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## A systems perspective on markets – Toward a research agenda

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## ABSTRACT

This paper addresses the implications of an emerging, increasingly important way of thinking about markets: systems thinking. A market is one of the most foundational abstractions in marketing and business research; yet, it often receives too little attention. As a result, the taken-for-granted assumptions about markets spur from over-simplified conceptualizations of neoclassical economics that depict markets as static and mechanistic. Systems thinking represents a major change in perspective that involves transcending this mechanistic worldview and thinking instead in terms of wholes, relationships, processes, and patterns. We argue that building a theory of markets based on systems thinking, would enable scholars to develop more realistic models that correspond with fast-changing business environment and therefore, increase both the rigor and relevance of future research. To further this aim, we identify the main implications of systems thinking and formulate them into a research agenda to further the systemic understanding of markets.

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"Hopefully, future marketing scholars and practitioners will devise and use more realistic concepts to analyze the functioning and evolution of markets" (Buzzell, 1999, p. 61).

## 1. Introduction

In a recent editorial of *Journal of Marketing*, Kumar (2015) stresses the importance for marketing to stay on top of, and responsive to, the current economic vacillations, emergence of new markets and other fast changes occurring in the business environment. The advances in information technology, in particular, are accelerating these changes. Through digitalization, information travels faster and is more easily shared. According to Normann (2001), such 'dematerialization' and 'liquification' of information provide more opportunities for the creation of new instances of density – the degree to which mobilization of resources for a 'time/space/actor' unit can take place – within society, and makes change faster.

Yet, many mainstream marketing theories are built on assumptions of stability and lack of change, and do not provide realistic means for understanding and modeling the dynamic and turbulent everyday life. In

particular, the underlying assumptions behind the conceptualizations of markets are rather static and mechanistic. This stems from the fact that mainstream marketing inherited its market conceptualization from (neoclassical) economics (Arndt, 1981; Mele, Pels, & Storbacka, 2014), in which the market is seen as a pre-existing regularity that does not require explanation (Aspers, 2011). As an effect, Venkatesh, Penaloza, and Firat (2006, p. 252) have noted that "paradoxically, the term market is everywhere and nowhere in our literature". Markets are routinely viewed as 'given', and little attention is paid as to how they are formed or changed over time (Buzzell, 1999).

Recently, scholars studying markets within and outside the field of marketing have drawn inspiration from more holistic and systemic conceptualizations to begin to transcend some of the existing controversies (see e.g., Arthur, 2015; Giesler & Fischer, 2017; Padgett & Powell, 2012; Wollin & Perry, 2004). This suggests a need to rethink how marketing scholars view markets. In other words, important developments and insights challenging the conventional static and mechanistic assumptions of markets are emerging, but these are scattered across the sub-disciplines of marketing, with little proactive linking of them.

We gather evidence of an increasingly important way of thinking – systems thinking (e.g., Capra & Luisi, 2014; Holbrook, 2003; Senge, 1990) – across disciplines, and argue that adopting such view could enable mainstream marketing to overcome the rather static, current worldview and connect much of the fragmented developments in the field. We summarize the main implications of systems thinking into

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