 2011), systems of value co-creation (Vargo *et al.*, 2008) and, more recently, ecosystems (Adner, 2017), many empirical studies (still) take the perspective of one focal and often commercial actor (for criticism, see Baker and Nenonen, 2020). Arguably, given the significant role of governmental and public actors’ activities, this aspect of market-shaping studies is specifically problematic. In many markets, public actors play substantial roles in relation to the regulative pillar, characterized by coercive mechanisms and legal bases of legitimacy, such as formal rules, laws and sanctions (Scott, 2013). For instance, government subsidies recently increased the demand for electric vehicles in China (Barrett, 2019), whereas the cutting of subsidies had a negative impact on the home solar panel market in the UK (Ambrose, 2019). Another recent example comes from California, where the gig economy legislation might have an impact on the music market (Hochberg, 2019). Interestingly, however, the few studies that do include analysis of market-shaping activities related to public actors perceive these actors as reactive stakeholders and targets of lobbying rather than active participants (e.g. Huault and Rainelli-Le Montagner, 2009; Järvensivu *et al.*, 2010; Lawrence and Phillips, 2004). Knowledge regarding the active involvement of public actors in market-shaping activities accordingly remains limited.

Against this backdrop, our purpose in this paper is to identify the institutional work mechanisms that public actors employ in market shaping. To address this purpose, the paper uses an abductive theorizing process, drawing on the concept of institutional work (Lawrence and Suddaby, 2006) and an empirical exploration of three different market-shaping contexts. Specifically, the cases highlight the active roles of the public actors in maintaining, creating or disrupting the patterns of activity and symbolic systems at an institutional field level (Phillips *et al.*, 2000). The study contributes, therefore, to the market-shaping literature by

illuminating public actors' market work – orchestrated strategies, initiatives and deliberate actions to shape the rules, taken-for-granted expectations, assumptions and practices in a market (Baker and Nenonen, 2020). In proposing that public actors proactively create, disrupt and maintain markets through various interrelated mechanisms beyond “just” the regulative pillar, the paper extends our understanding of the reactive and regulative institutional work of public actors (e.g. Huault and Rainelli-Le Montagner, 2009; Järvensivu *et al.*, 2010; Lawrence and Phillips, 2004) to include proactive (regulative, normative and cultural-cognitive) institutional work.

This paper also responds to the call by Kjellberg *et al.* (2012) for a better understanding of how conflict and conflicting market views affect markets by demonstrating that public actors occupying the same institutional field often have competing and conflicting institutional logics that affect their market-shaping actions. The empirical part of our study provides novel insights into the interplay between market-shaping actions and the multiple levels of market systems by showing that the relationship between micro level market-shaping actions and their higher-level outcomes is not simple or linear. Further, our paper contributes to the literature by suggesting that similar mechanisms of regulative, normative and cultural-cognitive work are all used by public actors, no matter if the aim is to maintain, disrupt or create the market.

Following Van Maanen *et al.*'s (2007) advice on reporting projects relying on abductive reasoning in scholarly journals, the paper adopts a traditional structure. Hence, the next section reviews the literature, elaborating on the conceptual understanding of markets as institutional fields and the implications of that understanding for market shaping. This review also outlines current understanding of the more specific activities that public actors carry out, that is, the institutional work of market shaping. The description of the methodology used for the three in-depth case studies that comprise the empirical work is followed by a presentation and then analysis of the empirical findings. In the final section, the paper discusses the contribution to the market-shaping literature as well as the limitations of the study and the implications of its findings for managerial practice and future research.

Markets as institutional fields

This paper draws on the notion that neo-institutionalism (Scott, 1995) and, specifically, institutional work (Lawrence and Suddaby, 2006) provide useful conceptualizations for investigating the emergent phenomena of market shaping (Baker *et al.*, 2019). As discussed in the Introduction section, understanding market-shaping activities through the lens of institutional theory highlights the structural norms, beliefs and regulations that enable and constrain activities in the market (Edvardsson *et al.*, 2014; Koskela-Huotari *et al.*, 2016). Institutions are higher-order “enduring elements in social life . . . that have profound effects on the thoughts, feelings and behaviour of individual and collective actors” (Lawrence and Suddaby, 2006, p. 216). Because the concept of institutional fields (Phillips *et al.*, 2000) encompasses “various kinds of rules and resources [that] become shared by groups of organizations that participate in related activities,” it delineates the context or the operating environment of organizations. For instance, previous researchers have referred to diverse complements of industries or markets as institutional fields, where institutionalized rules and resources condition the performance of organizations (DiMaggio and Powell, 1983; Phillips *et al.*, 2000), including practices of dichlorodiphenyltrichloroethane (DDT) insecticide use (Maguire and Hardy, 2009), photography (Munir, 2005), American health care (Caronna, 2004), financial markets (Fligstein and McAdam, 2012), the commercial music industry (Anand and Peterson, 2000) and the beer market (Kjeldgaard *et al.*, 2017).

Consistent with sociological field theory (Fligstein and McAdam, 2012), markets can be viewed as institutional fields comprising “those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resources and product

consumers, regulatory agencies, and other organizations that produce similar services and products” (DiMaggio and Powell, 1983, p. 148). Portraying markets as institutional fields enables zooming out (Nicolini, 2009) from dyadic buyer–seller exchanges to the wider market system. Moreover, viewing markets as institutional fields introduces the idea that markets are delimited by various institutions – taken-for-granted practices that constitute a common meaning system shared by field participants (Furnari, 2016) – and governed by institutional logics. The latter are the belief systems and related practices that serve as guidelines for market actors (Kjeldgaard *et al.*, 2017; Scott, 1995). However, it is important to note that institutional fields are not static. Various actors can initiate change to institutional fields through institutional work (Gawer and Phillips, 2013).

The concept of institutional work allows a deeper investigation into categories of “purposive action aimed at creating, maintaining and disrupting institutions” (Lawrence and Suddaby, 2006, p. 216). Drawing on the underlying institutional regulative, normative and cultural-cognitive institutional pillars (Scott, 2013), Lawrence and Suddaby (2006) identified the following: (1) nine types of work aimed at creating institutions that are linked to mobilizing and constructing regulations (advocacy, defining and vesting), norms (constructing identities, changing normative associations and constructing normative networks) and belief systems (mimicry, theorizing and educating); (2) six types of work aimed at maintaining institutions, whereof three ensure adherence to rule systems (enabling work, policing and deterring) and three focus on reproducing existing norms and belief systems (valorizing and demonizing, mythologizing, embedding and routinizing) and (3) three forms of work aimed at disrupting regulative (disconnecting sanctions), normative (disassociating moral foundations) or cultural-cognitive (undermining assumptions and beliefs) institutions.

In line with much of the institutional change literature, market-shaping studies are interested in how established fields change and the agency of various actors within the field, such as the construction and stabilization of markets, as well as the potential role of strategic actors in these processes (Fligstein and McAdam, 2011). Consequently, following the neo-institutional line of theorizing (Furnari, 2016; Lawrence and Dover, 2015; Lawrence and Suddaby, 2006), this paper defines market shaping as deliberate actions to move field conditions through creating, maintaining and/or disrupting markets as institutional fields. To clarify, market shaping is not limited to an actor’s efforts to induce a field to take a new form; rather, it also includes that person’s attempts to improve the field’s ability to retain its current form (Nenonen *et al.*, 2014). Also, while this paper pays particular attention to agency, it acknowledges that the observable dynamics in the market result not only from the deliberate efforts of market-shaping actors but also from spontaneous emergence (Hinterhuber, 2002).

Institutional work by market-shaping actors

As noted above, marketing scholars often adopt an institutional perspective. Yet, to the best of our knowledge, only a few empirically driven market-shaping studies include an explicit institutional perspective (e.g. Baker and Nenonen, 2020; Baker *et al.*, 2019; Koskela-Huotari *et al.*, 2016; Nenonen *et al.*, 2019a). For example, Koskela-Huotari *et al.* (2016) identified patterns of breaking, making and maintaining institutions and specifically highlighted how new “institutional reconfigurations” are characterized by including new actors, redefining the roles of both existing and new actors and reframing resources. The authors argued that these new reconfigurations are enabled through both breaking and creating institutions, as well as maintaining institutions. In contrast, Baker *et al.* (2019) highlighted the importance of institutional disruption and creation. Baker and Nenonen (2020) extended these studies through their focus on “collective market work” that showcases how the orchestrated, deliberate actions of a group of companies shape the rules of a market. Worth noticing is that none of these studies discussed the agency of the public actors; rather, the agency lies with the

commercial actor that either influences or responds to exogenous changes. The shortage of empirical evidence in marketing prompted us to also review the institutional change and institutional entrepreneurship literature to bring together the present scattered insights into the institutional work by market-shaping public actors.

Interestingly, the implicit perception of public actors as reactive stakeholders is seemingly prevalent in studies on institutional changes and institutional entrepreneurship (e.g. [Huault and Rainelli-Le Montagner, 2009](#); [Järvensivu *et al.*, 2010](#); [Lawrence and Phillips, 2004](#); see [Table 1](#), which provides an overview of institutional changes and institutional entrepreneurship articles that specifically discuss the role of public actors in market-shaping activities). Some of these studies emphasize public actors' institutional work in relation to the regulative pillar. An example is that of gatekeeping public actors, who make decisions whether companies are allowed to operate or not in a certain market ([Glassmann, 2008](#); [Jolly, 2017](#); [Yep, 2015](#); [Zietsma and Lawrence, 2010](#)). Public actors can also influence the attractiveness of a market by setting rules that restrict the volume of business activity ([Bartley, 2007](#); [Li *et al.*, 2018](#); [Zietsma and Lawrence, 2010](#)), and they often control prices ([Bohnsack *et al.*, 2015](#); [Jolly, 2017](#); [Walker *et al.*, 2014](#); [Zhang and White, 2016](#)).

In saying this, only a few of these studies have identified both normative works by public actors. Some studies emphasized the importance of discerning how the cultural-cognitive work of public actors forms the foundations for regulative work, for example, through actively brainstorming and envisioning alternate futures for markets ([Canales, 2016](#); [Jolly,](#)

Institutional pillar	Mechanism of institutional work	Associated references
Regulative	Changing taxation	(Buhr, 2012 ; Zhang and White, 2016)
	Enforcing	(Bertella, 2017 ; Jolly, 2017 ; Li <i>et al.</i>, 2018 ; Litrico and David, 2017 ; Zhao <i>et al.</i>, 2017)
	Financial backing	(Bartley, 2007 ; Benn <i>et al.</i>, 2014 ; Bohnsack <i>et al.</i>, 2015 ; Canales, 2016 ; Cao <i>et al.</i>, 2014 ; Elliot, 2016 ; Gasbarro <i>et al.</i>, 2018 ; Glassmann, 2008 ; Jolly, 2017 ; Kukk <i>et al.</i>, 2016 ; Thomas and Thomas, 2018 ; Zhang and White, 2016)
	Gatekeeping	(Glassmann, 2008 ; Jolly, 2017 ; Yep, 2015 ; Zietsma and Lawrence, 2010)
Regulative	Legislating	(Brès and Gond, 2014 ; Koene, 2006)
	Rule- and price-setting	(Bartley, 2007 ; Bohnsack <i>et al.</i>, 2015 ; Jolly, 2017 ; Li <i>et al.</i>, 2018 ; Walker <i>et al.</i>, 2014 ; Zhang and White, 2016 ; Zietsma and Lawrence, 2010)
Normative	Generic campaigning	(Zhang and White, 2016)
	Specific guiding	(Buchanan and Marques, 2018 ; Zhang and White, 2016 ; Zietsma and Lawrence, 2010)
Cultural-cognitive	Consulting	(Brès and Gond, 2014 ; Gurses and Ozcan, 2015 ; Jolly, 2017)
	Defining market boundaries and terms	(Binz <i>et al.</i>, 2016)
	Educating	(Binz <i>et al.</i>, 2016 ; Canales, 2016 ; Glassmann, 2008 ; Stål, 2015)
	Lobbying	(Binz <i>et al.</i>, 2016 ; Kukk <i>et al.</i>, 2016)
	Mimicking	(Binz <i>et al.</i>, 2016)
	Orchestrating collaboration	(Bartley, 2007 ; Canales, 2016 ; Jolly, 2017)
	Researching	(Alvarez <i>et al.</i>, 2015 ; Binz <i>et al.</i>, 2016 ; Buhr, 2012 ; Litrico and David, 2017)
	Standardizing	(Bartley, 2007 ; Buhr, 2012 ; Litrico and David, 2017)
Venturing	(Sarasini, 2013)	
Visioning	(Canales, 2016 ; Jolly, 2017 ; Jolly and Raven, 2015 ; Stål, 2015)	

Table 1.
Prior literature on institutional work by market-shaping public actors

2017; Jolly and Raven, 2015; Stål, 2015). However, the discussion on cultural-cognitive work has mostly been confined to brief descriptions of how public actors influence common beliefs, for instance, through research (Alvarez *et al.*, 2015; Binz *et al.*, 2016; Buhr, 2012) and education, in particular, providing information and training materials (Canales, 2016; Stål, 2015). There is also evidence of public actor-initiated collaboration (Bartley, 2007; Canales, 2016; Jolly, 2017) and consultation (Brès and Gond, 2014; Gurses and Ozcan, 2015; Jolly, 2017). Public actors have also been found to actively change the prevailing language and to link new ideas with taken-for-granted solutions (mimicking) to make new practices more appealing to market actors (Binz *et al.*, 2016).

None of the reviewed studies on institutional change and institutional entrepreneurship focused on the role of public actors in market shaping. As a result, and even though a limited number of papers have considered an assortment of means to shape markets, there has been no attempt to achieve a more holistic understanding of how public actors proactively shape markets through regulative, normative and cultural-cognitive work.

The research design

Sampling

The present study relied on an abductive theorizing process (Dubois and Gadde, 2002; Van Maanen *et al.*, 2007) that combined a literature review with three in-depth case studies. The aim for the empirical study was not to achieve a representative sample but a sample that illuminated the phenomena under study as reliable as possible. Following Eisenhardt and Graebner's (2007) suggestion, special attention was paid to sampling "polar types" that represent the extremes of the phenomena. In the context of institutional work, an important categorization to consider was whether the market as an institutional field was maintained, disrupted or created by public actors. The screening was based on secondary sources, with each researcher generating a list of possible case studies for each polar type. In other words, we looked for cases that either maintained, changed, or created field conditions seemingly resulting from the institutional work of public actors.

The final decision was based on four main criteria: (1) the expected richness of the case; (2) the cultural context – here the aim was to sample cases from different countries; (3) the industrial context – the aim being to sample cases from different industries and (4) the expected likelihood of gaining access to the public actors in question. In the end, three cases were deemed to be the most appropriate, namely, (1) the betting market in Finland (maintenance), in which public actors retained the domestic monopoly; (2) the open district heating market in Sweden (disruption), in which public actors changed the competitive landscape; (3) the peer-to-peer lending market in New Zealand (creation), in which public actors actively set up new structures and symbolic systems to facilitate new patterns of activity.

In terms of the sampling of informants within the three case studies, the research design required access to representatives of public actors that had been active in shaping markets as well as other actors that had interacted with them during the market-shaping process. To identify other actors to be interviewed, it was necessary to define the boundaries of the markets under investigation. In the case of the Finnish betting market, the focus was on how public actors had preserved a market structure formed around a state monopoly. Thus, the researchers did not, for example, thoroughly investigate the international betting companies that attract Finnish customers to their online platforms. The Swedish district heating case followed an ongoing development in the district heating market that was clearly driven by the public actor that questioned and disrupted the rules of the market, as well as the key commercial actor's active response over the years. Thus, the interviews focused on responses and activities taking place from the perspective of these two actors rather than including new

actors that had been invited into the market. Finally, New Zealand's peer-to-peer lending case focused on how public actors created a new market for peer-to-peer lending that is currently competing with the traditional bank-centric lending market. The researchers therefore did not conduct in-depth investigation of the incumbent financial institutions that may have had an incentive to oppose the creation of this new market.

Data collection

Foundational studies in institutional work have combined event history (Tuma and Hanman, 1984) and interpretive methods (e.g. archival records; Haveman and Rao, 1997), personal interviews (Thornton and Ocasio, 1999) and the content analysis of professional journals (Scott, 1995). The present study continued this established practice and combined both primary and secondary data collection.

In terms of primary data, 13 interviews were conducted (four in Finland, six in Sweden and three in New Zealand) in the period 2016–2017, with public actors and other (often commercial) actors that were in close contact with the market-shaping public actors during this process. Each co-author was responsible for collecting data for one case. The researchers approached potential interviewees and then asked them broad, open-ended questions designed to collect narratives that were as unbiased as possible and free from interviewer's unintentional framing. After completing this process, the researchers asked interviewees to reflect on their narrative by answering case-dependent follow-up questions. These follow-up questions were informed by the extant literature (see Table 1 for a summary) but were articulated in a way that was suitable for the case context. All interviews, except three, took place in person, and except for two were transcribed *verbatim*, producing 131 pages of

case	ID	Organization	Role	Duration
Betting market in Finland	betting1	Ministry of Education and Culture	Manager	55 min
	betting2	Ministry of Social Affairs and Health	Former manager	60 min
	betting3	Ministry of the Interior	Manager	58 min
	betting4	International betting company	Country manager	53 min
District heating market in Sweden	District-heating1	Power company	CEO	56 min
	District-heating2	Power company	Business development manager	63 min
	District-heating3	Power company	Head of open district heating project	110 min
	District-heating4	Power company	Business developer	40 min
	District-heating5	Municipality	Head data parks	30 min
	District-heating6	Municipality	Business developer	56 min
Peer-to-peer lending in New Zealand	Peer-to-peer1	Peer-to-peer lending start-up	Co-founder	55 min
	Peer-to-peer2	Ministry of Business, Innovation and Employment	Manager responsible for financial markets policy	50 min
	Peer-to-peer3	Larger peer-to-peer lending company	CEO	57 min

Table 2.
Interview data

transcribed text. The average length of the interviews was 59 min, with a range between 40 and 110 min (Table 2).

The researchers complemented the interview data with an analysis of secondary data or documentary evidence, such as articles published in the business media, press releases, laws and directives, commentaries by experts, transcribed expert panel discussions and so forth. The purpose of adding other material was to improve the credibility of the findings and, in particular, to counter self-attribution by key informants (Currie and Spyridonidis, 2016). Media have been deemed particularly important in previous studies that portrayed a public actor's institutional logic to others: "What is written in media is a part of our identity – this is how people perceive us" (Pallas *et al.*, 2016, p. 1,677). In addition, comments in the media are more likely to represent a wider view of institutional logic because they are likely to be controlled by other people in government agencies: "What the spokes-persons are about to say is controlled internally by at least two others from the (communication) department" (Pallas *et al.*, 2016, p. 1,677).

The data analysis

All three authors engaged in the fieldwork and analyzed the interview transcripts and the secondary data. To ensure that the theorizing process gave primacy to the empirical world, as is expected in studies using abductive theorizing (Nenonen *et al.*, 2017), the initial coding of the primary and secondary data followed the principles of grounded theory (Charmaz, 2006; Glaser and Strauss, 1967). The researchers began this process by working through the empirical material line by line, assigning codes related to institutional pillars and institutional work, as well as more granular open codes that were as truthful as possible to the material. For example, the original coding scheme for the peer-to-peer lending case in New Zealand contained 31 open codes such as "not giving exemptions," "regulators sharing information with each other" and "entrepreneur reaching out to a politician." Next, axial coding was conducted which required the researchers to use more selective, conceptual codes to categorize the identified open codes and link them to the institutional pillars. Finally, selective coding allowed the researchers to share the emerging conceptual categories with one another. The extant literature (Table 1) informed both axial and selective coding.

Each of the three cases was initially analyzed by one of the coauthors who had collected most of the empirical data related to that case. After this, the other two researchers checked the proposed codes, allowing for inter-coder triangulation and linking the emerging concepts to the extant literature – mainly to the three institutional pillars and the various mechanisms of institutional work clustered around them. The researchers used NVivo qualitative software to facilitate the coding and inter-coder triangulation. After all researchers were satisfied with the analyses of the three individual cases, a cross-case analysis was conducted to synthesize the findings.

Empirical findings

Maintenance: betting market in Finland

The formal betting market in Finland has for decades been characterized by a state monopoly, which has been largely maintained by public actors against strong resistance from international competition and the European Union (EU). Earlier, four (nonprofitable/charitable) organizations shared this monopoly, their concessions bounded by the type of gaming and its geography (Veikkaus: betting and lotteries; Raha-automaattiyhdistys [RAY]: slot machines; Hippos: horse racing and Penningautomatförening [PAF]: betting and slot machines in the Åland Islands). These organizations delivered all their proceeds to concerns promoting health and social causes, culture, sports, science and youth, as well as

horse breeding and equestrian sports. Many of these beneficiaries relied almost solely on betting money, to such an extent that it came as a shock when, in the early 1990s, some of the proceeds were shared with the public library system. As a result, public actors that were involved with the betting market, particularly the Ministry of Education and Culture (OKM), who wanted to ensure there was enough money left for the original beneficiaries. However, this was a small challenge to market maintenance compared with what was to follow.

Finland's accession to the EU in 1995 and the rise of the Internet before the Millennium created turmoil for the traditional monopoly system. First, PAF, licenced to operate betting only in the Åland Islands (an autonomous region of Finland), began to offer games over the Internet to customers in mainland Finland. Later, international companies began attracting Finnish customers. These companies demanded the opening up of the market to competition, a demand that partly aligned with EU's policy that values free trade between member states and questions the privilege of running national monopolies. Finnish public actors, particularly the Ministry of the Interior (SM), the Ministry of Social Affairs and Health (STM) and OKM, founded their claim for monopoly on the tradition that the betting market has always used a monopoly system. They also argued that monopoly is the best way to protect society against problem gambling, to fight crime and to maintain high standards of customer protection. "According to National Police Commissioner Kimmo Hakonen it is necessary that the current line of thought is justified consistently to the supporters of the free [betting] market. In that work, the priority is on protecting the players from criminal activity and problem gambling. We cannot justify this by saying that this is the way to get funding for good purpose" (Aaltonen, 2008). Although the European Commission (the executive branch of the EU) and international betting companies challenged the monopoly, it was still maintained.

SM backed the monopoly system by using regulative mechanisms, such as creating laws that banned international firms from operating in Finland. "It was a must to go to clause-level changes (in legislation), because it cannot be in the hands of individual authorities, these questions. If I left the office, another person might come to another conclusion and interpret the rules differently. And I do not think this leads to a consistent and long-term gaming and betting politics, which is needed for maintaining the whole system" (betting 3). Competitiveness of the monopoly was also ensured through favorable taxation. Although politicians as decision makers set the laws and other rules restricting behavior in the market, these rules were often tested and interpreted differently by various actors in the public domain. Thus, public actors needed to define the boundaries, and certain actors, particularly the police board, also shaped the market by enforcing rules against actions that threatened the monopoly (e.g. marketing by international betting companies), while they were criticized for not taking serious action against behavior that was perceived to be illegal by those who favored the monopoly (e.g. marketing by monopoly companies). "According to Jokerit [hockey team playing in an international ice hockey league], its marketing collaboration with Nordic Bet targets and takes place beyond Finland's borders but the Police Board did not share the view. In addition, the Police Board sees that Nordic Bet violates the Lottery Law, as it offers games on a Finnish language website, although the servers are located outside Finland" (Hakola, 2015).

In principle, SM, STM and OKM collaborated to maintain this monopoly; they met regularly and even closely followed the development of the EU's policies in the betting market to oversee their interests. "And then we had this one intervention, when we had one authority in Brussels for several years to oversee or to guard. And then we continued the process so that an external consultant was there until last year (2016), whose responsibility was to follow the development of the gaming and betting market and particularly the European Union's politics in the gaming and betting market" (betting 1). All these actors considered the

monopoly to be the best approach to meet their interest in fighting against problem gambling (health) and crime (interior), as well as securing the position of the original beneficiaries (education and culture), and they repeated this narrative to justify the monopoly: "Running gaming and betting business without the need to give back to the society is neither something considered self-evident nor an alternative worth aiming at from the perspective of the Finnish society" (Kaukonen, 2003). This requirement also meant maintaining a balance between increasing revenue and limiting gaming problems. "With RAY we have had the question of how many slot machines we can have so that we do not have oversupply. So, it is about balancing, but we have been able to keep it together and thus prevent playing in Malta and other companies that try to bomb it and get their own share of the whole" (betting 2). However, there were some public actors, such as the Finnish Competition and Consumer Authority as well as the Ministry of Economic Affairs and Employment, that occasionally questioned the national monopoly because they had the promotion of free trade on their agenda. As some of the rules for betting had been somewhat discretionary – and subject to anti-monopoly interpretations – the dominant pro-monopoly actors revised the Lotteries Act in 2016, in part to lock in the monopoly of the market.

To ensure that foreign companies did not secure any kind of hold in the Finnish market, various actors used normative mechanisms as a "guide" to how to behave in the market. For instance, when international betting firms began to suggest possible sponsorship deals with Finnish sports teams, OKM discussed with these national monopoly beneficiaries (i.e. the sports teams) how they should react to approaches from foreign gaming companies. OKM even went as far as discussing with national sporting federations whether athletes who collaborated with foreign betting companies outside Finland could represent their country in international events such as world championships or the Olympics. "From the Ministry we have been more in contact and tried to guide and discuss through information governance . . . from where this funding comes from and what is the impact . . . We have discussed with head of federations what is correct and what is less correct and through that, so to say, give guidance. And in terms of athletes that have been attracted as mannequins of foreign gaming companies, we have also discussed whether it's possible for athletes representing their country in the national team" (betting 1).

Public actors also shaped the general climate of opinion through the cultural-cognitive mechanisms by selecting the studies to be conducted on the betting market. Because these studies were ordered by public actors, they reflected their values through question setting. For instance, when SM guided the decision-making on restructuring the market, they did not consider studies designed to determine if the licensing system should be opened up to international companies. Thus, the studies that the different ministries commissioned framed the decision-making process for the politicians. "There we had two alternatives for a long time that either we put all three activities (Veikkaus, RAY, and Fintoto) together or then RAY and Veikkaus and then leaving out the horse sector. But in the end we decided to combine all activities. But we never had a deeper look at the license system or any kind of hybrid system" (betting 3).

Because of all this, the market underwent a significant internal change. Betting and gambling increasingly migrated to the Internet, new laws came into force and in 2017, the three mainland monopoly companies merged into one national state-owned company (Veikkaus). This development ended the ownership control that OKM had on Veikkaus, which resulted in a useful mechanism for securing the position of the original beneficiaries. New regulators were set up to ensure the strong position of the original beneficiaries. "Now that the playing got separated from fund sharing, and that it is connected with the Ministry, naturally various stakeholders kept strong hold of their own interests and new rules were made as to how profit is shared between different sectors" (betting 2). Despite these institutional changes, the public actors were successful

in maintaining the national monopoly of the Finnish betting market and in retaining the field conditions of the market.

Disruption: district heating market in Sweden

Sweden was an early leader in “district heating”, whereby the residential and commercial heat requirements of entire urban districts are efficiently met from central plants rather than by homes and businesses generating their own heat. Until 2012, the Swedish district heating system operated as a monopoly in each district. During that year, the open district heating project was instituted in Stockholm, enabling third-party companies with excess heat production to sell their energy into the network. Through this project, the main industry actor, the “power company,” created a dynamic approach to the market through the integration of small- and large-scale heat production that, to a certain extent, competed with its own heat production, thereby creating opportunities for new business models addressed at buying, selling and distributing heat.

On closer examination, this district heating case revealed the significance of public actors and their role in changing a market through creating, maintaining and disrupting institutions. This occurred because even though the industry initiated the open district heating project, it was the Swedish Competition Authority that drove it. Between 2001 and 2014, the Competition Authority questioned the status quo of the market, emphasized the need for comparability with other markets, notably the electricity market, carried out investigations and implemented new legislation that supported consumer choice, consumer protection and competition. As the chief executive officer (CEO) of the power company explained: “*So that [the investigation] was the starting point, an outside threat really, you could actually say*” (district-heating1). In 2008, a new district heating act was adopted, and in 2014, a bill allowing third-party access (TPA) was passed. In the intervening six years, various other public actors actively took part in evaluating industrial initiatives and eventually supported the reallocation of the property rights accompanying TPA. According to one of the key actors: “The referral response became part of the legislation and . . . [eventually] we landed in a market model facilitating a dynamic development of the district heating sector, rather than regulating it in rigid steps, which we were convinced would hinder its development” (district-heating1).

With regard to regulative mechanisms, the district heating case clearly highlights the importance of public actors: on the one hand, they maintained the old market system in terms of the heat distribution network, thus supporting and legitimizing the role of the main actor and its ownership of the network; on the other hand, they played a large part in disrupting regulative norms through new legislation that opened up the network for heat distribution. The public actors also used normative and cultural-cognitive mechanisms that were strongly connected to these regulative mechanisms. For example, public actors played a role in supporting new networks and identities and strongly advocated for increased competition that would allow for greater fairness. “Consumers are in a vulnerable position in the district heating market as they cannot choose their supplier. This is why it is important to inspect district heating undertakings” (Swedish Competition Authority, 2010, para 4). The support of the public actors contributed to the creation of several new networks, such as a district heating board, a pricing dialog network and a data park initiative (see next paragraph). These developments led, in turn, to new market developments.

The district heating project commenced the data park initiative in 2017 in association with the Stockholm municipality. Data parks consisting of energy-hungry data centers are suitable candidates for excess heat providers because the centers’ servers generate large amounts of heat. Through active involvement in this initiative, public actors facilitated and further legitimized the development of activities taking place in the market by changing the

rules and procedures related to land titles. These actors also forged links to overall innovation agendas (sustainability) and city development, evident in these comments from the municipality's mayor in 2017: "So far, data centers have been built with little consideration for the environment. We want to change that. We want future data centers to be even more cost efficient and truly green. With that objective, we are determined to make Stockholm a major hub for sustainable data centers. Together with other key players we have set up a partnership – Stockholm Data Parks – to make it happen" (Stockholm Data Parks, 2017a, quote on webpage). The actors furthermore engaged in information sessions and conferences to educate potential international customers about the Swedish district heating structure, including its environmental and business benefits.

In the same year, a lower electricity tax for data centers larger than 0.5 MW was approved and a budget proposition included a memorandum signaling two important possible changes. The first was to extend the tax break to centers larger than 0.1 MW; the second was to apply the tax reduction to data centers whose heating and cooling requirements were being supplied by an external company. This budget proposition was passed in 2018 with the expectation that its provisions would further facilitate the operations of the open district heating project.

In summary, Swedish public actors enforced new regulations that disrupted the district heating market in Sweden and opened up the network for heat distribution. However, they also maintained the old market system in terms of ownership of district networks, thereby supporting and legitimizing possible new roles for the traditional industrial actors – and hence the open district heating project in Stockholm.

Creation: peer-to-peer lending market in New Zealand

The global financial crisis of 2007–2008 prompted New Zealand, like most Western economies, to review the regulation of its financial markets. The New Zealand Government formed the Capital Market Development (CMD) Taskforce in response to the crisis. In December 2009, Direct Marketing Commission (DMC) published its recommendations, including, for example, the consolidation of market conduct regulators and the freeing up of private markets. One of the recommendations with respect to the freeing up proposal was the creation of a framework that would allow small offers such as peer-to-peer lending. The subsequent creation of this new peer-to-peer lending market in New Zealand exemplifies how new markets are typically formed. Because many aspects of human activity are already influenced by economized markets, new market systems do not emerge into an empty institutional landscape. Instead, new market systems bifurcate from old ones and become adjacent markets that coexist with the old market system (Kjellberg and Olson, 2017). This process is evidenced in the present case, where the traditional lending market – dominated by banks and other traditional actors – still exists, with the peer-to-peer lending market created by the public actors to complement, not overtake, the traditional market system.

New Zealand's public actors used regulative mechanisms to create this new market. As a response to DMC's recommendations, the predecessor of the current Ministry of Business, Innovation and Employment (MBIE, founded in 2012) set up a new regulator in 2011, the Financial Markets Authority (FMA), which replaced the Securities Commission of New Zealand: "We made a new regulator, the Financial Markets Authority. So, my team did the work to make them, establish them" (peer-to-peer 1). The FMA was tasked with the responsibility of creating and then enforcing a new Financial Markets Conduct Act.

To engage stakeholders, MBIE embarked on cultural-cognitive institutional work by releasing a *Financial Markets Conduct (FMC) Regulations Discussion Paper* to facilitate consultation with the various stakeholders. Anyone, including the public, could make submissions up until March 2013: "So, the process really kicked off in 2010 with the release of a discussion document, a consultation paper for the public. . . . That canvassed the key policy

issues in a bit of detail, but still reasonably high level: here's the things we want to achieve, here's the basic changes that we think need to be made, what do you think?" (peer-to-peer 1).

The [Financial Markets Conduct Act 2013](#) (FMCA) that grew out of the consultation process came into effect in two phases, in April and December 2014 and specified the role and responsibilities of peer-to-peer lenders. Thus, the official peer-to-peer lending market in New Zealand was created through the initiative of public actors. Peer-to-peer lending companies were initially relatively content with the outcome of this regulative work: "And then, as the regulations started to come in, a few said, we think this regulatory framework is quite good. We're actually pretty good. As the FMA took that from MBIE, and started to turn it into regulations, and the consultations and the education that they did, we started to get even more comfortable that, hey, this is pretty good to be absolutely honest" (peer-to-peer 3).

Interestingly, several peer-to-peer lending companies had already commenced operations before the FMCA 2013 came into effect. One of the earliest actors in this sphere was Nexx, a start-up company that originated from the innovation ecosystem of the University of Auckland Business School. In February 2008, five months before the creation of CMD, Nexx had begun working with its lawyers to make a case for peer-to-peer lending within the existing regulatory framework after receiving specific guidance – one form of normative institutional work – from New Zealand regulators that peer-to-peer lending would not be possible under the present law.

At the same time, CMD had started its institutional work to create the new peer-to-peer lending market with a regulative mechanism: reviewing the New Zealand's regulations related to financial markets and particularly CMD's gatekeeping activities. Originally, the Securities Commission and later the FMA did not allow the exemptions for peer-to-peer lenders to operate, even though other countries had permitted new business models, while laws and regulations were crafted under the philosophy of "the current legislation does not recognise you, but it does not make your operations illegal". A cofounder of a peer-to-peer start-up, reflecting on how their company was engaged by the Australian regulators through normative mechanisms, said: "We worked with the Australian regulators for a while and got what was then a no-action letter from them. So they said, look, you're one of a few people who've come to us with this idea, your debenture structure is probably the right way to go about this, we do not know if it's going to fully comply but basically we'll let you get up and running and then we might make our mind up a little bit later on. So take this letter as not a full endorsement or an exemption. More as saying, let's talk 12 months after you guys get up and running and as you get going" (peer-to-peer 2). Some commentators claimed that this lack of exemptions may have slowed down the rate of innovation in the New Zealand marketplace, at least momentarily. Some companies, such as Nexx, did not survive the wait and closed their operations during the "wait period" of 2008–2014.

Since the launch of FMCA 2013, the FMA has been the main New Zealand government agency responsible for regulating capital markets and financial services. However, it is not the sole public actor regulating this field: the Commerce Commission enforces competition law and has primary regulatory and enforcement responsibility regarding consumer credit contracts. Thus, peer-to-peer lenders are subject to both the FMA and Commerce Commission oversight – not always without conflict.

In August 2016, the Commerce Commission filed civil proceedings in the Auckland High Court against Harmony, then New Zealand's largest peer-to-peer lender, seeking a ruling on how the Credit Contracts and Consumer Finance Act 2003 (CCCFA) applied to peer-to-peer lending agreements. More specifically, the commission argued that the "platform fee" Harmony charged all borrowers was a "credit fee" as defined in the CCCFA. Through generic campaigning, one of the normative mechanisms, the FMA and some politicians publicly backed Harmony: "PublicActorX has backed (us) up in writing; it's a very difficult position for them to be in, because they, what they have not done, and you could never expect them to

do, is to in any way step in to the turf of PublicActorY. But they've been very, very, very supportive, and been clear that they thought that CompanyX was the perfect execution of what the Act, and the government therefore, call for" (peer-to-peer 3). Harmoney distinguished credit fees, which under the CCFA should cover only the lender's transaction-specific costs, from the fees needed to enable the operations of digital platforms. The transaction fees of a digital platform like Harmoney's were almost nil, and therefore insufficient to cover the development costs of the platform. In May 2018, the Auckland High Court ruled that Harmoney's platform fee was, in fact, a credit fee. This can be seen as enforcing, one of the regulative mechanisms. The Commerce Commission is now seeking court orders to compensate affected borrowers. While the precise shape of the peer-to-peer lending market in New Zealand is still uncertain, public actors certainly helped to create it.

The cross-case analysis: institutional work by market-shaping public actors

These empirical studies throw into stark relief the prominent and proactive role that certain public actors played in shaping the market portrayed in each study, while the institutional perspective on their roles and activities has provided an increasingly granular view to highlight those of their activities relating not only to regulative but also to normative and cultural-cognitive institutions. As noted previously, the granular mechanisms of institutional work can be grouped around three institutional pillars. With respect to the first of these, the regulative pillar, the present study identified the following mechanisms: altering regulators, changing taxation, enforcing, financial backing, gatekeeping, legislating and rule- and price-setting. For the normative pillar, the cases revealed activities related to guiding other actors, such as specific guidance and generic campaigning. As for the third pillar, the cultural-cognitive pillar, this empirical study found evidence of public actors shaping markets by consulting, defining market boundaries and terms, educating, lobbying, mimicking, narrating, orchestrating collaboration, researching, standardizing and venturing.

Table 3 provides a summary of these findings and indicates which of these was evident in each of the markets. Because these mechanisms of institutional work can be compared with the ones uncovered in the literature (Table 1) discussed above, the authors have combined the findings from the empirical research study with the prior research study in Table 3. In brief, the findings extend the prior findings on public actors' market-shaping activities to include altering regulators and narrating as new mechanisms of institutional work not present in the extant literature. Appendices 2–4 provide quotations for each mechanism.

Along with the findings from the granular view of specific public actors' activities, the analysis produced three key findings, which are set out in the remainder of this section. But before that, it is relevant to note that previous market-shaping studies have tended to emphasize the activities and roles of the commercial actors that are seemingly driving the change. These studies perceive public actors as reactive stakeholders and targets of lobbying rather than agents actively shaping markets. In contrast, this study has highlighted the roles and activities of the public actors as ones that go beyond "just" regulatory. The analysis also shows that even though all three cases included all types of institutional work (i.e. regulative, normative and cultural-cognitive), their aims and emphases differed across the cases. In the Swedish case, the public actors' role in shaping the market was clearly that of disrupting institutions. These public actors undermined and hence disrupted old cultural-cognitive, normative and regulative institutions in order to legitimize the new activities taking place. However, these activities were supported through institutional work aimed at creating and maintaining institutions. Thus, our study gives an indication of the important roles that public actors play with respect to institutional work in different types of market-shaping contexts (creating, maintaining or disrupting).

Description of the mechanism	Empirical evidence in betting (FIN), district heating (SWE), and peer-to-peer lending (NZ) markets	Reference to prior literature
<i>Regulative mechanisms</i>		
Altering regulators	Setting up new regulators and agreeing new roles for regulators	FIN, SWE and NZ New mechanism
Changing taxation	Guiding market behavior by adjusting tax rates or what is or is not being taxed	(Buhr, 2012; Zhang and White, 2016)
Enforcing	Ensuring compliance with laws and rules	(Bertella, 2017; Jolly, 2017; Li <i>et al.</i> , 2018; Litrico and David, 2017; Zhao <i>et al.</i> , 2017)
Financial backing	Providing financial support (funding and guarantees) to market actors	(Bartley, 2007; Bemm <i>et al.</i> , 2014; Bohnsack <i>et al.</i> , 2015; Canales, 2016; Cao <i>et al.</i> , 2014; Elliot, 2016; Gasbarro <i>et al.</i> , 2018; Glassmann, 2008; Jolly, 2017; Kukkk <i>et al.</i> , 2016; Thomas and Thomas, 2018; Zhang and White, 2016)
Gatekeeping	Controlling access to market with various permits and licences	(Glassmann, 2008; Jolly, 2017; Yep, 2015; Zietsma and Lawrence, 2010)
Legislating	Setting up new laws and rewriting old laws	(Bres and Gond, 2014; Koene, 2006)
Rule- and price-setting	Setting up rules for market behavior, including fees, licences, operating practices, volume of business activities, other than formal laws	(Bartley, 2007; Bohnsack <i>et al.</i> , 2015; Jolly, 2017; Li <i>et al.</i> , 2018; Walker <i>et al.</i> , 2014; Zhang and White, 2016; Zietsma and Lawrence, 2010)
<i>Normative mechanisms</i>		
Generic campaigning	Giving generic and indirect advice to market actors on appropriate behavior (e.g. positive examples of the normative foundations of the market)	(Zhang and White, 2016)
Specific guiding	Giving focused and direct advice to market actors on appropriate behavior (e.g. threatening of cutting public funding)	(Buchanan and Marques, 2018; Zhang and White, 2016; Zietsma and Lawrence, 2010)

(continued)

Table 3.
The mechanisms of institutional work by market-shaping public actors

Description of the mechanism	Empirical evidence in betting (FIN), district heating (SWE), and peer-to-peer lending (NZ) markets	Reference to prior literature
<i>Cultural-cognitive mechanisms</i>		
Consulting	Discussing with other market actors to reach a shared view of the market	(Brès and Gond, 2014; Gurses and Ozcan, 2015; Jolly, 2017)
Defining market boundaries and terms	Developing definitions and language in the market	(Binz <i>et al.</i> , 2016)
Educating	Educating market actors in necessary skills and knowledge	(Binz <i>et al.</i> , 2016; Canales, 2016; Glassmann, 2008; Stål, 2015)
Lobbying	Attempting to influence the actions, policies or decisions of other legislators or regulators; NB! Separate from being lobbied	(Binz <i>et al.</i> , 2016; Kukkk <i>et al.</i> , 2016)
Mimicking	Linking new ideas with taken-for-granted solutions	(Binz <i>et al.</i> , 2016)
Narrating Orchestrating collaboration	Telling stories to support market behavior Initiating and coordinating collaboration between market actors	New mechanism (Bartley, 2007; Canales, 2016; Jolly, 2017)
Researching	Commissioning and conducting studies on selected topics	(Alvarez <i>et al.</i> , 2015; Binz <i>et al.</i> , 2016; Bühr, 2012; Litrico and David, 2017)
Standardizing Venturing	Creating standards for market solutions Running business or controlling other assets through ownership	(Bartley, 2007; Bühr, 2012; Litrico and David, 2017) (Sarasin, 2013)
Visioning	Brainstorming and visioning the future market with other actors	(Canales, 2016; Jolly, 2017; Jolly and Raven, 2015; Stål, 2015)

The three case studies also reveal that the choice of institutional work mechanisms is not limited by the intended outcome of the market-shaping efforts. For instance, in all three cases, public actors set laws and rules that influenced, or indeed drove, the market-shaping activities. Public actors also variously guided other actors through specific guidance and generic campaigning. They furthermore commissioned research on strategically selected topics and augmented certain narratives indifferent of their aim to maintain, disrupt or create institutional fields. But no matter whether our three cases included activities aimed at maintaining, disrupting and creating institutions, it seems that the public actors had different aims and objectives at the level of institutional fields. As evident in Figure 1 and Table 3, they were using the same institutional work mechanisms (regulative, normative and cultural-cognitive) to maintain, disrupt and create institutions and markets (as institutional fields).

Key finding 1: Public actors can use the same mechanisms of institutional work but achieve different outcomes, namely, maintaining, creating or disrupting markets.

As was evident from the empirical case studies, the institutional work of public actors, even if motivated by a single, monolithic objective, may take different directions depending on the analytical level. For example, a public actor may sometimes have an objective directed toward maintaining the institutional field, that is, the market, but to achieve this, the public actor may need to disrupt an existing institution or create a new one. This is what occurred in the Swedish district heating case, where public actors found it necessary to maintain the institution of ownership of the network in order to allow disruption to the field by creating new access to the market. In the Finnish betting market, however, public actors needed to initiate a significant disruption by forcing three national monopoly organizations to merge when they began competing against one another. While increased competition between these organizations could have violated Finland’s permission to maintain a state monopoly in betting, public actors still judged making a smaller institutional change (the merger) preferable to disrupt the whole institutional field (opening the betting market to international competition). In this case, disrupting existing individual institutions or creating new ones was necessary to maintain the institutional field.

Key finding 2: Public actors’ institutional work *vis-à-vis* individual institutions may differ in direction from their institutional work *vis-à-vis* the market as an institutional field.

The empirical part of the study also revealed that within the three cases not all public actors’ values were similar. For example, some actors may have favored creating or

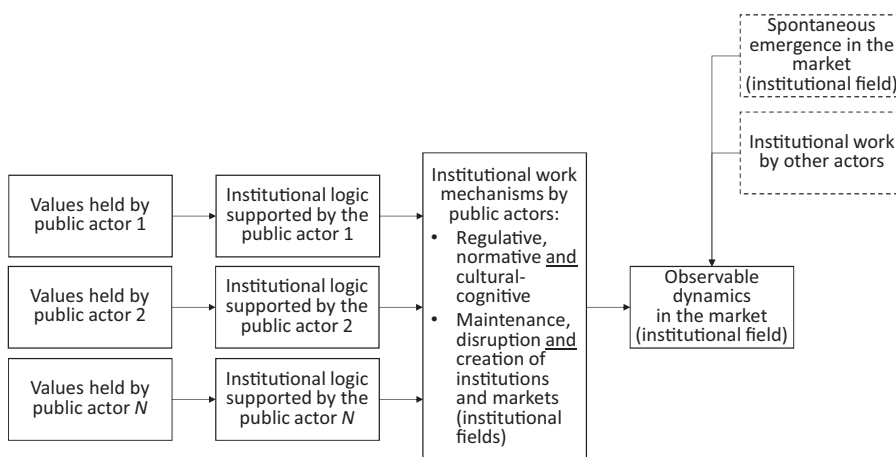


Figure 1. A theoretical model of institutional work by market-shaping public actors

disrupting markets, while at the same time others were willing to maintain the status quo. Therefore, it can often be counterproductive to speak of public actors as a single, monolithic category. In contrast, grasping their plurality can lead to a deeper holistic understanding of market-shaping processes. In all three cases, it was possible to identify at least two competing values held by actors even within a certain jurisdiction (these differences are additional to the inter-jurisdictional differences, such as between the European Commission, which supported free movement of services across borders and the dominant objective of public actors within Finland to maintain the national monopoly). Thus, the different values of ministries within Finland resulted in them supporting competing institutional logics. Conversely, in the New Zealand peer-to-peer lending market, some public actors were motivated by the need to foster innovation in the local financial market, whereas others followed the principle of protecting (vulnerable) customers. Thus, this plurality of support to institutional logics and market views can be explained by different values among public actors.

Key finding 3: Public actors operating in the same market may have different values and may therefore support competing institutional logics that explain their differential use of institutional work mechanisms.

The three key findings on the institutional work by market-shaping public actors are graphically presented in the single theoretical model that is [Figure 1](#). The model shows that markets emerge from a combination of interrelated (and sometimes simultaneous and overlapping) regulative, normative and cultural-cognitive institutional work by public actors, along with institutional work by other market-shaping actors and spontaneous emergence. The model also emphasizes public actors' values and consequent support to prevailing (sometimes competing) institutional logics as explanatory factors for their institutional work.

Discussion

In this section, the authors discuss the theoretical contributions and limitations of the study, as well as avenues for future research and managerial implications.

Theoretical contributions

This paper puts forward four main theoretical contributions. First, the combination of literature review and empirical study provides a comprehensive synthesis of the institutional work that public actors do in shaping markets (i.e. market work: [Baker and Nenonen, 2020](#); [Baker et al., 2019](#); [Lawrence et al., 2011](#); [Nenonen et al., 2019a](#)). Despite recent research interest in market shaping, many studies have either ignored the role of public actors in reforming markets or considered them only as reactive stakeholders and passive objects of lobbying by active commercial actors. The present study therefore advances the field of market shaping by bringing together the scattered extant knowledge on institutional work by market-shaping public actors (summarized in [Table 1](#)) and supplementing it with empirical evidence ([Table 3](#); [Appendices 2–4](#)), an approach that introduces two new mechanisms of institutional work used by market-shaping public actors. According to our knowledge, this study is the first comprehensive overview of market work by public actors. In attributing proactive market-shaping agency to public actors, the study also contributes to the market-shaping literature by broadening the network of actors considered capable of proactive market shaping. Thus far, most of the market-shaping literature has focused on firms (cf. [Gavetti et al., 2017](#); [Jaworski et al., 2000](#); [Nenonen et al., 2019b](#)) or consumers (cf. [Giesler, 2008](#); [Kjeldgaard et al., 2017](#); [Martin and Schouten, 2014](#)). In short, this paper illuminates the active – and sometimes critical – role of public actors in the evolution of markets.

Second, in responding to a call by [Kjellberg et al. \(2012\)](#) for a better understanding of how conflict and conflicting market views affect markets, this study demonstrates that public

actors are not a homogeneous group with unified market views. On the contrary, public actors occupying the same institutional field may often have competing and conflicting institutional logics that, in turn, affect their market-shaping actions. Based on our results, such conflicting market views stem from incompatible underlying values. Existing studies have identified situations where competing logics have continued to coexist for a lengthy period (Marquis and Lounsbury, 2007; Lounsbury, 2007; Reay and Hinings, 2005). However, our results indicate that even though competing institutional logics can coexist, a coherent set of institutional arrangements is needed for actors to operate in a market. This finding introduces the concepts of “competition” and “power” to market shaping- and institutional work-related literature studies because various actors endeavor to make their preferred arrangement of the market the dominant one.

Third, we provide novel insights into the interplay between market-shaping actions and the multiple levels of market systems. Various studies have recognized that markets, like other socio-material systems, can be conceptualized as consisting of multiple levels of analysis such as micro, meso and macro (cf. Baker and Nenonen, 2020; Storbacka and Nenonen, 2011; Vargo and Lusch, 2016). By definition, market shaping is a multilevel phenomenon: actors (residing on the micro level) seek to induce change on meso and macro level market structures. The results of the present study indicate that the relationship between the micro level market-shaping actions and their higher-level outcomes is not simple or linear. For example, disrupting an individual institution can be part of a cohesive market-shaping strategy aimed at maintaining the overall institutional field (e.g. the betting market in Finland). Thus, the directionality of meso level market-shaping actions (such as changing individual institutions) can differ from the directionality of the desired macro level market change.

Fourth, this empirical study suggests that regulative, normative and cultural-cognitive work are all interlinked and, to some extent, indifferent to the aim of the market work. While providing a holistic view of the market-shaping mechanisms of public actors, the empirical study interestingly reveals that public actors use similar mechanisms of institutional work in various contexts, no matter if the field conditions of the market are maintained, disrupted or created (see Appendices 2–4).

Limitations and future research

This study was limited to three cases in three small open economies. In the spirit of theoretical sampling, the researchers deliberately selected cases from various institutional contexts. However, they covered only three geographies and three industries. More research in other contexts is required to verify the present findings. In addition, because the research approach was exploratory and qualitative, the authors encourage researchers to undertake in-depth longitudinal case studies into how institutional work by market-shaping public actors evolves over time. The researchers also invite service and marketing scholars to use quantitative research techniques to study the performance of market-shaping public actors. Such work could create a better understanding of the importance of different mechanisms of institutional work and the factors associated with the efficiency of market shaping. The authors also need to point out that our study did not aim at validating the mechanisms identified in the prior literature. Future research is called for to validate the new mechanisms identified in this study and prior literature on institutional work by market-shaping public actors.

Some of the results from the present study raise opportunities for further research. Although the purpose of the study was to identify institutional work mechanisms employed by market-shaping public actors, the results highlighted the importance of the values and institutional logics underlying observable institutional work. Thus, future research directed toward understanding the differences in supported institutional logics is particularly

necessary. Also, while the researchers noted that the same mechanisms were used for different purposes at the market level (maintaining, disrupting and creating), the study did not indicate if one mechanism is particularly suitable for creating markets and if another is suitable for disrupting or maintaining it. Moreover, while the present study did not differentiate or categorize market-shaping public actors, the results indicated their heterogeneity. Additional research should consequently classify or even segment types of public actors in the market-shaping context. The study, furthermore, did not specify what changes in the market result from deliberate market shaping by public actors. Future researchers could link the empirical research study on market-shaping public actors with the six elements of market change proposed by [Nenonen et al. \(2019a\)](#) to ascertain how public actors initiate changes in products and price, customers and use, channels, the supply-side network, representations and norms. Similarly, more research is needed to investigate the interplay between the market-shaping efforts of various public actors, market shaping by other actors present in the institutional field and the processes of spontaneous emergence. Such research would allow us to learn more about the effectiveness of market shaping by public actors.

Finally, even though the authors deliberately selected institutional theory and institutional work as the theoretical perspective for the study, the phenomenon of market shaping by public actors would benefit from alternate theoretical frameworks. First, while interorganizational power is an important concept in institutional research ([Bourdieu, 1977](#); [Santos and Eisenhardt, 2009](#)), this research has focused on only the mechanisms of institutional work. Therefore, further research is required into the role of power in market shaping, particularly because some public actors are, in some contexts, more powerful than other actors occupying the same institutional field. Second, the cases presented in this study referred only to the reaction by public actors to new technology-enabled services (online betting, data centers and peer-to-peer lending). Because institutional theories tend to emphasize socialization and social processes and pay lesser attention to materiality ([Geiger et al., 2012](#)), future studies should focus, in particular, on how material infrastructures and tangible resources influence market shaping. Third, the findings of the literature review and empirical research indicate that public actors are theoretically as interesting as companies and customers in improving the market's ability to take and retain form. Therefore, literature streams on market shaping ([Kjeldgaard et al., 2017](#); [Storbacka and Nenonen, 2015](#)), megamarketing ([Chaney et al., 2016](#); [Humphreys, 2010](#)), market-driving strategies ([Humphreys and Carpenter, 2018](#); [Jaworski et al., 2000](#)) and proactive market orientation ([Narver et al., 2004](#)) would benefit from closer examination of public actors and thus yield deeper insights, through these different lenses, into market-shaping public actors.

Practical implications

A better understanding of public actors' institutional work is likely to influence market-shaping practices. Accordingly, the findings from the study suggest two sets of practical implications: one for public actors and another for commercial firms. For public actors, the overview of the various mechanisms of institutional work ([Table 3](#)) provides a "long list" of possible market-shaping activities. Because previous understanding of institutional work by public actors, particularly in the context of market shaping, has been scattered, this consolidation of understanding should provide a better foundation for public actors to make informed choices about the actions they want to employ to create, disrupt or maintain particular markets. The study's results also encourage public actors to recognize their underlying values and institutional logics as this awareness is needed to select the appropriate mechanisms of institutional work and to identify suitable partners from among other public actors.

For managers in commercial firms, this paper shows, albeit indirectly, how companies can collaborate with public actors in market shaping. Most of the existing research studies – and possibly managerial practice – have considered public actors as the objects of lobbying about regulation. However, the present study's results reveal a more nuanced picture of public actors as proactive market shapers. Accordingly, managers should analyze public actors' values and institutional logics and seek opportunities to engage with those public actors whose values align with the market-shaping objectives of their own firms. In addition to making regulative changes, public actors may also make suitable market-shaping partners because of their ability to influence the market's normative and cultural-cognitive aspects.

References

- Aaltonen, P. (2008), "Uusi arpajaislaki turvaa rahapelimonopolia" (The new lottery law protects the gambling monopoly), *Helsingin Sanomat*, Newspaper, 25 September.
- Adner, R. (2017), "Ecosystem as structure: an actionable construct for strategy", *Journal of Management*, Vol. 43 No. 1, pp. 39-58.
- Alvarez, S.A. and Barney, J.B. (2007), "Discovery and creation: alternative theories of entrepreneurial action", *Strategic Entrepreneurship Journal*, Vol. 1 Nos 1-2, pp. 11-26.
- Alvarez, S.A., Young, S.L. and Woolley, J.L. (2015), "Opportunities and institutions: a co-creation story of the King Crab industry", *Journal of Business Venturing*, Vol. 30 No. 1, pp. 95-112.
- Ambrose, J. (2019), "Home solar panel installations fall by 94% as subsidies cut", *The Guardian*, 5 June, available at: <https://www.theguardian.com/environment/2019/jun/05/home-solar-panel-installations-fall-by-94-as-subsidies-cut>.
- Anand, N. and Peterson, R.A. (2000), "When market information constitutes fields: sensemaking of markets in the commercial music industry", *Organization Science*, Vol. 11 No. 3, pp. 270-284.
- Baker, J.J. and Nenonen, S. (2020), "Collaborating to shape markets: emergent collective market work", *Industrial Marketing Management*, Vol. 85, pp. 240-253.
- Baker, J.J., Storbacka, K. and Brodie, R.J. (2019), "Markets changing, changing markets: institutional work as market shaping", *Marketing Theory*, Vol. 19 No. 3, pp. 301-328.
- Barrett, E. (2019), "Government subsidies fueled China's electric vehicle boom. Now they're facing intense scrutiny", *Fortune*, 6 September, available at: <https://fortune.com/2019/09/06/government-subsidies-china-electric-vehicle-boom/>.
- Bartley, T. (2007), "Institutional emergence in an era of globalization: the rise of transnational private regulation of labor and environmental conditions", *American Journal of Sociology*, Vol. 113 No. 2, pp. 297-351.
- Benn, S., Giurco, D., Brown, P.J. and Agarwal, R. (2014), "Towards responsible steel: preliminary insights", *Resources*, Vol. 3, pp. 275-290.
- Bertella, G. (2017), "The emergence of Tuscany as a wedding destination: the role of local wedding planners", *Tourism Planning and Development*, Vol. 14 No. 1, pp. 1-14.
- Bingham, C.B., Eisenhardt, K.M. and Furr, N.R. (2007), "What makes a process a capability? Heuristics, strategy, and effective capture of opportunities", *Strategic Entrepreneurship Journal*, Vol. 1 Nos 1-2, pp. 27-47.
- Binz, C., Harris-Lovett, S., Kiparsky, M., Sedlak, D.L. and Truffer, B. (2016), "The thorny road to technology legitimation – institutional work for potable water reuse in California", *Technological Forecasting and Social Change*, Vol. 103, pp. 249-263.
- Bohnsack, R., Pinkse, J. and Waelpoel, A. (2015), "The institutional evolution process of the global solar industry: the role of public and private actors in creating institutional shifts", *Environmental Innovation and Societal Transitions*, Vol. 20, pp. 16-32, doi: [10.1016/j.eist.2015.10.006](https://doi.org/10.1016/j.eist.2015.10.006) (accessed 2 May 2018).

- Bourdieu, P. (1977), "La production de la croyance: contribution à une économie des biens symboliques" (The production of belief : a contribution to an economy of symbolic goods), *Actes de la recherche en sciences sociales*, Vol. 13 No. 1, pp. 3-43.
- Brès, L. and Gond, J.-P. (2014), "The visible hand of consultants in the construction of the markets for virtue: translating issues, negotiating boundaries and enacting responsive regulations", *Human Relations*, Vol. 67 No. 11, pp. 1347-1382.
- Buchanan, S. and Marques, J.C. (2018), "How home country industry associations influence MNE international CSR practices: Evidence from the Canadian mining industry", *Journal of World Business*, Elsevier, Vol. 53 No. 1, pp. 63-74.
- Buhr, K. (2012), "The inclusion of aviation in the EU Emissions Trading Scheme: temporal conditions for institutional entrepreneurship", *Organization Studies*, Vol. 33 No. 11, pp. 1565-1587.
- Canales, R. (2016), "From ideals to institutions: institutional entrepreneurship and the growth of Mexican small business finance", *Organization Science*, Vol. 27 No. 6, pp. 1548-1573.
- Cao, X., Liu, Y. and Cao, C. (2014), "Institutional entrepreneurs on opportunity formation and exploitation in strategic new industry: two cases of solar energy industry development in China", *International Journal of Emerging Markets*, Vol. 9 No. 3, pp. 439-458.
- Caronna, C.A. (2004), "The misalignment of institutional 'pillars': consequences for the US health care field", *Journal of Health and Social Behavior*, Vol. 45, pp. 45-58.
- Chaney, D., Ben Slimane, K. and Humphreys, A. (2016), "Megamarketing expanded by neo-institutional theory", *Journal of Strategic Marketing*, Vol. 24 No. 6, pp. 470-483.
- Charmaz, K. (2006), *Constructing Grounded Theory: A Practical Guide through Qualitative Analysis*, Sage, Newbury Park, CA.
- Currie, G. and Spyridonidis, D. (2016), "Interpretation of multiple institutional logics on the ground: actors' position, their agency and situational constraints in professionalized contexts", *Organization Studies*, Vol. 37 No. 1, pp. 77-97.
- DiMaggio, P. and Powell, W.W. (1983), "The iron cage revisited: institutional isomorphism and collective rationality in organizational fields", *American Sociological Review*, Vol. 48 No. 2, pp. 147-160.
- DiMaggio, P. and Powell, W.W. (Eds), (1991), *The New Institutionalism in Organizational Analysis*, University of Chicago Press, Chicago, IL.
- Dubois, A. and Gadde, L.-E. (2002), "Systematic combining: an abductive approach to case research", *Journal of Business Research*, Vol. 55 No. 7, pp. 553-560.
- Edvardsson, B., Kleinaltenkamp, M., Tronvoll, B., McHugh, P. and Windahl, C. (2014), "Institutional logics matter when coordinating resource integration", *Marketing Theory*, Vol. 14 No. 3, pp. 291-309.
- Eisenhardt, K.M. and Graebner, M.E. (2007), "Theory building from cases: opportunities and challenges", *Academy of Management Journal*, Vol. 50 No. 1, pp. 25-32.
- Elliot, V.H. (2016), "Institutional entrepreneurship and change: a contemporary history of the Swedish banking industry and its performance management systems", *Journal of Accounting and Organizational Change*, Vol. 12 No. 2, pp. 223-251.
- Fligstein, N. and McAdam, D. (2011), "Toward a general theory of strategic action fields", *Sociological Theory*, Vol. 29 No. 1, pp. 1-26.
- Fligstein, N. and McAdam, D. (2012), *A Theory of Fields*, Oxford University Press, Oxford.
- Furnari, S. (2016), "Institutional fields as linked arenas: inter-field resource dependence, institutional work and institutional change", *Human Relations*, Vol. 69 No. 3, pp. 551-580.
- Gasbarro, F., Rizzi, F. and Frey, M. (2018), "Sustainable institutional entrepreneurship in practice: insights from SMEs in the clean energy sector in Tuscany (Italy)", *International Journal of Entrepreneurial Behavior and Research*, Vol. 24 No. 2, pp. 476-498.

- Gavetti, G., Helfat, C.E. and Marengo, L. (2017), "Searching, shaping, and the quest for superior performance", *Strategy Science*, Vol. 2 No. 3, pp. 194-209.
- Gawer, A. and Phillips, N. (2013), "Institutional work as logics shift: the case of Intel's transformation to platform leader", *Organization Studies*, Vol. 34 No. 8, pp. 1035-1071.
- Geiger, S., Kjellberg, H. and Spencer, R. (2012), "Shaping exchanges, building markets", *Consumption, Markets and Culture*, Vol. 15 No. 2, pp. 133-147.
- Giesler, M. (2008), "Conflict and compromise: drama in marketplace evolution", *Journal of Consumer Research*, Vol. 34 No. 6, pp. 739-753.
- Glaser, B. and Strauss, A. (1967), *The Discovery of Grounded Theory: Strategies for Qualitative Inquiry*, Aldin, Chicago, IL.
- Glassmann, U. (2008), "Beyond the German model of capitalism: unorthodox local business development in the Cologne media industry", *European Planning Studies*, Vol. 16 No. 4, pp. 465-486.
- Gurses, K. and Ozcan, P. (2015), "Entrepreneurship in regulated markets: framing contests and collective action to introduce pay TV in the US", *Academy of Management Journal*, Vol. 58 No. 6, pp. 1709-1739.
- Håkansson, H. and Ford, D. (2002), "How should companies interact in business networks?", *Journal of Business Research*, Vol. 55 No. 2, pp. 133-139.
- Hakola, T. (2015), "Jokerit herätti monopolin puolustajat" (Jokers raised monopoly defenders), *Helsingin Sanomat*, 8 February.
- Haveman, H.A. and Rao, H. (1997), "Structuring a theory of moral sentiments: institutional and organizational coevolution in the early thrift industry", *American Journal of Sociology*, Vol. 102 No. 6, pp. 1606-1651.
- Hinterhuber, A. (2002), "Value chain orchestration in action and the case of the global agrochemical industry", *Long Range Planning*, Vol. 35 No. 6, pp. 615-635.
- Hochberg, B. (2019), "The music biz will split from California if the new 'gig law' sticks, warn artist and label groups", *Forbes*, 11 September, available at: <https://www.forbes.com/sites/williamhochberg/2019/09/11/the-music-biz-will-flee-california-if-the-new-gig-economy-law-sticks-warn-artist-and-label-group>.
- Huault, I. and Rainelli-Le Montagner, H. (2009), "Market shaping as an answer to ambiguities: the case of credit derivatives", *Organization Studies*, Vol. 30 No. 5, pp. 549-575.
- Humphreys, A. and Carpenter, G.S. (2018), "Status games: market driving through social influence in the US wine industry", *Journal of Marketing*, Vol. 82, pp. 141-159.
- Humphreys, A. (2010), "Megamarketing: the creation of markets as a social process", *Journal of Marketing*, Vol. 74 No. 2, pp. 1-19.
- Järvensivu, T., Lukkari, P. and Järvensivu, P. (2010), "Strategic networks and the institutional environment: a case study of Pharma Industry Finland (PIF)", *International Journal of Pharmaceutical and Healthcare Marketing*, Vol. 4 No. 3, pp. 265-281.
- Jaworski, B., Kohli, A.K. and Sahay, A. (2000), "Market-driven versus driving markets", *Journal of the Academy of Marketing Science*, Vol. 28, pp. 45-54.
- Johanson, J. and Vahlne, J.E. (2011), "Markets as networks: implications for strategy-making", *Journal of the Academy of Marketing Science*, Vol. 39 No. 4, pp. 484-491.
- Jolly, S. and Raven, R.P.J.M. (2015), "Collective institutional entrepreneurship and contestations in wind energy in India", *Renewable and Sustainable Energy Reviews*, Vol. 42, pp. 999-1011.
- Jolly, S. (2017), "Role of institutional entrepreneurship in the creation of regional solar PV energy markets: contrasting developments in Gujarat and West Bengal", *Energy for Sustainable Development*, Vol. 38, pp. 77-92.

- Kaukonen, J. (2003), "Rajoitukset kuuluvat rahapeleihin" (Restrictions are part of gambling), *Helsingin Sanomat*, 25 July.
- Kjeldgaard, D., Askegaard, S., Ørnstedt Rasmussen, J. and Østergaard, P. (2017), "Consumers' collective action in market system dynamics: a case of beer", *Marketing Theory*, Vol. 17 No. 1, pp. 51-70.
- Kjellberg, H. and Olson, D. (2017), "Joint markets: how adjacent markets influence the formation of regulated markets", *Marketing Theory*, Vol. 17 No. 1, pp. 95-123.
- Kjellberg, H., Storbacka, K., Akaka, M.A., Chandler, J., Finch, J., Lindeman, H., Löbler, S., Mason, K., McColl-Kennedy, J. and Nenonen, S. (2012), "Market futures/future markets: research directions in the study of markets", *Marketing Theory*, Vol. 12 No. 2, pp. 219-223.
- Koene, B.A.S. (2006), "Situated human agency, institutional entrepreneurship and institutional change", *Journal of Organizational Change Management*, Vol. 19 No. 3, pp. 365-382.
- Koskela-Huotari, K., Edvardsson, B., Jonas, J.M., Sörhammar, D. and Witell, L. (2016), "Innovation in service ecosystems — breaking, making, and maintaining institutionalized rules of resource integration", *Journal of Business Research*, Vol. 69 No. 8, pp. 2964-2971.
- Kukk, P., Moors, E.H.M. and Hekkert, M.P. (2016), "Institutional power play in innovation systems: the case of Herceptin", *Research Policy*, Vol. 45 No. 8, pp. 1558-1569.
- Lawrence, T.B. and Dover, G. (2015), "Place and institutional work: creating housing for the hard-to-house", *Administrative Science Quarterly*, Vol. 60 No. 3, pp. 371-410.
- Lawrence, T.B. and Phillips, N. (2004), "From Moby Dick to Free Willy: macro-cultural discourse and institutional entrepreneurship in emerging institutional fields", *Organization*, Vol. 11 No. 5, pp. 689-711.
- Lawrence, T.B. and Suddaby, R. (2006), "Institutions and institutional work", in Clegg, S., Hardy, T., Lawrence, T. and Nord, W. (Eds), *The SAGE Handbook of Organizational Studies*, Sage, London, pp. 215-254.
- Lawrence, T.B., Suddaby, R. and Leca, B. (2011), "Institutional work: refocusing institutional studies of organization", *Journal of Management Inquiry*, Vol. 20 No. 1, pp. 52-58.
- Li, Y., Green, S.E. Jr and Hirsch, P.M. (2018), "Rhetoric and authority in a polarized transition: the case of China's stock market", *Journal of Management Inquiry*, Vol. 27 No. 1, pp. 69-95.
- Litrico, J. and David, R.J. (2017), "The evolution of issue interpretation within organizational fields: actor positions, framing trajectories, and field settlement", *Academy of Management Journal*, Vol. 60 No. 3, pp. 986-1015.
- Lounsbury, M. (2007), "A tale of two cities: competing logics and practice variation in the professionalizing of mutual funds", *Academy of Management Journal*, Vol. 50 No. 2, pp. 289-307.
- Maguire, S. and Hardy, C. (2009), "Discourse and deinstitutionalization: the decline of DDT", *Academy of Management Journal*, Vol. 52 No. 1, pp. 148-178.
- Marquis, C. and Lounsbury, M. (2007), "Vive la resistance: competing logics and the consolidation of U.S. community banking", *Academy of Management Journal*, Vol. 50 No. 4, pp. 799-820.
- Martin, D.M. and Schouten, J.W. (2014), "Consumption-driven market emergence", *Journal of Consumer Research*, Vol. 40 No. 5, pp. 855-870.
- Munir, K.A. (2005), "The social construction of events: a study of institutional change in the photographic field", *Organization Studies*, Vol. 26 No. 1, pp. 93-113.
- Narver, J.C., Slater, S.F. and MacLachlan, D.L. (2004), "Responsive and proactive market orientation and new-product success", *Journal of Product Innovation Management*, Vol. 21 No. 5, pp. 334-347.
- Nenonen, S., Kjellberg, H., Pels, J., Cheung, L., Lindeman, S., Mele, C., Sajtos, L. and Storbacka, K. (2014), "A new perspective on market dynamics: market plasticity and the stability-fluidity dialectics", *Marketing Theory*, Vol. 14 No. 3, pp. 269-289.

- Nenonen, S., Brodie, R.J., Storbacka, K. and Peters, L.D. (2017), "Theorizing with managers: how to achieve both academic rigor and practical relevance?", *European Journal of Marketing*, Vol. 51 Nos 7/8, pp. 1130-1152.
- Nenonen, S., Storbacka, K. and Frethey-Bentham, C. (2019a), "Is your industrial marketing work working? Developing a composite index of market change", *Industrial Marketing Management*, Vol. 80, pp. 251-265.
- Nenonen, S., Storbacka, K. and Windahl, C. (2019b), "Capabilities for market-shaping: triggering and facilitating increased value creation", *Journal of the Academy of Marketing Science*, Vol. 47 No. 4, pp. 617-639.
- Nicolini, D. (2009), "Zooming in and out: studying practices by switching theoretical lenses and trailing connections", *Organization Studies*, Vol. 30 No. 12, pp. 1391-1418.
- Ottosson, M., Magnusson, T. and Andersson, H. (2019), "Shaping sustainable markets – a conceptual framework illustrated by the case of biogas in Sweden", *Environmental Innovation and Societal Transitions*, doi: [10.1016/j.eist.2019.10.008](https://doi.org/10.1016/j.eist.2019.10.008).
- Pallas, J., Fredriksson, M. and Wedlin, L. (2016), "Translating institutional logics: when the media logic meets professions", *Organization Studies*, Vol. 37 No. 11, pp. 1661-1684.
- Phillips, N., Lawrence, T.B. and Hardy, C. (2000), "Inter-organizational collaboration and the dynamics of institutional fields", *Journal of Management Studies*, Vol. 37 No. 1, pp. 23-43.
- Reay, T. and Hinings, C.R. (2005), "The recomposition of an organizational field: health care in Alberta", *Organization Studies*, Vol. 26 No. 3, pp. 351-384.
- Santos, F.M. and Eisenhardt, K.M. (2009), "Constructing markets and shaping boundaries: entrepreneurial power in nascent fields", *Academy of Management Journal*, Vol. 52 No. 4, pp. 643-671.
- Sarasini, S. (2013), "Institutional work and climate change: corporate political action in the Swedish electricity industry", *Energy Policy*, Elsevier, Vol. 56 No. 3, pp. 480-489.
- Scott, W.R. (1995), *Institutions and Organizations. Foundations for Organizational Science*, Sage Publication Series, London.
- Scott, W.R. (2013), *Institutions and Organizations: Ideas, Interests, and Identities*, Sage, Thousand Oaks, CA.
- Stål, H.I. (2015), "Inertia and change related to sustainability – an institutional approach", *Journal of Cleaner Production*, Vol. 99, pp. 354-365.
- Storbacka, K. and Nenonen, S. (2011), "Scripting markets: from value propositions to market propositions", *Industrial Marketing Management*, Vol. 40 No. 2, pp. 255-266.
- Storbacka, K. and Nenonen, S. (2015), "Learning with the market: facilitating market innovation", *Industrial Marketing Management*, Vol. 44, pp. 73-82.
- Swedish Competition Authority (2010), "The Swedish Competition Authority has reviewed district heating prices in Stockholm" (press release) 15 November, available at: <http://www.konkurrensverket.se/en/news/the-swedish-competition-authority-has-reviewed-district-heating-prices-in-stockholm/> (accessed 06 April 2018).
- Thomas, M.D. and Thomas, D.W. (2018), "The rise of the regulatory state institutional entrepreneurship and the decline of markets for blood", *Independent Review*, Vol. 22 No. 4, pp. 485-506.
- Thornton, P.H. and Ocasio, W. (1999), "Institutional logics and the historical contingency of power in organizations: executive succession in the higher education publishing industry, 1958–1990", *American Journal of Sociology*, Vol. 105 No. 3, pp. 801-843.
- Tuma, N.B. and Hannan, M.T. (1984), *Social Dynamics: Models and Methods*, Academic Press, Orlando, FL.
- Van Maanen, J., Sørensen, J.B. and Mitchell, T.R. (2007), "The interplay between theory and method", *Academy of Management Review*, Vol. 32 No. 4, pp. 1145-1154.

- Vargo, S.L. and Lusch, R.F. (2016), "Institutions and axioms: an extension and update of service-dominant logic", *Journal of the Academy of Marketing Science*, Vol. 44 No. 1, pp. 5-23.
- Vargo, S.L., Maglio, P.P. and Akaka, M.A. (2008), "On value and value co-creation: a service systems and service logic perspective", *European Management Journal*, Vol. 26 No. 3, pp. 145-152.
- Walker, K., Schlosser, F. and Deephouse, D.L. (2014), "Organizational ingenuity and the paradox of embedded agency: the case of the embryonic Ontario solar energy industry", *Organization Studies*, Vol. 35 No. 4, pp. 613-634.
- Yep, R. (2015), "Filling the institutional void in rural land markets in Southern China: is there room for spontaneous change from below?", *Development and Change*, Vol. 46 No. 3, pp. 534-561.
- Zhang, W. and White, S. (2016), "Overcoming the liability of newness: entrepreneurial action and the emergence of China's private solar photovoltaic firms", *Research Policy*, Vol. 45 No. 3, pp. 604-617.
- Zhao, J., Wang, M. and Zhu, L. (2017), "How emergent strategy influences institution: a qualitative study of a private firm in China", *Chinese Management Studies*, Vol. 11 No. 2, pp. 303-321.
- Zietsma, C. and Lawrence, T.B. (2010), "Institutional work in the transformation of an organizational field: the interplay of boundary work and practice work", *Administrative Science Quarterly*, Vol. 55 No. 2, pp. 189-221.

Appendix references

- Abrahamsson, K. and Nilsson, J. (2015), *Utvardering Av Branschinitiativet Prisdialogen (Evaluation of the industry initiative The Price Dialogue)*, Swedish Energy Markets Inspectorate report R2015:04, pp. 1-50.
- Abrahamsson, K. and Schrammel, E. (2016), *Utvardering Av Branschinitiativet Prisdialogen (Evaluation of the industry initiative The Price Dialogue)*, Swedish Energy Markets Inspectorate report Ei R2016:05, pp. 1-65.
- Andréasson, H., Gynnerstedt, M. and Håkansson, M. (2014), "Sweden", in Schwartz, D.L. (Ed.), *The Energy Regulation and Markets Review*, 3rd ed., Gideon Robertson, London, pp. 428-552, available at: <https://www.mannheimerswartling.se/globalassets/publikationer/energy-regulation-and-markets-review—sweden.pdf>.
- Aronsson, B. and Hellmer, S. (2009), *An International Comparison of District Heating Markets, Report No. 1*, Svensk Fjärrvarme, Stockholm, Sweden, available at, p. 110 <https://energiforskmedia.blob.core.windows.net/media/1217/an-international-comparison-of-district-hetaing-markets-fjaerrsynsrapport-2009-27.pdf>.
- Boot, S. (2016), "Harmony to plead guilty to misleading consumers: Commerce Commission", *New Zealand Herald*, 1 August, available at: https://www.nzherald.co.nz/personal-finance/news/article.cfm?c_id=12&objectid=11685047 (accessed 2 May 2017).
- Colnerud Granstrom, S. (2011), *Analys Av Fjärrvarmeforetagens Intakts- Och Kostnadsutveckling (Analysis of district heating companies' income and cost development)*, Swedish Energy Markets Inspectorate report EI R2011:08, pp. 1-90.
- Financial Markets Conduct Act (2013), *Reprint as at 30 March 2018*.
- Fjärrvarme i konkurrens" [Competition in district heating] and SOU (2011), 44, available at: <http://www.regeringen.se/49bbac/contentassets/16997649e2184e9a9b0f234869f1b042fjarrvarme-i-konkurrens-sou-201144> (accessed 5 April 2018).
- Fjärrvarmelagen (2008), available at: https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/fjarrvarmelag-2008263_sfs-2008-263 (accessed 6 April 2018).
- National Business Review (2013), *On the Money: Regulators Fix on Crowdsourcing*, 15 November.

-
- Stockholm City (2014), “website”, available at: <http://www.stockholm.se/Fristaende-webbplatser/Fackforvaltningssajter/Fastighetskontoret/Hallbara-fastigheter/Fastighetskontorets-energiarbete/Oppen-fjarrvarme/Stockholms-stad-deltar-med-tva-anlaggningar-i-Oppen-fjarrvarme/> (accessed 5 April 2018).
- Stockholm Data Parks (2017a), “website”, available at: <https://stockholmdataparks.com/> (accessed 5 April 2018).
- Stockholm Data Parks (2017b), “website”, available at: <https://stockholmdataparks.com/green-computing-redefined/> (accessed 5 April 2018).
- STT (Finnish News Agency) (2010), *Eduskunta Hyväksyi Arpajaisveron Korotuksen (Parliament approves increase in lottery tax)*, 15 October.
- Swedish Energy Agency (2015), “website”, available at: <http://www.energimyndigheten.se/en/about-us/our-organisation/> (accessed 6 April 2018).
- Swedish Competition Authority (2007), “Ifrågasatt missbruk av dominerande ställning - överprissättning avseende fjärrvärme” (Abuse of dominant position contested – overpricing of district heating), Decision Dnr 521/2007, available at: <http://www.konkurrensverket.se/globalassets/aktuellt/nyheter/beslut-dnr-5212010.-37793kb.pdf> (accessed 6 April 2018).

Corresponding author

Valtteri Kaartemo can be contacted at: valtteri.kaartemo@utu.fi

Appendices

Appendix 1. An example of an interview guide

What has been the Ministry's objective for the development of the betting market in the 21st century?

To what extent do you think the Ministry has succeeded in its goal?

How (in what ways) do you think the Ministry influenced/sought to influence the development of the betting market in the 21st century?

What other public actors have influenced/sought to influence the development of the betting market in the 21st century?

How have these influenced/sought to influence the betting market?

How has your ministry's role differed from other ministries and public actors in the betting market?

Which other (nonpublic) actors have contributed to the development of the betting market?

How have these influenced/sought to influence the betting market?

How have the activities of other actors influenced the Ministry's activities in the betting market?

How has your ministry's role changed in relation to other actors during the 21st century?

To what extent has the Ministry been able to influence the range of Veikkaus/RAY/Fintoto products (e.g. online poker/online bingo)?

How has the Ministry's view of playing on foreign game sites changed in the 21st century?

What role did the Ministry play in the preparation of the merger between Veikkaus, RAY and Fintoto?

What issues were most evident in the premerger study: EU's requirements/gaming companies' earnings/social cost of betting?

How were alternate models of gambling systems practically explored before the merger?

Institutional pillar	Mechanism of institutional work	Finland	Sweden	New Zealand
Regulative	Altering regulators	<p>"The question in the merger phase was the creation of STEA (the regulator focusing on sharing the betting profits), when there was discussion how STEA is going to be funded" (betting 1)</p> <p>"Now that the playing got separated from fund sharing, and that is connected with the Ministry, naturally various stakeholders kept strong hold of their own interests and new rules were made how profit is shared between different sectors" (betting 2)</p>	<p>The District-Heating Act also introduced a District Heating Board as an independent body within the Swedish Energy Agency (Swedish Energy Agency, 2015)</p> <p>"This board's major task is to mediate between district heating companies and their customers in negotiations regarding the terms according to the District Heating Act" (Aronsson and Hellmer, 2009, p.29)</p>	<p>"We made a new regulator, the Financial Markets Authority. So, my team did the work to make them, establish them" (peer-to-peer 1)</p> <p>"FMA has primary regulatory responsibility for misleading and deceptive conduct in relation to financial products and financial services. The (Commerce) Commission has primary regulatory responsibility for misleading and deceptive conduct in relation to consumer credit contracts" (memorandum of understanding between FMA and Commerce Commission, March 31, 2014) (not present in New Zealand's case)</p>
	Changing taxation	<p>"The Parliament has accepted the proposal to change betting taxation. Taxation will increase to 10% except for horse betting in the beginning of 2011 (. . .) Tax rate for horse betting was maintained because economic downturn has hit the profitability of these games remarkably more than other forms of gaming" (STT, 2010)</p>	<p>"We knew that legislation was being discussed (with regard to lower electricity tax), that's one of the reasons we saw possibilities around focusing on so-called data parks. (. . .) The tax reduction explicitly applies to the production of heat and cooling for data centers also when supplied by an external company" (district-heating 5)</p>	<p>"The Commerce Commission says Harmony will plead guilty to charges of misleading consumers after the regulator filed charges against New Zealand's first and biggest peer-to-peer lender under the Fair Trading Act" (Boot, 2016)</p>
	Enforcing	<p>"According to Jokeriit (hockey team playing in an international ice hockey league) its marketing collaboration with Nordic Bet targets and takes place beyond Finland's borders but the Police Board did not share the view. In addition, the Police Board sees that Nordic Bet violates the Lottery Law, as it offers games on a Finnish language website, although the servers are located outside Finland" (Hakola, 2015)</p>	<p>"Among the customers interviewed, the majority consider their position in the district heating market strengthened (. . .) the revenue development follows the cost that depend on fuel price trend (. . .) at this stage, the Energy Inspectorate sees no reasons for proposing further measures to strengthen the customers' position in the district heating market" (Abrahamsson and Schrammel, 2016, p. 9)</p>	
	Gatekeeping	<p>"With RAY we have had the question of how many slot machines we can have so that we do not have oversupply. So, it is about balancing but we have been able to keep it together and thus prevent playing in Malta and other companies that try to bomb it and get their own share of the whole" (betting 2)</p>	<p>"They (Fortum) had sorted their open district heating model, and there was a frustration linked to that they could not really compete in the data park business because there were so many different elements that needed to work. What we (Stockholm City) did then when we formulated our collaboration . . . was that we said to the politicians that we need to find ways to work dedicated and long term (with site development) and then we found these sites (where</p>	<p>"We are subject to broker regulations as well our peer-to-peer license. And those broker regulations obviously have, are really about how you handle other people's money. And that's a good thing, you know, that is a good thing" (peer-to-peer 3)</p> <p>"Further professionals come under FMA licensing, including managers of registered schemes (managed investment schemes), derivatives issuers, and independent trustees of</p>

(continued)

Table A1.
Regulative mechanisms of institutional work by market-shaping public actors and illustrative quotes

Table A1.

Institutional pillar	Finland	Sweden	New Zealand
Mechanism of institutional work		we could change the detailed city plans, originally dedicated to power and heat generation, to include general industrial activities)" (district-heating 6)	restricted schemes. Providers of discretionary investment managements services (DIMS) will also be licensed" (FMA media release, November 28, 2014)
Legislating	"It was a must to go to clause-level changes (in legislation), because it cannot be in the hands of individual authorities; these questions. If I left the office, another person might come to another conclusion and interpret the rules differently. And I do not think this leads to a consistent and long-term gaming and betting politics, which is needed for maintaining the whole system" (betting 3)	A new District Heating Act was adopted in 2008 which obliges transparency in the pricing of district heat provisions and contains directions for contract conditions, and which supports the traditional ownership structure of the network and TPA (Pjarrvarmelagen, 2008) "The referral response became part of the legislation and ... (eventually) we landed in a market model facilitating a dynamic development of the district heating sector, rather than regulating it in rigid steps which we were convinced would hinder its development" (district-heating 1)	"Then, the really big thing has been the Financial Markets Conduct Act, which was, we rewrote all the laws, which has been quite good fun. It's not often in the Government, that you get to work on projects like this. Usually you're playing around the edges of something" (peer-to-peer 1)
Rule- and price-setting	"Nowadays they (game rules) are given as game rule decrees of the Ministry of the Interior, which means that we (Ministry of the Interior) can be proactive. We do not need to wait for a gaming company to react and make a proposal (...). This strengthened the role of the authority remarkably, (...) so we could change the rules in the Government's general assembly every Thursday, if you want to exaggerate" (betting 3)	"A new law on district heating came into action on July 1, 2008. This new law (SFS 2008:263) aims at strengthen the consumer's position in the market through an increased transparency into the district heating companies. This will take place partly with higher demands and clarifications on the conditions in all formal agreements between buyers and sellers, rules around obligations to negotiate, protections against stoppage, transparent and clear price information and the use of open accounts of all facts regarding district heating companies' operations and finance" (Aronsson and Hellner, 2009, p. 27)	"The legislation was passed, and then we had to do a big process to develop lots of regulations that sit under the regime. So, if you think of the law under the Act being a sort of high level framework, it still has got enough detail in it, but there's a lot of flexibility in the regime to do things via regulations. (...) Part of that regulation-making process also included thinking about what's our regime-going to be for peer-to-peer and crowd(funding)" (peer-to-peer 1) "You cannot charge unreasonable fees, which the courts have had to decide what that means. And the courts have said, well that means there are four stages (...) and that's all you're allowed to charge for. Now one of the things that is excluded is capital that's gone into your platform" (peer-to-peer 3)

Institutional pillar	Mechanism of institutional work	Finland	Sweden	New Zealand
Normative	Generic campaigning	<p>“According to National Police Commissioner Kimmo Hakomen it is necessary that the current line of thought is justified consistently to the supporters of free (betting) market. In that work, the priority is on protecting the players from criminal activity and problem gambling. We cannot justify this by saying that this is the way to get funding for good purpose, Hakomen says” (Aaltomen, 2008)</p>	<p>“It was really about that they (the Swedish Competition Authority) thought that the revenues were unreasonable” (district-heating 2) “Consumers are in a vulnerable position in the district heating market as they cannot choose their supplier. This is why it is important to inspect district heating undertakings” (Swedish Competition Authority, 2010)</p>	<p>“PublicActorX has backed (us) up in writing, it’s a very difficult position for them to be in, because they, what they have not done, and you could never expect them to do, is to in any way step in to the turf of PublicActorY. But they’ve been very, very, very supportive, and been clear that they thought that CompanyX was the perfect execution of what the Act, and the government therefore, call for” (peer-to-peer 3)</p> <p>“Product disclosure statements for financial products – including debt and equity – made concise, and subject to page limits. An online register will include all the material information on offers under the FMC Act” (FMA media release, November 28, 2014)</p>
		<p>“From the Ministry we have been more in contact and tried to guide and discuss through information governance(…) from where this funding comes from and what is the impact (..) We have discussed with head of federations what is correct and what is less correct and through that, so to say, give guidance. And in terms of athletes that have been attracted as</p>	<p>“It ended with that we were allowed to suggest a model where we had to show that we would keep within the same revenue cap as if we would have been regulated” (district-heating 1)</p>	<p>“Their internal position had been, look, this is not going to happen under the current law. And when we met with them their view was, look, if you really want to change this, you’re going to have to change the law” (peer-to-peer 2)</p> <p>“We worked with the Australian regulators for a while and got what was then a no-action letter from them.</p>
	Specific guiding			

(continued)

Table A2.
Normative mechanisms of institutional work by market-shaping public actors and illustrative quotes

Table A2.

Institutional pillar	Mechanism of institutional work	Finland	Sweden	New Zealand
		<p>mannequins of foreign gaming companies, we have also discussed whether it's possible for athletes representing their country in the national team" (betting 1)</p>		<p>So they said, look, you're one of a few people who've come to us with this idea, your debenture structure is probably the right way to go about this, we do not know if it's going to fully comply but basically we'll let you get up and running and then we might make our mind up a little bit later on. So take this letter as not a full endorsement or an exemption. More us saying, let's talk 12 months after you guys get up and running and as you get going. So we were, great, we've got this letter. At that point then we had to go around and try and find what was called a responsible entity for hire" (peer-to-peer 2)</p>

Institutional pillar	Mechanism of institutional work	Finland	Sweden	New Zealand
Cultural-cognitive	Consulting	<p>"We meet regularly, and we have had in both of these two projects that I have led, a steering group, which I have found very important. We have had chancellors (of different ministries) and the Prime Minister and then the Secretary of State from the Ministry of Foreign Affairs and the most significant actors. In the next step, also the new Chairman of Veikkaus joined the group." (betting 3)</p>	<p>Pricing-dialogue network developed between customers and suppliers; establishing customer-supplier pricing dialogue — i.e. new types of relationships (Abrahamsson and Nilsson, 2015)</p> <p>"Something happened when they (Fortum) became more dedicated and we (Stockholm City) tried to contribute and it was even more about marketing a new Swedish innovation as a business concept" (district-heating 6)</p>	<p>"And then as the regulations started to come in, a few said, we think this regulatory framework is quite good. We're actually pretty good. As the FMA took that from MBIF, and started to turn it into regulations, and the consultations and the education that they did, we started to get even more comfortable that, hey, this is pretty good to be absolutely honest" (peer-to-peer3)</p> <p>"So, the process really kicked off in 2010 with the release of a discussion document, a consultation paper for the public. (...) That canvassed the key policy issues in a bit of detail, but still reasonably high level, here's the things we want to achieve, here's the basic changes that we think need to be made, what do you think?" (peer-to-peer 1)</p> <p>"Financial service—(1) has the same meaning as in section 5 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008; and (2) includes a market service; but (3) does not include, for the purposes of any provision of this Act, any class or classes of services declared by the regulations not to be financial services for the purposes of that provision" (Financial Markets Conduct Act, 2013)</p> <p>"Licensed market services means those market services—(1) that are required to be licensed under Part 6; or (2) for which a person holds a licence under Part 6 (whether or not required to do so)" (Financial Markets Conduct Act, 2013)</p>
	Defining market boundaries and terms	<p>"We have had an important role as a regulator to limit and make sure that the development of the betting market has been under control. Or the development has been controlled, while at the same time there has been a question of monopoly vs PAF in Åland and international betting organizations from Malta and EU have been able to actively market in electronic devices. Whether it has been sky channels or social media/Internet so this has been a question that has gnawed at the discussion between the Ministry of Interior and betting companies; and partly with us too, on where we set the boundary for the surveillance, and what should be surveyed" (betting1)</p>	<p>"So far, data centers have been built with little consideration for the environment. We want to change that. We want future data centers to be even more cost efficient and truly green. With that objective, we are determined to make Stockholm a major hub for sustainable data centers. Together with other key players we have set up a partnership—Stockholm Data Parks—to make it happen." Karin Wanngard, Mayor of Stockholm City (Stockholm Data Parks, 2017a)</p>	<p>"(not present in New Zealand's case)</p>
	Lobbying	<p>"And then we had this one intervention, when we had one authority in Brussels for several years to oversee or to guard. And then we continued the process so that an external consultant was there until last year (2016), whose responsibility was to follow the development of the gaming and betting market and particularly European Union's politics in gaming and betting market" (betting 1)</p>	<p>"It is a new thought, that 'yes, maybe we should integrate (data centers) more in the city, because than we can reuse the heat and create a more sustainable city'. But if there is no room for this in the city's land-use plans, then it's... it is a political process. Then there are other aspects, I mean, could you put a data center here, they consume a large amount of electricity, then the network needs to be able to supply them with the power and in a secure way" (district-heating 2)</p>	<p>(continued)</p>

Table A3.
Cultural-cognitive mechanisms of institutional work by market-shaping public actors and illustrative quotes

Table A3.

Institutional pillar	Mechanism of institutional work	Sweden	New Zealand
Narrating	<p>"Running gaming and betting business without the need to give back to the society is neither something considered self-evident nor an alternative worth aiming at from the perspective of the Finnish society", Janne Kaukonen, Superintendent, Ministry of Interior (Kaukonen, 2003)</p>	<p>"It is very good if one could do something that makes business sense and that can make a difference sustainability-wise, it is clear that it is better to have a data center heating up apartments than a coal power plant" (district-heating 6)</p> <p>"(...) it is not like we (Stockholm City) could not sell the land to other actors, it is rather that we try and think strategically about it – what is good for the city, because there is not much industrial land left. So work was done to try and convince the politicians that it was important that this happened [releasing land for data parks] and to try and see the possibilities to contribute to the Stockholm's sustainability activities" (district-heating 6)</p>	<p>"Governments and regulators around the world have recognized the potential for these informal debt and equity exchanges to be given official recognition and encouragement as capital markets in their own right. In the post-global financial crisis era, this attention means more rules and regulations for these nascent securities markets, given that authorities have realised that outright prohibition is counterproductive but they cannot permit a lax regime. (...) Last October, SEC chairwoman Mary Jo White noted at the announcement of the proposed rules that the intent of the JOBS Act was to "make it easier for startups and small businesses to raise capital from a wide range of potential investors and provide additional investment opportunities for investors." She continued: "There is a great deal of excitement in the marketplace about the crowdfunding exemption, and I'm pleased that we're in a position to seek public comment on the proposal to permit crowdfunding. We want this market to thrive in a safe manner to investors." (National Business Review, November 15, 2013)</p> <p>"During that regulation-making process (...) we did quite a lot of investigation into overseas experiences with those services. Particularly the UK was quite early in allowing crowdfunding and peer-to-peer, so there was quite a lot of really good data and good information to go from there" (peer-to-peer 1)</p>
Researching	<p>"There we had two alternatives for a long time that either we put all three activities (Veikkaus, RAY, and Finoto) together or then RAY and Veikkaus and then leaving out the horse sector. But in the end we decided to combine all activities. But we never had a deeper look at the license system or any kind of hybrid system" (betting 3)</p>	<p>The government set up a third-party access (TPA) inquiry tasked with drawing up a regulatory framework for TPA to district heating networks (Andréasson <i>et al.</i>, 2014). Proposing change of power structure – TPA, i.e. the traditional district heating suppliers not the only ones allowed to deliver heat into the system (SOU 2005, p. 33; SOU 2011, p. 44). Initiated public investigation into the prerequisites for introducing statutory third party access to district heating networks (Fjärrvärme i konkurrens SOU 2011, p. 44)</p> <p>The Swedish Competition Authority launched an investigation into whether Fortum Värme was abusing its dominant position on the Stockholm District Heating market by taking out excessively high district heating prices, which is not permitted under the competition rules (Swedish Competition Authority, Dnr 521/2007)</p> <p>"So that (the two investigations) was the starting point,</p>	

(continued)

Institutional pillar	Mechanism of institutional work	Finland	Sweden	New Zealand
Venturing	<p>“Veiklaus was then, or actually until last year, under the ownership control of the Ministry of Education and Culture, so it was clear that it was corporate governed also administratively, and to create economic/profitability to the level that beneficiaries, here in our ministry: culture, sport, art, science, and youth work got the euros that were budgeted!” (betting 1)</p>	<p>an outside threat really, you could actually say” (district-heating 1)</p> <p>“Stockholm City participates with two sites (...) Stockholm is a major property owner and the hope is that we will find more properties in which the model can be used. The work is part of the city’s commitment to a sustainable environment” (Stockholm City, 2014)</p> <p>“Instead of building for the city, we use the infrastructure and the sites we have to influence the city. We make the city into something else. We attract activities (data parks) that otherwise would not be here.” (district-heating 3)</p> <p>“Stockholm Data Parks is an initiative by the City of Stockholm, district heating and cooling provider Fortum Värme, power grid operator Ellevio and dark fiber provider Stokab” (Stockholm Data Parks, 2017b)</p>	(not present in New Zealand’s case)	

Table A3.