

**REFRAMING COLLECTIVE IDENTITY IN RESPONSE TO MULTIPLE
TECHNOLOGICAL DISCONTINUITIES: THE NOVEL RESURGENCE OF
INDEPENDENT BOOKSTORES**

EXTENDED ABSTRACT

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REFRAMING COLLECTIVE IDENTITY IN RESPONSE TO MULTIPLE TECHNOLOGICAL DISCONTINUITIES: THE NOVEL RESURGENCE OF INDEPENDENT BOOKSTORES

Although incumbent firms often hold significant advantages over newcomers, many find themselves unable to adapt to radical technological change (Christensen & Bower, 1996; Gilbert, 2006; Kapoor & Klueter, 2015; Rothaermel, 2001). In the wake of a technological discontinuity, the pervading view is that incumbents will eventually abandon the displaced legacy technology in favor of the new variant, or fall victim to competitors who are able to adopt the capabilities associated with the new dominant design (Helfat & Peteraf, 2015; Tushman & Anderson, 1986; Utterback & Abernathy, 1975). A growing body of scholars, however, has begun to examine how a subset of incumbents may attempt to preserve limited (e.g., medical use-pagers), and sometimes significant (e.g., mechanical watches), market demand for the legacy technology after a new technological order has been established (Adner & Snow, 2010; Raffaelli, 2017).

During periods of technological upheaval, scholars have also pointed to the important role that cognitive framing and collective identity can play in shaping incumbent responses to technology change (Kaplan & Tripsas, 2008; Raffaelli, Glynn, & Tushman, 2017; Tripsas, 1997). Although these nascent streams of research have attracted some attention from scholars interested in technological change and industry evolution, far less is known about the cognitive mechanisms and processes that explicate how and why incumbents attempt to preserve mature business models and legacy technologies within a new technological order.

This qualitative study examines the factors contributing to the decline and unexpected resurgence of the incumbent U.S. independent bookselling sector from 1995 to 2015. In 1995, the American Booksellers Association (ABA) reported a historical high for the number of independent booksellers in the United States. However, 1995 also marked the launch of

Amazon.com, which offered consumers “unlimited” inventory at far lower prices than brick-and-mortar bookstores. Consumers flocked to Amazon.com’s online platform, and five years later the number of independent bookstores had dropped by 43%. Compounded by nearly two decades of price wars and competition from big box retailers such as Barnes & Noble and Borders, the success of Amazon.com led many industry analysts to predict the collapse of the U.S. independent bookselling sector altogether. Further exasperating these challenges, in 2007 the industry faced another technological shock when Amazon launched its Kindle eReader, an electronic reading device meant to displace traditional printed books. As one editor noted, “we expect print books to go out of print” (Else, 2016).

Surprisingly, these technological shifts did not lead to the immediate displacement of independent booksellers. Starting in 2009, independent booksellers experienced an unexpected resurgence: between 2009 and 2015 the ABA reported a 35 percent growth in the number of independent bookstores across the country, rising from 1,651 to 2,227 respectively. At their annual conference, the ABA’s CEO opened his annual address by stating: “It is a great time for indie bookstores. Bigger is not always better. We’ve shown it’s possible to change and adapt. We’ve redefined who we are.”

The unanticipated resurgence of the independent bookstore across the U.S. between 2009 and 2015 provides an opportune empirical setting to study how incumbents attempt to preserve mature business models and technologies in the aftermath of discontinuous technological change. In addition, because independent bookstores are, by definition, *independent*, this setting offers a unique context to explore this paper’s research question: “How do *independent* actors in a mature industry *collectively* respond to a technological discontinuity?” More specifically, I attempt to answer recent calls to examine top-down, and especially bottom-up (see Scott, 2008),

mechanisms and processes of preservation and adaption that inform incumbent behavior in the wake of technology change.

To explore these questions, I collected data from multiple sources, following what Creswell (2003) termed a concurrent triangulation strategy, whereby multiple methods, data sources, and units of analysis are used to evaluate a set of theorized relationships within a single study (e.g., Navis & Glynn, 2010). I used a variety of primary data sources (e.g., 103 semi-structured interviews; 91 hours of participant observation; focus groups with 123 booksellers; field visits to 31 bookstores in 13 states), as well as a significant body of hand-coded secondary sources (e.g., 915 archival articles encompassing every mention of independent bookselling in the New York Times, Wall Street Journal, USA Today, Publishers Weekly; 400 program descriptions from ten ABA annual conferences). Interviews included bookstore owners, customers, association leaders, authors, executives from the publishing industry, eReader manufacturers, and the past presidents of the ABA for the last ten years. I attended three industry conferences, where I observed workshops led by booksellers, publishers, and industry experts. Finally, I enrolled in a training course for prospective independent bookstore owners, where best practices were shared by prominent members of the bookselling and publishing industries.

I employed an inductive approach to theorize the field and organizational processes and mechanisms associated with how the independent booksellers responded to technological shocks (i.e., the emergence of online commerce; the introduction of eBooks). Using grounded theory methods (Glaser & Strauss, 1999), I coded the interview and archival data in search of patterns and inconsistencies within and across the field of related actors (e.g., Granqvist, Grodal, & Woolley, 2013). I also tracked patterns and shifts in positive and negative sentiments by

audiences, mentions of novel practice diffusion, and shifts in identity claims, prior to and during the resurgence. Returning back to the field, I then conducted additional semi-structured interviews to help clarify inflection points and changes found within the initial patterns. The multiple data sources and waves of data collection allowed me to go back-and-forth between my data and emerging theoretical themes. Doing so provided several avenues to examine the bottom-up and top-down factors and processes associated with my research question.

My findings point to a number of important processes and mechanisms that led to the resurgence of market interest in independent booksellers in the wake of technological change. First, I found that the resurgence was triggered and facilitated by several bottom-up processes that emerged from independent booksellers in the form of a social movement (i.e., Davis, Morrill, Rao, & Soule, 2008). Starting in the mid-2000s, independent booksellers began to mobilize around shared collective identity claims associated with “localism,” a network of small business owners, investors, policymakers and citizens focused on creating and sustaining local economies. In many cities across the country, independent bookstore owners were responsible for raising initial awareness for localism, creating a movement that attached normative values with their economic interests. Doing so encouraged other independent store owners to form alliances with them (e.g., with hardware stores, toy stores, flower shops, pharmacies, schools) to preserve distinct local “community” values that were shared in common.

I also found that independent booksellers were able to reclaim market demand by amplifying a unique set of practices that distinguished them from other actors in the bookselling industry (i.e., Amazon, Barnes & Noble). For example, independent booksellers began to focus on the “curation” of inventory that allowed them to provide a more personal and specialized customer experience to hand-sell each book. Additionally, they adopted practices that helped to

reframe their role in the community as a “convener,” which leveraged their physical presence in the community. Indie booksellers began to host numerous author events, book signing parties, children’s story time and birthday parties, young adult book launches, and numerous book reading groups for a wide variety of readers to join. By 2015, several booksellers reported hosting more than 500 events a year. Combined, these aspects of “community,” “curation,” and “convening” served as important bottom-up processes that reframed the mature independent bookselling industry as a legitimate and distinct form of brick-and-mortar bookselling.

Second, I identified several top-down processes originating from the ABA, which promoted and codified a collective identity that established category cohesiveness but simultaneously preserved local store independence when coupled with bottom-up efforts from store owners. I show how industry actors coordinated these changes across the field, utilizing field-configuring events to facilitate practice diffusion (Lampel & Meyer, 2008), establishing field-wide communication vehicles to reinforce “indie” values to consumers across the country, setting boundaries for membership, and facilitating partnerships with other like-minded actors (e.g., government officials and other local independent business associations that would support and reinforce the localism movement).

Overall, this work aims to contribute to extant theory at the intersection of research on technological change, social movements, and collective identity. First, prior research on social movements and organizational responses to technological change has largely examined how and why incumbent firms eventually adopt practices or values that emerge from an outside social movement (e.g., open-source software (O'Mahony & Bechky, 2008)). Here, I examine an instance where the locus of the social movement originates from *within* the incumbent field as a response to a new technological order. Second, scholars interested in incumbent responses to

technological change have highlighted how collective identity can become a cognitive trap that can prevent adaptation (Benner & Tripsas, 2012; Kaplan & Tripsas, 2008; Tripsas, 2009); here again, this paper offers an alternative view that illustrates how collective identity can become a mechanism to enable incumbent resilience and adaptation in the wake of a technological discontinuity. Finally, research at the intersection of social movements and collective identity has examined how mobilization of normative and economic interests can constitute *new* market categories with distinct collective identities (e.g., Lounsbury, Ventresca, & Hirsch, 2003; Rao, Monin, & Durand, 2003; Weber, Heinze, & DeSoucey, 2008). This paper, however, examines how social movements and collective identity mobilization can reshape a *mature* market category. Together, these contributions provoke new avenues to think about how incumbents preserve legacy technologies and business models in established fields when faced with technological change.

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