

“It’s not about the beer, really”

(Introduction to reprint of “Why the microbrewery movement?”)

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Many organizational theorists started studying complete organizational populations in the 1980s and 1990s. In attempting to document and record the initial founding periods of populations, analysts conducting these studies often found themselves challenged by what they commonly regarded as novel “coding” problems. The coding problems occurred because the early entrants to a population often look and act very differently from each other, and bear little resemblance from the arch-typical firms that later characterized the population’s organizational form. (In our historical automobile study, I recall a prototype for a flying car with wings!). In short, in the periods of formation, it is difficult to discriminate the “real” firms from others and to know which of these entities are actually part of the population or something else. Practical-minded researchers (including me and most of my colleagues) develop objective coding rules to deal with these ambiguities; we then proceed to compile data and conduct analyses.

This practical approach generated much comparable research on organizational populations and produced rapid theoretical and empirical progress in the 1980s and 1990s (for a review see Carroll and Hannan 2000). Only much later, did analysts realize that the approach was often sweeping under the rug very interesting and potentially important phenomena associated with industry origins, innovation, and entrepreneurship. That is, the messy and confusing pictures we saw of early entrepreneurs and organizations operating in a new technological or social space seemed to be the norm; it likely points to something essential about how populations and organizational forms emerge and develop initially. Analyses conducted retrospectively on these periods imposed a conceptual order on the phenomena (based on known historical development) that is not present real time.

One of the key insights generated by this observation holds that the foundational periods of populations and forms in many ways resemble activity found in social movements, typically

non-commercial pursuits. In a study of density dependence across several complete populations, Hannan and I (1992: 202) comment that: "...we are intrigued by the notion that cooperative behavior apparently characterizes the beginnings of many industries and organizational populations. We are also impressed by the amount of noncompetitive organizing that occurs at these times in the form of clubs and pre-industry associations of various kinds.It might be revealing to study industry origins in much the same way that sociologists study social movements...."

The article reprinted here, "Why the microbrewery movement?" (with Anand Swaminathan) attempted to make good on this point. Swaminathan and I were not really interested in beer but rather in the process of entrepreneurial and organizational renewal in beer markets that started in the late 1970s and early 1980s; this process manifested itself in emergence and rise of two new organizational forms that resembled the start of a new industry: microbreweries and brewpubs. We saw the two signature trends of resource partitioning theory, namely, (1) increased concentration among large scale producers occurring at the same time (2) that specialist producers were proliferating (the renewal phenomena). And, among microbrewers and brewpub operators, we also saw the confusing picture of entrepreneurs and organizations often seen in industry origins in the prior historical studies. Yet this time, the process was happening in real time---before our very eyes, as opposed to being discernible only through archival records and other historical accounts. So, it was possible to go out into the field and talk to those involved (yes, while occasionally consuming a beer) to gain a deeper understanding of their motivations, and interpretations of actions. Through these and related unstructured qualitative methods, we were able to develop the theoretical story about organizational form identity told in the article. It concerns the interpretation of the craft-like microbrewer and

brewpub organizational forms as emanating a strong appeal of authenticity to sophisticated consumers while mass production breweries take on the role of almost evil opponents. All this occurs, for the large part, above and part any objective consideration of the characteristics of the actual beers made.

In attempting to put these findings and others from various studies together, a more general point can be drawn. Hannan and I (2000:231) note that: “To say that the origin periods of industries resemble social movements means that (1) they represent challenges to existing companies and industries, and (2) they are populated with individuals and organizations devoted to causes, lifestyles, and visions of a better future for all (rather than with profit-maximizing entrepreneurs engaged in competitive battles based primarily on self-interest.)” Many important other insights and theoretical developments have been added to the use of social movement theory in analyzing organizations, most notably those by Rao and colleagues (2003, 2005)) This vibrant vein of rich theory will likely be mined in organizational studies to good end for many years to come.

A theoretical issue at the heart of the microbrewery analysis that I have tried to develop since publication of the article concerns authenticity. In many consumer domains in advanced economies, authenticity commands increasing attention and appears to be gathering more and more appeal. Authenticity in products and services is almost always social constructed; there is rarely a question of provenance or “authorship” involved in its cultural determination. Wheaton and I (2009) attempted to identify the various forms of authenticity at play in such markets, using food and dining as our empirical context. We contend that two different generic interpretations of authenticity are widely used: (1) type authenticity, where the question involves whether an organization or product is true to its associated type (or category or genre); and (2) moral

authenticity, where the issue concerns whether the decisions behind the enactment and operation of an organization or product reflect sincere choices (i.e., choices true to one's self) rather than socially scripted responses. We also argue that social change has prompted a unique but related different meaning of each generic authenticity. Craft authenticity comes from type authenticity; it involves whether something is made using the appropriate techniques and ingredients. Idiosyncratic authenticity emerges out of moral authenticity; it involves whether there is a commonly recognized (usually historical) quirkiness to the product or place. We conjecture that the salience and impact of authenticity comes through most forcefully when it is constructed organizationally—tightly and visibly integrated into the structure of an organization. This conjecture is testable empirically and we look forward to seeing analysts explore it in future research.

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