

A Dialogical Model of Market Building in Emerging Markets

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Abstract

Building on the existing and fast evolving research literature on international business and institutional voids on building inclusive markets in emerging economies, author address the following research question of: how do actors build markets in emerging countries? Drawing on a multiple case research design, the study focus on seven cases of innovations in the Indian Insurance industry and analyze data in an abductive perspective. In the first and second-stage of analysis, author identify thirty six constructs (1st order concepts) which converge towards eleven sub-processes (2nd order concepts) that insurance companies use to develop the insurance market. In a third-stage of analysis, these eleven sub-processes are grouped together into pairs of reinforcing processes: Awareness (conscientization and demystification) and Legitimacy (affiliation, inclusion and bundlization) on one side, and Availability (technologization, retailization and partnering) and Affordability (simplification, miniaturizing and subsidization) on the other side. In the final stage of analysis, author develops a general model of market building based on a dialogical relation between the logic of appropriateness (March & Olsen, 2005) or compatibility (Rogers, 1995), and the logic of efficiency or relative advantage. The findings present a dialogical model for market building in emerging countries. In doing so, this comprehensive model captures several dimensions of market building which a priori focussed mainly on availability and affordability, but partially ignored the management of meaning and values that relate to the construction of social acceptability (i.e. Awareness and Legitimation). The model contributes to concerns shared by international business and BOP scholars; innovation and diffusion scholars; and economic sociologists.

Keywords: Market Building, Emerging Markets, BOP, Innovation