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Jo-Ellen Pozner, Michaela DeSoucey, and Katarina Sikavica

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Subtheme 22: Movements, Markets and Fields

Bottle Revolution:

Constructing Consumer and Producer Identities in the Craft Beer Industry

Jo-Ellen Pozner, UC Berkeley, pozner@haas.berkeley.edu

Michaela DeSoucey, North Carolina State University, mdesoucey@ncsu.edu

Katarina Sikavica, University of Zurich, katarina.sikavica@uzh.ch

Various streams of literature in organizational theory, the sociology of consumption, and marketing argue that organizational identity work is a critical component of consumer identification with an organization. Identity work generates feelings that engender consumer loyalty to, and feelings of oneness and belongingness with, the organization. Organizational characteristics such as mission, espoused values, specialization, quality, and form are understood to drive a bonding relationship between consumer and producer (Dutton and Dukerich 1991; Bhattacharya, Rao and Glynn, 1995; Bhattacharya and Sen 2005).

Furthermore, this literature finds that consumers are willing to pay a premium for products that enable them to signal this relationship, in part because they derive status from the products' symbolic values (Velthuis 2005; Ravasi and Rindova 2008). For a number of markets, this archetype of socioeconomic relationship is bound up in an identity movement, an expression of “we feeling” among a band of actors for whom production and consumption of specialized products – most often in the domain of cultural production – is seen as an expression of individuality, cultural discernment, anti-mass consumption sentiments, and distinction (Rao, Monin and Durand 2003; Greve, Pozner and Rao 2006; Weber, Heinze and DeSoucey 2008).

This “we feeling” can be an amorphous one, however, and organizational theory holds that “faking it” is not possible for firms that attempt to appeal to identity movement participants who don't otherwise subscribe to their principles. Consumers who represent the initial followers of market-based identity movements are also sufficiently savvy and motivated by the desire for authenticity and the opportunity to express their expertise that producers masquerading as specialists – but lacking the characteristic markers of specialists, namely small-scale production, often traditional production methods, and local craftsmanship – will quickly be sniffed out and penalized (Polos, Hannan and Carroll, 2002; Carroll and

Swaminathan 2000). Consequently, theory predicts that markets may become partitioned, such that specialist organizations cater almost exclusively to discerning identity movement participants while generalists serve up a more homogeneous product to the masses, and never the twain shall meet (e.g., Carroll and Swaminathan 1992, Carroll and Hannan 2000, Carroll, Dobrev et al. 2002).

More recent research, however, suggests that the bifurcation of markets into distinct specialist and generalist domains based on identity movements is a relatively static view, and that a longitudinal-slash-interpretive perspective is needed to more fully understand the fluid and competitive dynamics of markets created and continually informed by identity movements (Sikavica and Pozner, 2013). According to this perspective, as identity movements grow, participants focus less on the identity and marked characteristics of the producer and more on the expression of choice on the part of the end-consumer. The modal consumer eventually becomes more focused on how specialist-generated products serve her own need to exercise choice, and less attentive to either the characteristics of the producer's organizational identity or the production process itself (see Dittmar 2007).

Importantly, such a change enables the potentially risky process of decoupling, which might entail changes to the image of the organization or the product it is hawking, or to a growing distance between the producer's intended image and its audience-construed image (Brown et al 2006). In other words, when consumers' motivations become driven not by the purity of the organizational form and the production process, but rather by characteristics of the product itself, the opportunity arises for organizations to decouple their images, or external perceptions about them, from their identities, or internal characteristics that represent the "true" nature of the organization and what it organization signifies.

In this paper, we attempt to unravel the relationships among organizational and consumer identity, organizational image, and the possibility of decoupling in partitioned markets. Using the case of craft beer brewing, a well-studied market that emerged from and was shaped by an identity movement, we investigate how changes in organizational form and identity impact consumer evaluations of beer quality, and how those relationships change as the craft brewing or microbrew movement has matured. Specifically, we assess how changes in both micro-brewery organizational form, based on changing ownership and production capacity, as well as the language of brewers' consumer-facing self-descriptions in branding and marketing materials, together lead to changes in consumer assessments and descriptions of beer quality over time. Our analysis will be based in part on ratings and reviews from *Beer Advocate*, which is both a website for the "beer community" founded in 1996 that (as of 2014) has over 3 million visitors per day and a magazine founded in 2006 with an estimated monthly readership of over 150,000.

We hypothesize that in the early stages of the craft beer identity movement, changes in organizational form were closely followed by negative evaluations and lower average ratings, whereas such downward revisions are less likely to emerge as the micro-brew movement has gained participants. In other words, we hypothesize a decrease in overall consumer discernment regarding producer identity, namely as the movement matured and entered the mainstream. It is the modal consumer's vague understanding of form identity and identification with the *product* rather than the *producer* that works in part to drive the changes that we observe. We explore the mechanisms that drive changes in reviewer- and consumer-based evaluation as the movement develops, to explore the dynamics of competition in these markets.

Theory and Hypotheses

Resource partitioning refers to the equilibrium market state wherein generalists and specialists occupy distinct niches, without directly competing (e.g., Carroll 1985, Carroll, Dobrev et al. 2002). Resource partitioning scholars (e.g., Carroll and Swaminathan 1992, Carroll and Hannan 2000, Carroll, Dobrev et al. 2002) have argued that when generalist organizations compete with specialists through pretense, consumers recognize the incursion as a violation of organizational form identity (Polos, Hannan et al. 2002), and reject the generalist as an impostor. Yet, in the case of craft beer, news reports suggest that while some brand-loyal microbrew drinkers do bristle at multinational corporations buying their hometown breweries, far from all of them boycott those labels, nor do they seem to mind drinking craft brews developed and marketed by brewing giants. A recent story on National Public Radio (Bland 2014), for example, reported on Sierra Nevada Brewing Co., a large craft brewer based in California, opening a production facility in Asheville, NC, well-known for its locally owned, small-batch, microbrew scene. Even though there have been a few “undertones of resentment,” as reported by the radio story, the majority of microbrew beer-loving residents have been welcoming, rather than resistant.

This presents a theoretical conundrum worth examining further: Previous research portrays resource partitioning as a dichotomous, definitive outcome: markets are either partitioned or not, and firms are either generalists or specialists. But in a market that has co-evolved with an identity movement and that possesses a clearly defined organizational form identity, how do market participants manage to de-partition the market to the point that generalists and specialists compete directly?

More recently, Sikavica and Pozner (2013) suggest the need to better account for market dynamics and specialists' ongoing viability over time. In particular, we need to better understand the maturation and consequences of identity movements on markets. Identity movements are social movements primarily characterized by a we-feeling sustained through interaction among members (Taylor and Whittier 1992) that are often associated with preferences that counter dominant cultural codes (e.g., Rao, Monin et al. 2003). They have typically been defined by goals and strategies, rather than by participants' inherent similarities, and are often expressed through cultural artifacts like symbols and narratives (Melucci 1996; Bernstein 1997). They are often diffuse, without formal groups or a great deal of overarching structure, and occur in non-institutional contexts (Haenfler 2004). Identity movements are common drivers of specialists' proliferation in resource partitioned markets such as microbrews (e.g., Carroll and Swaminathan 2000), micro-radio (Greve, Pozner et al. 2006, Pozner and Rao 2006), and grass-fed meat and dairy (Weber, Heinze et al. 2008). These movements work to counter existing norms and stereotypes of the field even as they affect behavior in it, transforming those norms and promoting new institutional logics that may be more compatible with other master logics in the broader social environment (Hunt et al. 1994; van Brommel and Spicer 2011). Moreover, they help participants identify with each other, or to see themselves as part of a community of like-minded consumers.

Here, we build upon the idea that identity movement dynamics influence specialist form identities, triggering a process of de-partitioning. Sikavica and Pozner (2013) refine resource partitioning theory with the novel notion that partitioning is a dynamic, multi-dimensional process. Their investigation of organic farming provides insights into how and when markets may become partitioned, de-partitioned (with direct competition among specialists and generalists), and re-partitioned (when barriers to competition reemerge). This explanation

hinges on three mechanisms: movement dynamics; movement participants' identification with movement's goals; and sharpness of the organizational form identity. They show that partitioning, driven by shared movement goals, framing and discourse, as well as a supportive infrastructure, may change as movements flourish.

Moreover, Sikavica and Pozner (2013) argue that, for better or worse, because participants' identification with movement goals may weaken as they attract more diverse adherents, a strong definition of the specialist form identity is critical to sustaining partitioning.

Maintaining market structure requires participant detection and the sanctioning of violations of form identity (Polos, Hannan et al. 2002). Consequently, the movements that may be best positioned to grow may have the most porous boundaries and be most vulnerable to challengers: when movement participants or followers do not notice identity code violations, generalists can enter the specialist space. Finally, they suggest that specialist form identities that incorporate limits to organizational growth are more viable than those that do not. This is supported by the case of organic farming, as the associated identity movement that sparked it failed to establish an organizational form identity strong enough to prevent generalists from entering the specialist space.

While Sikavica and Pozner (2013) provide evidence of reversibility of market partitioning and its directionally-oriented nature, they do not address the means through which the dynamics of competition within such a field might shift. We argue that an organization's shifting image – both intended and construed – guide and activate consumers' interpretations of their products over time. These changing images combined with movement in the intensity of consumer identification with their products drive consumer expectations of firm behavior, which sets the rules of the game for market competition.

Organizational Identity and Consumer Identification

The concept of identity is central to the competitive dynamics in movement-driven organizational fields. Of the four mechanisms allowing specialist organizations to proliferate that Carroll, Dobrev and Swaminathan (2002) offer in their review of resource partitioning research, one deals with dimensionality of the resource space (Peli & Nooteboom 1999), while three are related to producer and consumer identity: conspicuous consumption (Park and Podolny 2000), anti-mass production sentiment (Carroll & Swaminathan 2000), and customization (Boone et al, 2000). With respect to status, consumers tend to seek goods whose appeal comes from strategically created images of producer status; in more general terms, imagery is a way to reorient both insiders and outsiders. When uncertainty about production and the costs of product failure are low, higher status or reputational allure is awarded to specialists (Park and Podolny 2000).

Others are motivated by the oppositional nature of specialist goods. Carroll and Swaminathan (2000) find that anti-mass production feelings, which follow concerns about scale, lead consumers to seek out specialist producers, wherein they make assumptions about quality and authenticity, even when the objective quality of generalist-produced products might be higher, or at least more consistent. By choosing specialist, rather than mainstream, goods, these consumers may be enacting a symbolic protest against mass-produced society and corporate organizations (Peterson 1997), consistent with post-materialist ideas emphasizing self-expression and quality of life (Inglehardt 1997). Identity-movement participants, in particular, see these consumption choices as acts of self-expression, which also entail status distinctions. In other words, by knowing more about obscure products, they are able to self-identify as experts and moral entrepreneurs.

Finally, small producers are more likely than their larger competitors to be able to customize their offerings to the needs of customer niches, whereas homogenous generalist producers may be unable or uninterested in chasing those micro-segments (Boone et al. 2000). One of the consequences of an organization scaling up is that some things, even things valued by existing customers, may not be worth doing because they are not as cost effective or because potential markets are too small to warrant additional inputs. Catering to the specific desires of their customer bases, which makes the consumer feel more discerning and as his choice more identity-affirming, thus protects some specialists from generalist competition. The offerings themselves reinforce the organizational story, allowing organizations to match identity movement sensibilities.

While it is relatively easy to see that both producer and consumer identities are affected by these mechanisms, it is not quite so easy to disentangle the two. Certainly, it is the consumer who appraises a producer's status and authenticity, themselves both social constructs, and who reinforces his own identity by consuming the products of the particular firms he has selected. Yet, the consumer is not fully agentic in this process; he is enveloped in multiple communities and social contexts that work to shape his tastes. Consumer preferences for an "authentic" product are thus to some extent detached from product taste and are inferred from the identity of the producer. Although the producer must possess attributes that are consistent with those socially-constructed criteria – or, the organizational form identity (Polos et al, 2002; Sikavica and Pozner, 2013) – to pass muster, these attributes also dictate the characteristics that are relevant to its product's status and construed authenticity, which also contribute to consumer identity. Both producer and consumer identities are thus bound up in roughly the same attribution processes; they are two sides of the same coin.

According to resource partitioning theory, because these producer and consumer identities are so interdependent in this model, what separates specialists from generalists – the “authentic” producers from the “posers” – is essentially vigilance. Once consumers identify with specialist producers, they are on the lookout for violations in identity form, as are other specialist producers ready to fill the void left by their discredited competitors (Hannan 1991; Polos, Hannan and Carroll 2002). Because organizational form identities take on a rule-like status (Polos, Hannan and Carroll 2002), violations are punished by highly-identified and dedicated movement participants who fear that their own identities may be contaminated by association with or failure to recognize inauthentic producers, particularly generalists attempting to pass as specialists (Carroll and Swaminathan 2000). That is, because the identity of the producer and the consumer are so intertwined, inasmuch as producer identity is important to consumers feeling as if they are discerning experts (Bhattacharya and Sen 2003), consumers are motivated to sniff out and penalize imposters. This carries two important implications: first, that failure to sharply define an organizational form identity carries with it the risk that violations will not be recognized and penalized (Sikavica and Pozner 2013); and second, that changes in either producer identity or consumer identification with the specialist product are likely to affect producer viability and competitiveness.

The word repeatedly used to characterize acceptable organizational form identities for specialist producers catering to identity movement adherents is authenticity. Authenticity refers to idealized expectations about how something *ought* to be experienced to be credible, genuine, or even real; asserting something’s authenticity is a marketing tactic used to sell a wide range of things (DeSoucey 2010). Inasmuch as identity movement participants are motivated by status and anti-mass-consumption sentiment, authenticity is a function of two

distinct but related dimensions: opposition to mass *producers*, and opposition to mass *production* (Carroll and Swaminathan 2000; Greve, Pozner and Rao 2006; Sikavica and Pozner 2013). These consumers want products made by authentic producers that embody a specific, oppositional organizational form identity, marked by unconventionality, purity, local craftsmanship, and traditional manufacturing (Sikavica and Pozner 2013). This shows, among other things, a synergistic relationship between culture and commerce (Grazian 2003).

In turn, the authentic producer is identifiable through two primary markers: production scale and independent ownership. Specialists' appeal hinges in large part upon small-scale production (Greve et al, 2006; Sikavica and Pozner 2013; Carroll and Swaminathan 2000); consumers equate small batch production with higher product quality, believing in the ability of only small producers to deliver high-quality specialty products. Microbreweries, for example, market themselves as producing naturally or hand crafted, pure, unique beer in small quantities, in contrast to large breweries that produce what is perceived to be homogenous, low quality beer (Beverland et al 2008). This belief is reinforced, in the micro-brew case, by formal limits to production; in 2011, the American Brewers Association defined a "micro-brewery" as a one whose production does not exceed 15,000 barrels annually (Brewers Association 2011). Attributions of quality are almost entirely socially constructed, however, such that they are determined more by specialist identity and means of production than objective product quality. Carroll and Swaminathan (2000) refer to perfectly content beer drinkers who look "crestfallen" when informed that their favorite specialty brews are actually the product of mass brewers.

In addition, small-scale or micro production evokes the notion of "craft." The craftsperson is often revered for his skill, and is defined by his personal association with the good or product.

Craftwork evokes notions of autonomy, dignity, and control over the labor process in addition to skill (Schwalbe 2010; Hodson 2001; Beverland et al 2008), and carries the assumption that craft workers benefit from greater satisfaction and pride in their work than mass-industrial workers (Hodson 1996; 2001; Tanner 1984). These connotations work to enhance consumer identification with the producer beyond his enjoyment of the product. Importantly, this suggests that consumers involved in identity movements make buying decisions based organizational form identity, rather than on product characteristics alone.

The example given by Carroll and Swaminathan (2000) indicates a second important marker of specialist authenticity: ownership. Ownership is critical to organizational form identity and perceptions of authenticity to the extent that it indicates who controls resources, sets salient performance criteria, distributes rents, and decides who benefits from organizational success. Identity movement participants may idealize specialist producers' owners as doing their jobs with care and dedication out of genuine love for the product and belief in the purity of the production process. This characterization of specialists stands in stark contrast to industrial producers, who are presumed to be large, often publicly-traded conglomerates characterized by a diffuse ownership, with anonymous shareholders who care more about the return on their investment than about the product itself. Relatively small differences in such attributions have been shown to be highly consequential to organizational outcomes (Cannella, Jones and Withers, 2014).

Both ownership and production scale are relatively fluid organizational characteristics, and in many fields, shift regularly. Because owners often exert such a critical influence on organizations, changes in ownership structure should impact organizational identity in ways that affect organizational image, leading to changes in consumer identification with his

favorite producer. Similarly, because small-scale production is so central to perceptions of quality, growth in production capacity is also likely to affect organizational image and consequently consumer identification. To the extent that they are perceived, therefore, violations of the specialist form identity will be recognized and sanctioned. Thus we predict:

H1. Violations of organizational form identity (through changes in production scale, changes in ownership structure) will lead to a decrease in consumer evaluations.

Decoupling Organizational Image from Identity

One potential strategy for dealing with violations of organizational form identity is suggested by institutional theory. Decoupling, or separating the outward-facing *image* of an organization from its inward-facing *identity* – or from underlying realities of the organization (Dutton and Dukerich 1991) – might enable inauthentic producers to “pass.” In other words, obscuring the link between organizational image and identity may prevent interested parties from evaluating the fit between perceived and actual organizational form identity.

Organizational identity and image are, after all, dynamic concepts managed through strategic communication, impression management, and dialogue with secondary and external audiences (Hatch and Schultz 1997, 2002, 2003). Organizations provide symbols and signals of their underlying traits, and external evaluators filter and interpret those symbols (Nielsen and Rao 1987). If there is no reason to question organizational claims, consumers might have no cause to do so, such that strategic decoupling of image from identity can prevent inspection and evaluation.

Strategic management of information is typically how organizations attempt to avoid raising questions regarding organizational identity to avoid inspection and sanction. Organizational

actors often strategically withhold information through outright secrecy or denial, or through selective disclosure (e.g., Meyer and Rowan 1977, Fine 1998, Uzzi and Lancaster 2004). By revealing only the information they wish to make public, organizations attempt to retain control of their external image while managing various sources of stakeholder conflict (Dacin Pozner and DeSoucey, 2009). Cases abound in the business press about organizations that decouple their products from their organizational images and from their internally-constructed identities, going to great lengths to manage their images to external audiences and re-invent their internally-constructed identities. A classic case is Altria, formerly Philip Morris, which spends millions to keep its product families distinct from each other and to elide its historic origins, thereby distancing what they do from who they are.

This decoupling of organizational image from organizational identity may be highly attractive to producers that do not conform to expectations of authenticity, either through scale or ownership. In our case, because most microbrews are privately held companies, not subject to mandatory disclosure, proffered information about production capacity and ownership is necessarily taken as a matter of trust based on materials such as websites, founding stories, packaging and other means of informal communication. While organizations are legally prevented from lying about basic facts, the way in which such facts are presented is largely a strategic art. There is no requirement that a supposed craft brew's parent company be disclosed on labels or advertising, for example, and the majority of consumers are probably more likely to choose a brand based not on an annual report, but rather the story told by a bartender or the bottle itself. Thus, in theory, there is little preventing a generalist from masquerading as a specialist.

At the same time, we know that stalwart identity movement adherents are vigilant, and on the lookout for organizational form identity violations. Carroll and Swaminathan (2000) demonstrate that these violations are punished, leading to poorer organizational outcomes.

Because movement participants' identities are bound up their relationships with producer identities, they are strongly motivated to unmask violators; doing so only reinforces their own feelings of expertise, discernment, and belonging. Thus, organizational attempts to decouple outward-facing image from inward-facing identity are likely to be unsuccessful, and firms may be penalized for having made the attempt. This leads us to predict:

H2. Producers' attempts to hide violations of organizational form identity will lead to a decrease in consumer evaluations.

The Impact of Identity Movement Dynamics

Until now, we have largely drawn on the body of organizational theory that views market partitioning as an equilibrium state. According to this logic, identity movements, combined with characteristics of the resource space, lead to the proliferation of specialists, who are largely insulated from competition with generalists, and expert movement participants will sanction organizational form identity violations. Under these conditions, the decoupling of organizational image from organizational identity is unlikely to be successful.

Based on our previous research (DeSoucey 2010, Sikavica and Pozner 2013, Schleifer and DeSoucey 2013), however, we recognize that as identity movements centered in markets become more popular, they attract a broader base of adherents; zealous, ideal-driven participants are joined by more casual actors – at both consumer and producer levels – who are less taken by philosophical origins and are more interested in what the movement-market has to tangibly offer. As a result, as the movement evolves and membership grows, consumption of specialists' goods is likely to become more about the *product* and less about the *producer*. Moreover, while resource partitioning theory upholds the primacy of the organizational form identity, arguing that the product cannot be authentic if the producer and

the production method are not authentic, we suggest that with a changing consumer base there will be a shift in concern from producer and production method to product characteristics and consumption – from identity motivations to image motivations. In other words, as movements grow, participation is more about expression of identity as an individual person and the image that projects (Dittmar 2007) than it is about purchasing from the a producer with bona fides.

More mature stages of the craft beer movement would be characterized by a modal consumer who is more hipster than hippie, where beer drinking is more about what you are not (mainstream, bland) than what you are (totally unique, sophisticated, expert, ideal-driven, anti-commercialist). In fact, the typical craft beer consumer may be driven more by the need to dis-identify with the mainstream – the perception that most actors are “all the same” (Elsbach 1999) – than to positively identify with a movement. In contrast to the zealous movement participant, whose identity is bound up in the identity of the producer, in later stages, movement participants may be non-identifiers (Elsbach and Bhattacharya, 2001), for whom the identity of the producer is not a source of identity or self-concept.

This is consistent with Sikavica and Pozner’s (2013) argument that, in later stages of the organic food movement, as popularity grew and the image of organic produce shifted, consumption has become more of an ego-centric rather than an other-centric phenomenon. That is, although early movement participants were driven to organics by save-the-earth, anti-industrial ideals, later stage consumer-participants turned to organics for reasons having to do with health, fitness and lifestyle. And, later stage producer-participants saw a fruitful market niche (Schleifer and DeSoucey 2013). Because later stage converts are less concerned with authenticity, local craftsmanship, and the production process than are early stage adherents,

the identity of producers has become less important than image, opening the door to an incursion of generalists into specialists' resource space. Consumers came to care less and less about the identity of producers and the way organics were sown, grown, packed, shipped, allowing generalists to produce an organic offering that was more ambiguous, a watered down version of what had been envisioned by the founders of the organic movement.

On the producer side of organic farming initiatives, the battle to define organizational form identity was fought between "agrarians," those adhering to the movement's initial ideals and "expansionists," those pushing for a broader, more inclusive definition of what organic means, representing two heterogeneous sets of actors with quite divergent goals and motives. Not surprisingly, these camps differed primarily along the dimensions of ownership and scale of production: small, farmer owned farms with a less commercial objective, oriented towards small scale production versus large agribusiness in the hands of anonymous owners striving towards large scale production and the commercialization of organics (e.g., Guthman 2004). Yet because to the modal late-stage organic consumer, choosing organic food is more about the image it conveys about its consumer than about the producer and his production technique, changes in producers' organizational form identity became increasingly less important than it had been in early movement stages. As a result, the boundaries between organic and conventional farming became eroded, leading to what can be called as a de-partitioning of the market, whereby large, expansionist farms converted part of their operations to organic certification, resulting in direct competition between the small, ideologically-driven agrarian specialists and larger, expansionist organic farms.

In turn, as the negative image of conventional farming faded and the scale of organic farming grew, generalist dominance became less of a problem for the modal organic consumer. Even

though produce could be labeled organic without strict adherence to early movement ideals, at least *some* of those ideals are upheld in *any* certified organic product. The availability of organic fruits and vegetables raised in monoculture, shipped internationally, and sold in national supermarket chains benefits a tremendous number of casual consumers as well as the earth, in terms of reduced use of synthetic fertilizers and pesticides. Watered-down organics, even if produced by agribusiness through an “inauthentic,” large-scale process, has become “organic enough” for the modal consumer in later stage of the organic identity movement (Guptill 2009).

To the extent that the growth of the craft beer movement grows and gains more casual adherents over time, lower levels of collective identification with the ideals of the movement are to be expected, consistent with research on collective identities across stages of social movements (Benford and Snow 2000, Jasper, 1997, Polletta and Jasper 2001). This implies that detecting and sanctioning violations of the craft brew organizational form identity becomes increasingly difficult for consumers, who are also less interested in policing the boundaries of the market. We expect similar movement dynamics to apply to all late-stage identity movements, with later adherents focused more on the image consumption portrays about themselves than about their identity as discerning experts, and even less on producer identity and authenticity. Thus we predict:

H3. As the movement matures, the negative effect of violations of organizational form identity on consumer evaluations will diminish.

The attraction of less-identified participants in later-stage identity movements is also likely to have consequences for organizations’ ability to mask violations of organizational form

identity. The non-zealous, non-committed craft beer drinker is likely to see specialty brews not as something exotic or distinctive, but merely different from – and tastier than – the norm. In this sense, drinking “decoupled” products offered by inauthentic producers may be good *enough*, a basis for differentiating oneself from the typical beer drinker, although not a strong enough source of identification to make a more vigilant movement participant feel special, discerning, or expert. And, when movement participants fail to recognize and sanction identity code violations, generalists become free to enter the specialist resource space, leading to direct competition between the two forms. Similarly, specialists may grow beyond the limits to organizational output inherent in the specialist form identity without detection on the part of consumers, who are primarily interested in consumption as an expression of choice and a projection of their own image (Sikavica and Pozner 2013).

As movements attract more diverse participants who are less strongly identified with movement ideals – and who are therefore less zealous consumers and less vigilant about producers’ authenticity (Sikavica and Pozner 2013) – organizations are likely to be more successful in using strategies destined at decoupling their image from their identity. As movements mature, specialists that are managing information about themselves, their identities, their ownership and control structures, and their production capacity are more likely to succeed in construing an image considered acceptable by the modal consumer. As a result, they may get away more easily with identity code violations than what would have been the case in the early stage of the identity movement. Hence, we predict

H4. As the movement matures, the negative effect of producers’ attempts to hide of violations of organizational form identity on product evaluations will diminish.

Data

Empirical Setting

We situate our study in the United States craft brewing industry. Although Americans have been brewing beer for generations, the industry is quite fluid, in some ways resembling a much younger organizational field. Dominated by the few large breweries that survived Prohibition and the diversion of grain to the 1940s war effort, American beer in the second half of the 20th century was defined by homogeneity in taste and technology and ostensibly poor quality. By the early 1970s, the industry was consolidated around 44 producers operating 89 breweries. A resurgence of interest in craft brewing emerged as an identity movement in the 1970s, bringing with it new flavors and production techniques, and new competitive dynamics.

Over the past four decades, craft beer has gone through significant changes: as the number of microbrew drinkers has increased, new microbreweries have come to be cultural trendsetters and emblematic of place-based social capitalization. This industry is marked by a strong organizational form identity that resonates in both producer and consumer mindsets. In contrast to producer identities that carefully codify production rules and recipes, U.S. microbrew identities thrive on creativity, originality, and invention. In fact, they may be more easily identifiable by what they are *not* than by what they are. As the movement gained adherents, with peak annual growth in production volume reaching 58% in 1995, explicit intentions were producing a more diverse range of high quality beers based on traditional, small-scale craft brewing methods. Although the microbrew market today accounts for only 6.5% of total consumption by volume, craft breweries numbered over 2400 in 2013 – up from only 8 in 1980 – and their ranks continue to swell (Brewers Association 2013).

The Brewers Association currently defines craft brewers as producers of a maximum of six million barrels a year (although only two approach this limit), and limit non-craft beverage

company ownership to a 25% share. Small breweries are thriving despite a relative lack of capital and geographically limited distribution areas (Yenne 2003). Similar to how Starbucks convinced coffee drinkers to pay more for a “better” brew (Potter 2010), craft brewers used the language of “difference” to justify their price premium. The organizational form identity defined by the Brewers Association is consistent with previous studies of microbrews (Carroll and Swaminathan 2000; Carroll, Dobrev, and Swaminathan, 2002).

More recently, however, industrial brewers have entered the craft market through both cooptation and imitation of craft brewers, with varying results; while some drinkers bemoan the demise of certain small-batch breweries, others seem unbothered that their “microbrew” is owned by an international conglomerate (Leonard 2011, Leonard 2012, Wilson 2012, Morris 2013, Strom 2013). Today’s microbrew landscape is marked by the entrance of producers like Anheuser Busch, MillerCoors, and most recently the Belgian brewer Duvel (Strom 2013). Their presence in this space has been somewhat controversial because of the way their beers are marketed (Wilson 2012): one cannot find the name MillerCoors on the packaging or website of the popular beer Blue Moon, although that giant is its corporate owner (in fact, Blue Moon was founded in Golden, Colorado, the storied home of the Coors Brewing Company). Goose Island beer – a Chicago mainstay, which began as a single brewpub in the 1980s – is now distributed around the U.S. and even exported. In 2011, the brewery sold a 58% stake to Anheuser-Busch, with the remaining stake set to be purchased in the near future. With this purchase, Goose Island would no longer qualify as a craft brew, even though its history is such. And though its bottled beer now reads “brewed and bottled in Baldwinsville, NY,” Anheuser-Busch is not mentioned on the label. A beer drinker has to do research to be certain that their beverage is not a corporate imposter.

As Brewers Association Director Paul Gatz explained (Wilson 2012), this is “to some degree a chancy proposition. To some beer drinkers out there, they won’t care. To others, they will care and probably won’t feel so good if they feel like they were duped by the large brewers.” Recognizing the issue of “imitation” craft beers, the Brewers Association launched an educational campaign under the “craft versus crafty” slogan in 2012 to clarify the definition of craft brew and draw consumer attention to changes in the competitive landscape, writing (Brewer’s Association, 2012):

The large, multinational brewers appear to be deliberately attempting to blur the lines between their crafty, craft-like beers and true craft beers from today’s small and independent brewers. We call for transparency in brand ownership and for information to be clearly presented in a way that allows beer drinkers to make an informed choice about who brewed the beer they are drinking.

And for those passionate beer lovers out there, we ask that you take the time to familiarize yourself with who is brewing the beer you are drinking. Is it a product of a small and independent brewer? Or is it from a crafty large brewer, seeking to capitalize on the mounting success of small and independent craft brewers?

Among micro-brewers, the response to changes in the industry is mixed, as evidenced by recent reporting on National Public Radio (Bland, 2014). Some market participants feel that production scale and the production process itself is the critical element of the microbrew organizational form identity. According to this view, the essence of craft beer lies in its authenticity and tradition in production, an ideal that mass-producers of beer can never attain (Bland, 2014).

Dan Del Grande, owner and brewer of Bison Organic Beer, based in Berkeley, Calif., feels the allowance of rice, corn and other alternative sugar sources as main ingredients in craft brewing will compromise the beer. . . . “I think the Brewers Association has watered down the meaning of craft beer, and of good beer,” he says.

“To me, craft means artisan,” he says. “Once an enterprise scales up, the beer is no longer craft. It becomes a brand with lots and lots of employees, and you can’t point to a small team of individuals who are responsible for the art.”

Others appear to privilege ownership as the central aspect of organizational form identity. The implication here is that hybrid organizations are fundamentally different from specialists, reducing their potential competitive threat (Bland, 2014).

Tony Magee, the founder of Lagunitas, disagrees. He says craft breweries, no matter how big they get, will always be fundamentally different than large global brands.

“Even if we grow to be a 10-million barrel brewery, my brewery will not resemble that of a big brewery,” he says. “There are important material differences between their facility and mine.” Brewing with rice and corn requires specialized equipment, he says. So does brewing with barley and large amounts of whole hops, as most craft breweries do. “Budweiser, Coors

and Guinness are so optimized to make their own beer that they probably couldn't make mine if they wanted to,” Magee says.

Whereas to others, the principal violation is in the decoupling of organizational image from identity, where hybrid organizations attempt to portray themselves as specialists (Bland, 2014).

Marty Jones, a longtime craft beer publicist in Denver, Colo., believes the parent companies of these brands need to be disclosed on labels and billboards.

“It’s absolutely dishonest when giant breweries portray themselves as little guys when they aren’t,” Jones says.

Recent changes in the competitive landscape of microbrews suggest that the microbrew-drinking population has moved beyond those entrenched in the identity movement (Strom 2013). Instead, the current market may be dominated by those who prefer a certain taste in beer (for example more hoppy, spicy, earthy, malty) and are less interested in producer identity or authenticity of the means of production. In a market characterized by such consumers – just as in the shifting market for organic produce, whose consumers see organic as “healthier” and lacking pesticides, but care little for practices like crop rotation – we expect to find organizations like Blue Moon or the new Goose Island, generalists who attempt to imitate specialist products and mask their identities, even temporarily, without of penalty by identity movement adherents. These developments make the microbrew industry an ideal setting for our study.

Our goal is to understand the dynamics of this changing space by focusing on the discursive strategies employed by generalists who create hybrid organizations as well as specialist responses. We envision a mixed-methods study, involving both qualitative analysis of verbiage, symbols, and linguistic strategies to investigate the tactics employed by both generalists and specialists, and econometric analysis to understand the impact of linguistic strategy on organizational form emergence and mortality. We also plan to use the perspective of consumers and their discourses of perceptions and interpretations of organizational form identities (generalists, specialists, hybrids) with direct implications for these organizations' proliferation and viability.

We examine how generalists and specialists use language to communicate organizational form identity to stakeholders through mission statements, websites, publications, product labeling and the like, and parse the language appropriation strategies that enable generalists to occupy both specialist and generalist niches with minimal fear of detection. Similarly, we argue that specialists use language-based strategies to create counter-movements – often in response to generalists' attempts to invade specialists' space– leading to market re-partitioning.

Data Plan

We plan to test our hypotheses empirically based on the population of U.S. beer brewers over the period 1996 (when *Beer Advocate* first appeared) to 2012. To that end, we are collecting three dependent variables. First, we are drawing on the *Beer Advocate* website to calculate user evaluations of beer quality over time. We are also analyzing the text of *Beer Advocate* users' beer reviews to gauge their relative assessment of various brews over time. Finally,

we use multiple sources including Beer Advocate, the Brewers' Association guides, and corporate websites to track organizational births and mortality.

We are also in the process of collecting several independent variables related to organizational form identity, again using multiple publicly available sources. First, we will track brewer ownership changes over time. We will also measure adherence to organizational form identity by categorizing producers according to the Brewers' Association's guidelines, which are based on production capacity and ingredient requirements. Finally, we will flag "hybrid brewers," a term we coined to indicate that indicates one of the following:

1. A mass brewer that produces a craft product line (e.g., MillerCoors produces the Blue Moon brew)
2. A mass brewer that acquires a craft brewer (e.g., Anheuser-Busch acquired 100% of Goose Island)
3. A craft brewer that exceeds definitional production capacity or fails to meet craft ingredient requirements

Finally, to measure efforts to decouple organizational image from identity, we will be tracking brewer identity statements in the form of website text over time. We are collecting and coding the language used in mission statements, company histories, and beer descriptors to track producer efforts to guide consumers' conceptions of their images.

Discussion

This paper will contribute to research on competition in the ecological tradition, to neo-institutional theory, and to sociological theories of markets. By analyzing language use, we

add a novel variable to the resource partitioning model. We hope to demonstrate empirically the existence of hybrid organizations in spaces previously assumed to house only pure specialists or pure generalists. We also contribute to organizational theory by bringing organizational agency, via discursive strategies, into a heretofore “cold” theory of competitive dynamics. Mirroring work in the tradition of institutional entrepreneurship (e.g., Zucker 1988), by studying what organizations actually do we gain a more nuanced understanding of how market competition unfolds than conventional population ecological theory offers.

This study will also contribute to our understanding of the dynamics of organizational diversity, helping to explain why, at some times, a particular population of organizations may look so similar (as in the neo-institutional world view) and at others so different (as argued by population ecologists). To the extent that language impacts organizational viability, it is also likely to affect the success of entrepreneurship efforts, and consequently local employment and workplace diversity.

Finally, this study will complement the literature in neo-institutional theory, which holds that the use of symbolic language is a marker of legitimacy and a driver of institutional opportunities (e.g., Oakes, Townley et al. 1998, Lawrence and Phillips 2004). This tradition holds that organizations employ different discursive strategies to appear legitimate by adhering – sometimes only nominally – to norms institutionalized into relatively stable competitive structures. In contrast, our study aims to demonstrate that the non-normative use of language, particularly on the part of a generalist masquerading as a specialist, can actually reshape the competitive landscape and potentially upend existing institutional arrangements (e.g., Rao, Morrill et al. 2000).

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