

# **Building legitimacy in the early stages of emergence and institutionalization of service ecosystems**

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**Purpose** – Recently, marketing scholars have become interested in understanding what markets are, and how they emerge over time. Here, S-D logic has been perceived as a useful lens to understand markets as institutionalized solutions. While we have some empirical studies on the emergence of service ecosystems, for example under the research stream of market shaping, there is still limited understanding of how various events build legitimacy in the early stages of emergence and institutionalization of service ecosystems. As a result, theory development is still in its infancy and more research is needed. This paper investigates the legitimacy building in the context of suborbital space tourism ecosystem.

**Methodology** – This is a longitudinal case study of the on-going emergence of the suborbital space tourism ecosystem. The study builds on a historic event analysis spanning 70 years with a closer look at 8,400 pieces of secondary and archival data. Further, we conducted 40 interviews of market actors to gain a deeper understanding of the industry emergence process.

**Findings** – We describe how legitimacy has been built in the suborbital space tourism ecosystem over the past 70 years. We explicate the role of approximately 600 events in the early stages of the emergence of a market. The results indicate that market work of various actors can build legitimacy in service ecosystems.

**Research limitations** – The study is based on a single ecosystem, and focuses on legitimacy building before any market actor has been successful in generating revenue.

**Practical implications** – The study provides insight on how market actors can build legitimacy in nascent and emerging service ecosystems. The study reveals how different events lead to the increased sociopolitical and cognitive legitimacy at the early stages of market institutionalization.

**Originality/value** – This paper contributes to the literature on emergence and institutionalization in service ecosystems by discussing how various events contribute to legitimacy building. Particularly, we reveal mechanisms of legitimacy building and concentrate on the early stages of emergence and institutionalization. We extend the prior findings in megamarketing, market shaping and S-D logic literature on the legitimacy building, emergence and institutionalization of both markets and service ecosystems.

**Key words** – emergence, legitimacy, service ecosystem, market shaping, market innovation, institutionalization, space, tourism

**Paper type** –Research paper