

Market Mediators and the Trade-offs of Legitimacy-Seeking Behaviors in a Nascent Category

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Abstract. Although existing research has demonstrated the importance of attaining legitimacy for new market categories, few scholars have considered the trade-offs associated with such actions. Using the U.S. organic food product category as a context, we explore how one standards-based certification organization—the California Certified Organic Farmers (CCOF)—sought to balance efforts to legitimate a nascent market category with retaining a shared, distinctive identity among its members. Our findings suggest that legitimacy-seeking behaviors undertaken by the standards organization diluted the initial collective identity and founding ethos of its membership. However, by shifting the meaning of “organic” from the producer to the product, CCOF was able to strengthen the categorical boundary, thereby enhancing its legitimacy. By showing how the organization managed the associated trade-offs, this study highlights the double-edged nature of legitimacy and offers important implications for the literatures on legitimacy and new market category formation.

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Introduction

Research on the emergence of new market categories is a rapidly growing area in organization theory. To date, most attention has focused on the consequences of categorization and the processes of category development (Vergne and Wry 2014, Durand and Paoletta 2013, Glynn and Navis 2013, Kennedy and Fiss 2013, Khaire and Wadhvani 2010, Santos and Eisenhardt 2009). Few studies have identified the trade-offs associated with obtaining legitimacy and establishing a new category and how such trade-offs may be managed. Legitimation of a new category involves a process by which producers engage in sensegiving using labels, frames, and narratives to make new identities understandable and appealing, and by which audiences engage in sensemaking to sort out and assess organizational claims (Lounsbury and Glynn 2001, Navis and Glynn 2010). Market categories are established when producers and audiences agree on a meaningful prototypical identity that is representative of organizations claiming membership within the emerging category (Rosa et al. 1999). Consequently, the more that organizations adhere to a prototypical identity, the more that individual organizations and the category itself will be accepted and viewed as appropriate by audiences (Kennedy 2008).

However, the process of achieving a shared understanding within and gaining legitimacy from audiences poses a particular challenge for the pioneers of a new market (McInerney 2014). If pioneers establish a distinctive categorical identity that differs substantially from other categories and seek to enforce strict identity isomorphism among their members, they may secure market category coherence and acceptance, but at the cost of limited growth and marginality in a market (Wry et al. 2011). On the other hand, if activist producers seek broader legitimacy, the category will likely attract a variety of new entrants. This can create two problems: it can negatively impact its legitimation among external audiences to the extent that they perceive the category as increasingly incoherent and ambiguous, and it can dilute the collective identity of the original producers of the category, which is often grounded in a shared institutional logic, worldview, and/or goal (Durand and Paoletta 2013, Thornton et al. 2012). Although there has been some attention devoted to the legitimacy-seeking efforts of category pioneers (e.g., Kennedy 2008, Lounsbury et al. 2003, Rao et al. 2003), very little attention has been given to the trade-offs of category growth, which requires fostering legitimacy among a variety of audiences, who often hold contradictory and conflicting expectations (Wry et al. 2011).

In this paper, we explore the double-edged sword of legitimacy in the creation and growth of a market category by focusing on how a pioneering standards-based certification organization (SBCO)¹ balanced these concerns. Extant literature has emphasized how market category legitimacy is influenced in part by market intermediaries such as critics (Hsu et al. 2012) and accreditation and legitimating bodies (Ruef and Scott 1998) that shape the relationship between producers and audiences by signaling quality and directing attention to particular offerings (Zuckerman 1999). However, the bulk of this research has focused on mature market categories, which are conceptualized as settled orders (Schneiberg and Berk 2010). Thus, we have limited understanding of the influence of standards organizations on the creation and evolution of market categories where category meaning and acceptance are in flux.

The U.S. organic food market category is an ideal setting for this study, for two reasons. First, the organic food market for much of its history was considered peripheral and illegitimate. Second, standards organizations played a key role in articulating central features of the category and legitimating it. We focus empirical attention on the efforts of a pioneering standards organization, California Certified Organic Farmers (CCOF). CCOF demarcated boundaries and encouraged producer conformity to the prototypical identity promoted by pioneer activists. Over time, CCOF's efforts expanded to help legitimate the organic food market category nationwide. However, in the process of seeking legitimacy from a broad variety of audiences, pioneer producers faced challenges that threatened their collective identity.

Based on our qualitative study, we found that CCOF played a pivotal role in fostering a collective identity among early organic producers—a critical means by which audiences are able to distinguish between groups of organizations when market categories first emerge (Fiol and Romanelli 2012, King et al. 2011, Navis and Glynn 2011). CCOF's efforts to create and promote a set of rudimentary standards that formalized the meaning of “organic” and dictated who could legitimately claim the label of “organic farmer” sharpened the distinction between their conception of organic agricultural practices and conventional ones. Initially, the guiding logic of holism that formed the basis of the founding ethos was expressed in the organizational structure of CCOF as well as in the standards it created and promoted. However, as CCOF engaged in legitimacy-seeking behaviors to achieve broader social acceptance for the organic category, such behaviors generated tensions between new audiences and the collective identity of its members. The search for greater legitimacy effectively decoupled the collective identity and founding ethos of pioneering CCOF members from the market category itself.

The novelty of our study lies in not just identifying concrete legitimacy-seeking behaviors pursued by a market intermediary, but, more importantly, focusing on the tensions and their unintended outcomes. The identification of the mechanisms and processes associated with these dynamics provides new insights regarding the role of SBCOs in market category formation and growth and offers contributions to the literatures on legitimacy and categorization processes in markets. In the next section, we discuss theory related to legitimacy and market category creation and growth. We then provide the historical background of the organic food market. Thereafter, we document our data collection and methods. We then present the results from our inductive study of CCOF and its role in the development and growth of the organic category. We conclude with a discussion of results.

Theory

Legitimacy is the general perception that an entity and its actions conform to a “socially constructed system of norms, values, beliefs, and definitions” (Suchman 1995, p. 574). Inasmuch as organizations and their actions are viewed as legitimate, they can access resources that are crucial to organizational survival and performance (Aldrich and Fiol 1994, Pfeffer and Salancik 1978). As a result, legitimacy plays a particularly important role in the creation of new market categories. Theory suggests that new market categories emerge when audience members and producers agree on a meaningful prototypical identity and schema that is representative of organizations that claim membership in the emerging category (Rosa et al. 1999). A prototypical identity generally emerges from the collective of producers that subscribe to a particular worldview and associated practices (Fiol and Romanelli 2012, Navis and Glynn 2011).

Producers engage in various legitimating behaviors and activities to distinguish themselves from others and to demarcate clear categorical boundaries around their shared identity. These can include the use of stories (Lounsbury and Glynn 2001), press releases (Kennedy 2008), and the development of codes to describe the category (Weber et al. 2008). Producers are often brought together based on a shared institutional logic or common goal (Durand and Paoletta 2013) that identifies and internalizes the attributes and values of others within the group, creating a growing sense of belonging and “we-ness” as well as the belief of a common fate (King et al. 2011, Pozner and Rao 2006). These dynamics are particularly salient in “oppositional markets” that take shape via the development of a shared, collective identity among producers that define themselves in stark contrast to the existing dominant market logic embodied by incumbent firms in a particular product space (Verhaal et al. 2015). In such

markets, producers come to share similarities that form the basis of a collective identity. This entails connecting the logics, attributes, and practices that embody what it means to be part of this group and becomes the basis for the prototypical identity. The more producers adhere to this prototypical identity, the more a collective identity becomes coherent, and the more audiences will view it as appropriate.

Most studies on new market category emergence and organizational dynamics more generally have focused on the positive effects of legitimacy and have overlooked the trade-offs associated with obtaining it. We propose that while legitimacy brings many benefits to nascent market categories and their members, it comes at a price. Legitimacy rests on the positive assessments of key external audience members, such as investors, creditors, suppliers, and customers, who often hold contradictory and evolving expectations (Ashforth and Gibbs 1990, Hiatt and Park 2013, Suchman 1995). If pioneer producers want to expand their market category by recruiting new producers and courting new customers, they must first appear legitimate to these audiences. This requires engaging in tactics and conforming to values that are deemed socially appropriate to the latter, but which may contradict the pioneers' original identity (Wry et al. 2011). The arrival of new members espousing incompatible goals and interests presents pioneers with two options: either they accommodate new entrants' values to maintain a coherent category, or they adamantly defend their ethos and goals at the risk of creating a schism between themselves and the newly admitted producers. For instance, in his study of the impact of the circuit rider movement on the creation of the nonprofit information technology market, McInerney (2014) found that new movement members who espoused for-profit beliefs led to the creation of a hybrid organizational form that incorporated both profit (economic) and nonprofit (moral) principles. This hybrid caused deep divisions among movement members, many of whom adhered strongly to nonprofit principles, and eventually led to the movement's demise. Similarly, currying favor with a new customer segment can increase revenues and market category growth but may require producers to compromise their values as new customers place new demands on them.

In some cases, organizations may be able to obtain greater audience attention and meet a wider range of expectations by spanning categories and not adhering to a particular identity (Battilana and Lee 2014, Ruef and Patterson 2009). Depending on their members and their goals, audiences could evaluate category spanners positively "if they fit squarely with their specific needs" (Durand and Paoletta 2013, p. 1113). For instance, multiple audiences with wider ranges

of intentions may find hybrid firms that span categories more attractive because they appeal to "audiences with varied interests and thus gain more positive evaluations" (Durand and Paoletta 2013, p. 1113). This is evident in Pontikes's (2012) study on the software industry. She found that venture capitalists favored investing in firms that had ambiguous identities because they seemed to have the potential to establish unique market niches and capture value. Generally, category spanning is more likely to be accepted in low-contrast categories that have fuzzy boundaries and in lenient categories that have ambiguous schemas—the set of abstract features that constitute the criteria for determining membership in a particular market category (Hannan et al. 2007). In low-contrast and lenient categories, audiences regard different identity features as important and check consistency only with those, overlooking deviant features (Durand and Vergne 2015). For categories with clear schemas and rigid boundaries, however, audiences are likely to penalize producers' nonconformity. Thus, in low-lenient, high-contrast categories, producers face trade-offs in new markets. On one hand, they can garner greater legitimacy and grow the category by recruiting new entrants and customer segments but at the risk of creating conflict among category members, thereby diluting the coherent collective identity. On the other hand, they can maintain a distinctive market identity by limiting legitimacy to a select audience, remaining true to their guiding ethos, but persisting as a largely unnoticed market. This double-edged sword of legitimacy prompts a question: How can producers increase market category legitimacy among a broader set of audiences while retaining a coherent collective identity?

We address this question by investigating the impact of a market intermediary on new category development and growth. Studies have shown how the media (Kennedy 2008, Lounsbury and Rao 2004), industry and professional associations (Hiatt and Park 2013, Lounsbury et al. 2003), and rating and accreditation bodies (Sauder 2008) play a fundamental role in shaping the relationship between category members and audiences. Specifically, market mediators can influence an audience's theory of value (Durand and Boulongne 2017) by directing their attention to certain product attributes or organizational forms and away from others (Shrum 1996) and by signaling quality and qualification through evaluations (Zuckerman 1999). Market intermediaries also influence behavior and legitimacy by specifying particular criteria to which organizations must conform to receive positive assessments (Ruef and Scott 1998). Yet, most extant research on market intermediaries has been conducted in the context of established markets, so our understanding of their role in facilitating market category emergence and growth is limited.

We suggest that market intermediaries—SBCOs in particular—play an important role in establishing legitimacy and managing the expectations of producers and key audiences. SBCOs give audiences information about organizational attributes and product quality, procedural adherence to socially approved practices, and other “hidden organizational attributes and behaviors” (King et al. 2005, p. 1092) that audiences can use to assess producers. Such information is particularly important for nascent market categories where the viability of new practices, forms, products, and technologies are unfamiliar and suspect (Wijen 2014). By verifying the ability of an entity to meet specified standards, SBCOs provide assurances of its appropriateness, desirability, and/or quality (Sine et al. 2007) and draw attention to the nascent market category (Shrum 1996).

We propose that by establishing criteria for category membership, SBCOs demarcate and enforce clear categorical boundaries. These clear criteria or schema maximize the differences between new and existing categories, thereby reducing uncertainty and helping audiences make sense of a new category (Glynn and Navis 2013, Leung and Sharkey 2013). However, the creation and legitimation of standards to determine category membership is fraught with challenges and trade-offs. We examine how one SBCO—CCOF—sought to balance market category growth with maintaining the original founding ethos and collective identity in the context of the emerging U.S. organic food market.

Methods

Historical Background and Context

The many precursors of the contemporary organic food movement constitute a rich and complex social heritage that is largely unacknowledged, even by many of its contemporary adherents and advocates.² Although organic agriculture ultimately became the dominant form of alternative agriculture, it was not entirely clear that this would be the case. In the United States, several notable back to the landers, including Louis Bromfield, Edward Faulkner, and J. I. Rodale, took early alternative agriculture pioneers’ philosophies, practices, and techniques and put them into practice as experimental farmers. Of these, Rodale was particularly successful in creating an identity oppositional to conventional agriculture in the United States and labeled it “organic” agriculture. After starting a successful publishing company, Rodale purchased farmland in Pennsylvania in the early 1940s and fused some of the more esoteric ideas and practices of alternative agriculture with pragmatic research efforts, resulting in a secular and practical agriculture (Peters 1979). Combining his interests, Rodale published a magazine called *Organic Farming and Gardening* in 1942 and a book in 1948. Rodale

provided a rudimentary label to these practices and outlined some early conceptions of organic by issuing a creed of “organiculturists”:

Organiculturists are: . . . opposed to artificial or chemical fertilizers . . . see soil as a living, breathing entity which requires that crops are rotated and that land must lie fallow at regulated intervals . . . observe the Law of Return, restoring to the soil all plant residues that came from it . . . reject the use of poison sprays in orchards and on farm crops . . . and are trusted with the sacred trust of producing food that will impart health to the people who consume it. (Rodale 1948, p. 68)

This early effort to articulate the position of “organiculturists” reveals two important things. First, Rodale rhetorically and pragmatically positioned organic agriculture and its practices in contrast to conventional agriculture and its practices and technologies. Second, he grounded his opposition to conventional practices and his advocacy of organic practices in the logic of holism—emphasizing soil as a living system, observing the “Law of Return”, stating the importance of social trust between grower and consumer, and invoking duty on the part of the grower to be a steward of the soil, the health of consumers, and the fate of future generations (see also Lounsbury 2005 on holistic logic).

Rodale’s following increased dramatically in the wake of the burgeoning environmental movement of the late 1960s and 1970s. His conception of organic and its holistic logic benefited from the events set in motion by Rachel Carson’s groundbreaking investigation and indictment of DDT in her book *Silent Spring*. The resonance of Rodale’s holistic orientation with the prevailing environmental movement lent legitimacy to his endeavors. The coupling of the environmental movement with Rodale’s efforts also deepened the oppositional stance of organic agriculture toward conventional agriculture, with its entrenched agribusiness logic.

However, the increasing interest in and acceptance of the aims of Rodale and his followers brought interest from outsiders that threatened the nascent product category. Ambiguous definitions of organic led to increasing opportunism from conventional farmers seeking to enter the fledgling category. Given these threats, organic proponents realized the need to protect their concept from co-optation by movement outsiders. In 1971, under Robert Rodale’s supervision, Organic Gardening and Farming (OGF) initiated a pilot organic certification program in California. The program created greater coherence for the concept of organic by creating standards that required a commitment on the part of growers to build or maintain 3% humus content in their soil within five years. Practices such as soil and residue analyses and personal inspections conferred greater objectivity on the otherwise ambiguous “organic” term. The program also created an official

OGF organic label available for use by those espousing this holistic agriculture logic. The development and use of rudimentary standards and the associated label provided a basic mechanism by which organic farmers could be identified by society as a coherent group.

Despite the ambition of the program, it was terminated after two years because Rodale's proponents decided that certification programs "are best developed by organic farmers and persons directly associated with the distribution and consumer of their harvests, on a grass-roots, regional basis" (Allen 1971, p. 81). After the discontinuation of Rodale's pilot program, early standard-creation and certification efforts were organized as local nonprofit organizations that represented the interests of small organic farmers guided by a holistic logic in their practices and structures. These local SBCOs elaborated the philosophies, practices, and schemas of early organic pioneers such as Rodale by defining "organic" and codifying standards that outlined the agricultural practices that constituted organic agriculture.

SBCOs continued to be founded through the 1970s and 1980s. Before 1985, all organic SBCOs in the United States were local nonprofits. From the mid-1980s onward, a variety of SBCOs entered the market, including for-profit and nonprofit, regional and international, and state- and county-government-run SBCOs. Economic and social conditions facilitated much of the SBCO and organic category expansion. In particular, the U.S. farm crisis of the 1980s led to substantial numbers of farm bankruptcies, and conventional farmers began looking for ways to keep their farms.

Perhaps the most significant condition leading to the rapid expansion of the organic market was the Alar food scare in 1989. A report published by the Natural Resources Defense Council titled "Intolerable Risk: Pesticides in Our Children's Food" claimed that a growth regulator used primarily on apples called Alar (daminozide) along with other pesticides posed a significant cancer risk to children (Bradford and Whyatt 1989). The organic movement felt the effects immediately. Demand for organic produce outpaced supply as buyers and consumers clamored for pesticide-free produce. Certification organizations were inundated with calls. CCOF reported receiving over 150 calls a day at the height of the concern and roughly 400 new application requests during the two months following the scare. State and federal regulation of the organic category also expanded significantly in the wake of the Alar scare (Scowcroft 1989b). The Organic Foods Production Act of 1990 mandated the establishment of a National Organic Program that would set uniform minimum standards for the production and handling of organic food. Because of the lack of funds and other issues, it was not until December 2000 that the

U.S. Department of Agriculture issued binding rules for the organic category. These federal standards preempted existing U.S. state-level legislation and harmonized all previous organic standards espoused by all SBCOs operating in the United States.

Case Study Design

Following the conventional method for building theory from an extreme case (Eisenhardt 1989), we took a grounded theory approach by conducting an inductive, longitudinal case study of a single SBCO in an emergent product market category—a situation where the phenomena of interest are "transparently observable" (Eisenhardt 1989, p. 537). Given that it was one of the first SBCOs founded in the U.S. organic movement and an influential pioneer in developing and growing the organic category, CCOF was an ideal case to understand legitimacy-seeking behaviors and their implications for a nascent market category.³

CCOF was founded in 1973 in Santa Cruz, California, after a group of farmers previously certified under Rodale's pilot program were informed that the program was to end and that if there was to be a certification program in California, they would have to be responsible for it. CCOF largely operated as a single-chapter organization until 1978. By 1979, the membership reached 34 growers. In the early 1980s, seven additional chapters formed, and the organization gained greater momentum thereafter.

A holistic agriculture logic was tightly coupled with CCOF members' actions and efforts, and was manifest in the activities, rhetoric, operations, and structures of the organization. Early members' recollections of meetings demonstrated the importance of the holistic logic to producers' identities. One farmer recalled attending a CCOF meeting in 1976:

It was so wonderful to meet people with the same philosophy, who weren't just saying "how big a crop can I get by putting more chemicals on my land?" They were concerned about feeding the earthworms, feeding the soil—these kinds of things. That was wonderful. It was very reinforcing of what we believed in. (Brians 2010, p. 20)

Despite substantial growth in the first 10 years of CCOF, the holistic logic persisted and continued to inform and shape the organization. Results of a survey conducted in a CCOF chapter at the time showed that the overwhelming reason for joining the group was philosophical, followed by educational, political, and certification motives (CCOF 1985b). The oppositional nature of the organic food movement vis-à-vis conventional agriculture served to create a collective identity that galvanized solidarity and motivated the organization to persist despite having few resources.

The standards established by CCOF reflected the identity and logics espoused and promoted by pioneers. The existence of these standards, coupled with

verification and certification practices, enabled CCOF to exert some control over producers' ability to credibly claim membership. We focused on these practices and processes and sought to understand the legitimacy-seeking behaviors that CCOF engaged in and their consequences for the nascent category, for CCOF members, and for CCOF as an organization. Our case analysis reveals the tensions and challenges associated with increased legitimacy of the organic category for CCOF and how the organization managed these tensions.

Data Collection

We collected multiple forms of data on CCOF, other SBCOs, the organic movement, and alternative agriculture more generally. However, our primary data sources were CCOF archival records. We obtained and examined all available newsletters, certification handbooks, and directories from CCOF. We also gathered directories and certification standards from four other SBCOs as well as the primary directory for the industry, the *National Organic Directory*, published annually (1983–1984, 1986–2001) by the Community Alliance with Family Farmers. In addition, we examined all issues of a key periodical of the movement, *Organic Gardening and Farming* (1942–2005).

We consulted many oral histories that have been archived over the years. We obtained 11 hours of video recordings from leaders in the U.S. organic and alternative agriculture movement from the Alternative Farming Systems Information Center's oral history collection of the National Agricultural Library's collection. We also read 58 oral histories of selected farmers, activists, educators, retailers, wholesalers/distributors, farmers market managers, and writers obtained from an oral history collection on organic and sustainable farming at the University of California, Santa Barbara. We read and consulted popular and academic books published on the organic food market. The first author spent multiple days in the archives at the CCOF in Santa Cruz, California, at the Rodale Institute in Emmaus, Pennsylvania, and at the Rudolph Steiner House in London, United Kingdom, which yielded valuable organization-specific material including newsletters and personal correspondence.

To triangulate our findings derived from these archival sources of data and to develop a richer understanding of how the organic category emerged, we conducted 25 semistructured interviews. We targeted individuals who were directly involved in the creation and administration of certification organizations or involved as recipients of certification. We focused primarily on individuals involved with CCOF. During a visit to CCOF in 2004, the first author interviewed the current president, the chief certifier, the marketing director, CCOF-certified producers, and a

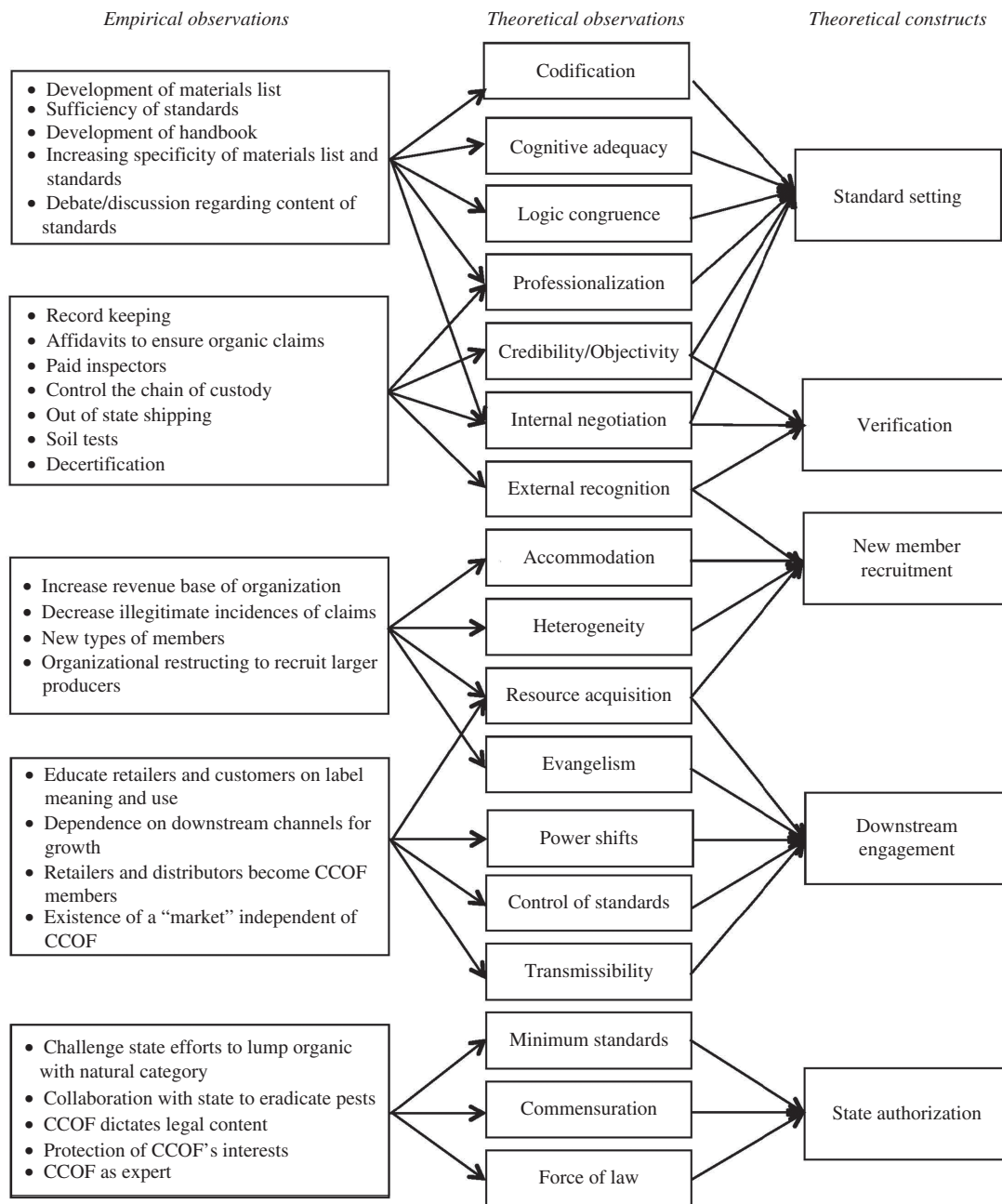
past president of the organization. Beyond CCOF, we used a combination of random seeding and snowball sampling to identify relevant interviewees. We interviewed individuals associated with other SBCOs, including the founder, cofounder, former president, five chapter presidents, and six farmers from the Organic Crops Improvement Association. We also interviewed a broader set of individuals from the organic community. Among these were the farm manager at the Rodale Institute, the administrator of a state SBCO, an employee of the Maine Organic Farmers and Gardeners Association, an employee of the Massachusetts chapter of the North East Organic Farming Association, the policy program director at the Organic Farming Research Foundation, two growers from Vermont and New York involved in the founding of two local SBCOs, and two past members of the National Organic Standards Board. Most interviews lasted 45 minutes to 1 hour. These interviews took place during 2003 through 2005, with follow-up interviews conducted with several informants in 2006. All interviews were recorded (when permitted) and transcribed.

Data Analysis

Relying on the data sources described above, especially documents from CCOF (i.e., newsletters, certification handbooks, and membership directories), we followed established prescriptions for case-based inquiry by first developing a chronological case history of CCOF (212 pages) in which we tracked key events, decisions, tactics, and changes to both the organization and the standards it developed. To supplement this case history, we tracked membership growth dynamics, decisions regarding standards, and leadership changes within CCOF at both the headquarters and chapter levels. To historically situate and understand the role and actions of CCOF, we wrote a history of the U.S. organic food industry (52 pages), from its precursor food movements in the late 1800s through the development of federal standards in 2000.

Having developed this case history and understanding key decisions, events, actors, structures, and processes, we returned to primary data sources (primarily CCOF newsletters) to address the following question: What were the consequences of CCOF's legitimacy-seeking behaviors for the organic food market category? To answer this question, we identified the theoretical constructs, relationships, and longitudinal patterns emerging from the data. We used sentences and paragraphs as the primary coding units and developed open codes, maintaining a close connection between the simple codes and source data (Strauss and Corbin 1998). To enhance theoretical sensitivity and to ensure comprehensiveness in our coding of texts, we paid attention to questions of who, where, what, how, how much, and why.

Figure 1. Data Structure



Having developed a list of open codes, we then engaged in axial coding, developing abstract, theoretical labels to group these simple codes into more generalizable categories by seeking to identify relationships between and among codes. During this step, we iterated between primary data, emergent themes, and existing theory to refine and extend our understanding of the phenomena (Strauss and Corbin 1998). We then identified three key aggregate theoretical dimensions along which we grouped our theoretical observations. These dimensions—standard setting, verification, and legitimacy-seeking behaviors—served as the basis for

our inductive theory building. Legitimacy-seeking behaviors are broken down into three dimensions—new member recruitment, downstream involvement, and state authorization. Figure 1 shows the data structure derived from our process.

After identifying these core behaviors, we then asked the following secondary questions: What tensions did these behaviors create, and how did CCOF attempt to manage them? To answer these questions and to develop a more comprehensive understanding of legitimacy-seeking behaviors in nascent categories, we engaged in a separate round of coding, tracing the

outcomes for CCOF and its members and their effect on broader dynamics of the emergent product category.

Results

Market Classification Schemas and CCOF

Our analysis revealed two types of actions that concretized the holistic logic and associated practices advocated by organic pioneers into formalized labels and codes denoting the prototypical identity. These actions include standard setting and verification. Standard setting involves converting informal and often ambiguous meanings of an entity (such as an organic food producer) into specific and formalized features and labels. Verification involves the development and formalization of processes, routines, and/or protocols used to determine a producer's claim to a particular label.

Standard Setting. The *raison d'être* of CCOF was to promulgate the holistic organic food logic by creating standards for organic production and certifying its members according to those standards. From the beginning, CCOF provided a set of codified standards for its producers and other interested parties that established what it meant to farm organically and produce organic products. Initial efforts to define organic and establish standards occurred in 1973 and reflected the dualistic nature of organic production, combining elements of both consumption and production.⁴ On the consumption side, this early definition of organic food emphasized the need for produce and food to be of high quality in terms of appearance, freshness, and nutrition. In contrast to these ambiguous claims to quality, production standards were more specific in stating the humus content of soil (3% or more) and the maximum amount of allowable pesticide residue (10%). Nonetheless, the standards did not delineate exactly which substances could or could not be used, only that those deemed "injurious," "harmful," or "toxic" were prohibited. They also delineated the appropriate use of the CCOF name and its labels and the consequences for their misuse (see the online appendix for the initial standards). The standards encompassed and represented a clear opposition to the prevailing agribusiness logic and its associated practices and embodied the holistic logic underlying organic agricultural production.

Verification. In addition to establishing codified standards around the holistic meaning of "organic" among their growers, CCOF implemented processes, structures, and routines to ensure that the claims of their growers were credibly verified. To this end, CCOF required producers to keep accurate and comprehensive records of farm operations and to conduct soil and crop sampling to determine whether producers met soil fertility requirements and adhered to pesticide residue limits.

Even though CCOF engaged very early on in standard-setting and verification efforts, the relative obscurity of the organic concept meant that there was little impetus to elaborate the initial standards and certification processes. Organic agriculture was relatively unknown to conventional growers, and mainstream agricultural institutions considered it a backward approach to agriculture. Thus, there was little external scrutiny of the claims made by organic producers and therefore little need for formal certification and verification procedures beyond those originally delineated and agreed upon. For many years, CCOF labored under a "sufficiency" mentality. One member noted the following in a proposal: "Because no set of rules will ever describe every specific case that can possibly occur in the field, the Certification Committee must act as if our current bylaws are adequate in their provisions" (CCOF 1984b, p. 3). This meant that, early on, what constituted organic was relatively ambiguous, and the verification procedures remained informal. For example, the inspection of farms under the auspices of some early certification organizations occurred through what one informant called "the buddy system," or the inspection of one another's farms and systems rather than reliance on an external third party.

Despite the lack of attention from mainstream agricultural interests and consumers at the time and the ad hoc nature of practices and processes, these early standard-setting and verification efforts had significant implications for the development of the organic category. Through codifying the features that constituted organic and by implementing verification and certification procedures, CCOF enabled the development of a rudimentary schema for organic agriculture that was consistent with their holistic logic. In so doing, CCOF enabled both producers and consumers espousing a holistic logic to identify themselves with the organic movement via the services provided by the certification organization. CCOF enabled grower members to participate in adapting, correcting, and refining the standards—all elements of reaching consensus on an emerging schema. While these early efforts to codify and develop verification procedures increased schema coherence and reinforced the emergent collective identity of organic farmers, they also sowed the seeds for subsequent challenges to this very identity.

Legitimacy-Seeking Behaviors and Category Growth

While CCOF's standard-setting and verification efforts helped establish category boundaries, the category was relatively small and known by only a few pioneering producers and consumers. To grow the organic movement, CCOF sought to increase the category's legitimacy among a broader audience. We identified three legitimacy-seeking behaviors that CCOF engaged in to

increase acceptance of the category: (1) new member recruitment, (2) downstream engagement, and (3) state authorization.

New Member Recruitment. From early on, although they promoted a holistic approach to agriculture, CCOF pioneers did not want to marginalize their movement, but rather to evangelize it: “In making the public aware that we are intelligent, concerned people, we do not want to isolate ourselves from the ‘real world.’ Rather, we want to learn more about and work within biological realities that make farming a dynamic living process as opposed to chemical annihilation” (Warner 1984, p. 5). As part of the organic movement, CCOF wanted organic practices to be widely adopted, and so involving more conventional farmers was viewed as necessary for the organic movement to grow:

Outreach to farmers using conventional farming practices must be high on the agenda of the organic industry if it is going to build a constituency for changing agricultural production practices. Identifying concerns that organic and conventional farmers share, and working together with these producers will help increase the receptivity of the entire rural community to organic farming practices. Organic producers will only increase the obstacles they must overcome if they hold themselves apart from conventional farmers.

(Martin 1984, p. 7)

These sentiments were congruent with decisions made by the CCOF leadership. In 1986, they instigated a membership drive “to further strengthen our organization, [to] decrease the incidence of possibly illegitimate organic produce in the market, and then create a larger tax base from which to advance our organizational goals” (CCOF 1985a, p. 3). By 1986, CCOF’s leaders were committed to recruiting larger farms into the organization: “CCOF commits itself to the continuing development of a professional program and operation, to actively encouraging the membership of larger-scale growers, and to developing itself in form and attitude such that it can meet the needs of all organic growers” (McGee 1986, p. 12). CCOF’s efforts to recruit conventional growers included a variety of tactics. One example was having a booth for the first time at the California Farm Equipment Show in 1991. This event reached “thousands of conventional growers with information about organic production and certification, and CCOF felt that “the interest that can be stimulated at this show may have enormous impact on our future membership” (Goodman 1991, p. 12).

Downstream Engagement. Given the lack of interest in and knowledge of organic food by consumers and downstream players in the conventional food industry, CCOF leaders encouraged members to engage in direct marketing to promote organic produce. This

included educational and promotional efforts such as having booths at fairs, giving slideshows, and using local advertisements and direct personal contact with potential buyers. In addition to these direct marketing efforts, CCOF recognized that to grow the organic movement beyond a small cadre of zealous and committed consumers, they would need to gain legitimacy from other downstream marketing channels. To accomplish this, CCOF sponsored seminars to educate retailers and chefs about certification, organic food, and the proper labeling and marketing of organic products. As early as 1985, CCOF members were hosting farmer/retailer seminar days during which growers described their farm products and techniques to retailers and retailers explained how they bought, sold, stored, prepared, and priced fresh fruits and vegetables (Fishman 1985a, p. 2). These efforts, coupled with broader social and economic changes that increased demand for organic food, generated greater downstream interest.

State Authorization. CCOF leadership sought state authorization⁵ early in category development. Pioneer producers founded CCOF in part as a response to California legislation regulating the organic label along with the natural food label in the early 1970s. Thereafter, CCOF actively lobbied state legislators to gain political legitimacy for the nascent product category. For example, a state-sponsored effort in 1985 to eliminate an apple pest using conventional pesticides prompted CCOF to work with state government to develop an organic-friendly alternative to chemical spraying. Such lobbying efforts to shape legislation only increased following the 1989 Alar food scare. During this time, demand for organic food exceeded supply, and some conventional agriculture producers took advantage of the high margins associated with organic food by labeling their products as organic.

Outcomes and the Management of Tensions Arising from Legitimacy-Seeking Behaviors

Below, we outline how each legitimacy-seeking behavior led to distinct outcomes and tensions, and then we focus on how CCOF specifically managed these tensions.

New Member Recruitment Outcomes. Efforts to recruit new CCOF members, coupled with growing demand for organic food, led to greater numbers of conventional farmers transitioning to organic production and joining CCOF. This rapid influx of new members had a significant impact on the membership composition of CCOF. An analysis of the membership in 1991 revealed that 57% of CCOF members had been with the organization for two years or less. Only 12% had been members for more than seven years, and just 2% had been members since the 1970s (Lipson 1991a). Our data

Table 1. CCOF Acreage by Year

Year	Mean acreage	Acreage (sd)	Median acreage	Acreage (min)	Acreage (max)
1986	30.30	63.67	10	0.10	450
1987	32.37	70.22	10	0.10	450
1988	66.38	233.87	11	0.10	2,630
1989	60.05	204.92	11.25	0.10	2,630
1990	75.35	228.11	11	0.10	2,630
1991	88.15	251.39	13.84	0.10	2,630
1992	103.93	324.88	16	0.05	3,388
1993	102.20	312.52	18	0.05	3,388
1994	97.64	305.11	17	0.01	3,388
1995	100.63	273.84	18	0.13	2,769
1996	107.36	297.30	20	0.13	2,926
1997	109.70	302.44	20	0.13	2,926
1998	128.84	483.74	20	0.13	8,203
1999	141.90	511.16	23	0.10	8,389
2000	136.32	518.51	24	0.10	8,541

suggest that these new CCOF members tended to be guided by an agribusiness logic, which led to tensions within CCOF:

For years, CCOF members were basically in agreement in their attitudes towards organic farming and how CCOF should function...but now that the place of organic farming in California and the US has grown more complex, the divergence of opinions has become very apparent. In a way, this is a result of our success—organic agriculture is becoming “mainstream”...but it’s becoming clear that CCOF needs to change with this new level of service, and my biggest concern is how to take this big diverse group down the path of change.

(Krupnick 1990, p. 23)

Longtime CCOF members saw this influx of new members as a challenge to their identity and to the organization’s ongoing success, but they were optimistic that they could educate new members in the ecological and holistic approach to agriculture:

As we grow we will be bringing in as members growers who...will have a mentality significantly different than the goals expressed in the foregoing lines. As I see it, we have got to educate and inculcate these new members with these goals if we are to have a successful organization.

(Drobish 1989, p. 19)

But given the increasingly heterogeneous identities, interests, and goals of CCOF members, the purposes and practices of CCOF became increasingly questioned. Some members viewed CCOF as an instrumental means to enter the market (e.g., CCOF as strictly a fee-for-service organization), while others sought a more holistic membership experience:

Service to growers sounds good but can be hard to define in the context of the incredible diversity of operations among our membership. Some growers only want fee-for-service certification, some want to support organic agriculture by being a member, some want

somebody to show them how to farm organically, some want promotion of their crop, some want promotion of sustainable agriculture...you get the picture from here.

(Altermann 1993, p. 11)

Changes set in motion by new member recruitment increased factionalization within CCOF, revealing a fault line between the large and small growers. This is reflected in the change in average size of CCOF-certified farms. In 1986, the average size was around 30 acres, with a standard deviation of nearly 64. By 1991, the average farm size had nearly tripled (88 acres), and the standard deviation nearly quadrupled (251). This trend continued as larger and larger farms joined CCOF (see Table 1).

Smaller farmers expressed concern regarding the pace and consequences of rapid growth. The implementation of fees made it harder for smaller growers to justify certification given its increasing cost. Around 1989, a number of letters to the editor demonstrated that attrition among small farmers had begun: “Many of us feel abandoned by the industry we helped to start, maintain, and grow” (Kaput 1989, p. 23). Another grower wrote, “CCOF has had to outgrow many small growers like myself who are not into filling out forms and keeping records but taking things one day at a time and being free” (Hill 1989, p. 28).

Despite clear signs of alienating small farmers and even some pioneering members, as an organization, CCOF continued to focus on growth. One member, responding to the executive director’s question of whether CCOF was going too fast, said, “Probably so, but as far as I’m concerned nothing is fast enough, so you move fast, make amends later” (Berkenkotter 1987, p. 5). This quote proved prophetic in terms of how CCOF addressed the tensions arising from growing membership heterogeneity—a “grow now and fix things later” mentality characterized much of the CCOF’s attitude toward the increasing tensions caused by rapid membership growth. An editorial reply to another member’s letter demonstrated this mentality: “If policies are established that drive small farms toward insolvency and weaken chapters, those policies will no doubt be corrected. But CCOF needs to upgrade the certification program now, not at some later date when we have more money” (McGee 1986, p. 12). CCOF suffered from the same problem described by another certification organization: “We’ve not deliberately set out to lose the little guys, but as our expenses have increased, we’ve had to pass them on to the growers, and the result has been that some of them feel they can no longer afford to be certified” (Yvonne Frost as quoted in Fairlight 1991, p. 2).

Another tension arising from new member recruitment was organizational. As early as 1986, the executive director recognized that the organization was at risk of overextending its capabilities and publicly

Table 2. Legitimacy-Seeking Behaviors and Outcomes

	New member recruitment	Downstream engagement	State authorization
Tactics	Mailings, door-to-door farmer recruitment, and demonstrations at public events such as county fairs	Direct marketing to retailers Hosting of seminars to educate retailers and chefs about certification	Writing legislation, giving testimony as experts Lobbying state legislators for food and agriculture policies supportive of CCOF's standards
Outcomes and tensions	More heterogeneous members holding various logics and beliefs regarding what organic should mean Increasing internal conflict and politics Decrease in membership volunteerism and dedication to the CCOF's founding ethos	Market category transactions became less relational and more bureaucratic External buyers placed greater demands placed on verification and certification practices CCOF lost some control of verification to downstream players	Placement of standard-setting and verification procedures into the political arena made them susceptible to changes from other agriculture interests State laws passed that defined and regulated organic: Standard-setting and verification processes became focused on the product and not on the producer CCOF lost control of standard-setting and verification processes to state authorities
Management of tensions	<i>Accommodation</i> —Reframing diversity as strength —Professionalization of CCOF staff —Modification of standards to allow some conventional practices —Explicitly defining product and soil inputs	<i>Transparency Enhancement</i> —Professionalization of verification and certification personnel —Centralization of control —Soil testing enacted <i>Jurisdictional Expansion</i> —Development of postharvest facility and retail certification programs	<i>Manipulation and Compromise</i> —Creation of Organic Foods Advisory Board —Placement of CCOF members into regulatory governance positions —Development of monitoring and lobbying capabilities

acknowledged that many CCOF members thought they were growing too quickly (Lipson 1986, p. 2). Nevertheless, he concluded that the demand for organic products and the need for technical development were sufficient to justify CCOF's current rate of development. As a consequence, member growth increased the need for greater financial and organizational resources to administer certification and the affiliated services to CCOF members. Such pressures strained existing organizational arrangements, which relied heavily on volunteers within CCOF, and were further exacerbated by the fact that few new members volunteered to help run the organization. A lack of interest in volunteering for leadership roles in CCOF among new members was apparent: "Four chapters are in danger of failing and need additional members to step forward and assume leadership positions. Several statewide committees have no new leaders volunteering to coordinate their work... revitalizing our chapters and our grassroots structure is the most significant task before us" (Scowcroft 1992, p. 9). Hence, new member recruitment increased demand for certification services, but without a concurrent increase in volunteerism on the part of those same members.

Managing New-Member Recruitment Tensions. The tensions arising from an increasingly heterogeneous CCOF membership underscored the difficulty of maintaining a shared collective identity as the organization welcomed more and more conventional growers.

CCOF sought to manage these tensions by engaging in accommodation efforts, the mechanisms of which we outline below.

First, a central mechanism managers use to mitigate tensions and challenges to organizational identity and legitimacy is to deploy verbal accounts that explain, rationalize, and justify activities that they undertake in an organization (Elsbach 1994, Pfeffer 1981). To attempt to defuse the growing tensions associated with increasing membership heterogeneity, CCOF leadership strategically reframed the increasingly apparent differences between their members as "diversity":

This diversity is at once our greatest strength and our most crippling weakness. We are strong by virtue of the broad base of our membership, but can take forever to get through the decision-making process. Thus the decision-making process is responsive and positive on one hand and very cumbersome on the other. All of the concerns raised must be addressed before a decision is reached... We need to learn to manage this diversity and guard against trying to treat all our members alike. (Yuill-Thornton 1984, p. 3)

CCOF sought to create a "big tent" that would accommodate growers with different worldviews, interests, and goals in their pursuit of growing organic agriculture to the point that organic would be seen as the legitimate method to produce food: "Our goal is to turn the table so that eventually, everyone thinks of 'organic' as the 'conventional' way to produce food"

(CCOF 1998, p. 27). The words of the CCOF executive director reaffirmed this goal: “Growing the entire world of organic food and agriculture stands to benefit the markets for organic farmers of all scales and ideologies” (Bowen 1999, p. 2).

In addition to using framing mechanisms to manage these tensions, CCOF leadership adopted important structural mechanisms that included standardized and rationalized procedures and practices, which clarified the meaning of organic and expanded the scope of the organic category. This served two purposes. First, because new CCOF members tended to be less attuned to the ecological underpinnings of organic principles and practices than existing members, these changes facilitated new members’ understanding of the meaning of organic by explicitly delineating what specific inputs and practices were allowed to define the category. Second, the rationalization of organic standards meant that all producers benefited as the organic category gained increasing recognition among a broader and more diverse set of stakeholders. CCOF adopted a materials list to help transitioning farmers understand what inputs and practices were explicitly allowed, prohibited, or restricted. Knowing that the creation of such a list would lead to a less reflective approach to organic farming, CCOF sought to mitigate the negative consequences associated with such a decision through education efforts:

We added a section to explain organic farming practices in a general way, so that new growers will understand the concepts of organic farming without falling into the cookbook recipe approach to materials use, which is so prevalent in chemical farming. The bibliography was added for the same reason: so that growers could look for more information to help make their operations more ecological and more profitable at the same time.

(Baker and Sonnabend 1989, p. 17)

Decisions regarding the materials list often conflicted with the personal values and ideals of those pioneering members of CCOF tasked with making them:

The materials review committee ... [has] endured more than their fair share of angst over which materials and brand-name products are consistent with the goals and ideals of organic agriculture... Over time they have witnessed many changes in organic agriculture, some of which were not consistent with their own personal ideals. But they have remained at the center of our process of discovery, and have exercised an admirable balance of idealism and pragmatism in their approach to solving difficult material issues.

(Bowen 1997, p. 3)

The adoption of practices and policies regarding inputs facilitated conventional farmers’ transition to organic. For example, sodium nitrate was a contested material because of its reputation as a “quick fix” for building nitrogen in the soil in contrast to bona

fide organic practices such as cover cropping, rotations with legumes, composting, and use of animal by-product fertilizers. Some CCOF members raised ecological concerns surrounding the use of sodium nitrate—the compound was known to easily leach into groundwater and to decrease earthworm populations and had a large ecological footprint because of its production in and transportation from Chile. However, the use of sodium nitrate increased the availability of fresh vegetables in colder months and thus ensured a more consistent supply of organic food to customers. While most foreign organic standards prohibited its use at the time, CCOF deemed it a “restricted” substance, which meant that the organization discouraged its use but did not prohibit it. Some CCOF members clearly opposed the inclusion of sodium nitrate and other substances on the list of allowable materials, suggesting that “the CCOF Material List is littered with inconsistencies. If CCOF organically grown means sound ecological farming practices, then a material list format addressing such principles is required” (Freestone 1988, p. 9).

In addition to decisions regarding inputs, CCOF made other decisions that enabled new member entry, demonstrating a willingness to make modifications in exchange for market expansion. For example, CCOF permitted the use of seeds treated with common fungicides so as to not put their growers at an unfair disadvantage to those outside the state that were not required to use untreated seeds. Also, CCOF finalized the details of a transitional certification program for growers trying to achieve “certified organic” status. Transitional status facilitated the transition to organic farming by allowing new members to market their product while selling at noncertified prices and fine-tuning organic production. The intent was to “encourage growers to convert to organic production and help them make it through the three years of transition from the date of last prohibited material use” (McElroy 1996, p. 22).

Last, to address the organizational tensions and challenges associated with a rapidly growing and diverse membership, CCOF sought to professionalize the organization. Most visible of all professionalization efforts was the hiring of more full-time staff to handle work previously done by volunteers. The steps toward professionalization had two significant implications for CCOF. First, it justified higher membership fees to pay for the additional costs of more full-time staff. Second, responsibility for the implementation of standards and verification protocols as well as the day-to-day functioning of the organization was taken from the growers themselves and put into the hands of CCOF staff.

Downstream Engagement Outcomes. Efforts to promote organic produce paid off. Consumer surveys from the early 1980s suggested that at least 80% of

Californians would buy organic food if given the choice. With growing interest in organic products, CCOF newsletters revealed significant interest from both regional and out-of-state buyers. While selling organic products appealed to these downstream players, they voiced the need for greater transparency regarding verification and certification practices:

Some stores have been asking for signed affidavits declaring that our produce is indeed certified organic. The stickers are not enough. Usually mentioning the right names is enough to convince the buyers that we are CCOF. However, each grower should be able to present such an affidavit; perhaps the statewide office could issue such forms to each chapter secretary for distribution to the individual farms. (CCOF 1984a, p. 1)

Another retailer echoed this sentiment in a letter to the editor:

Because I deal with non-CCOF growers, distributors, peddlers, fly-by-nighters, and other sellers of food identified as “organic” I am faced with the problem of deciding who really knows what they are talking about and who is trying to fool me. . . . I can’t go on “vibes” or friendliness etc. I need a system and I have developed one even though it means more work for me and for those from whom I buy. (Fishman 1985b, p. 5)

In 1987, 12 of the largest San Francisco Bay Area organic retailers placed a full-page ad in the CCOF newsletter to publicly announce to CCOF growers that they would no longer identify produce as organic unless they had direct access to proper documentation such as producers’ Growing Practices Form, Certification Status Report Form, and Farm Inspection Report. They also requested that the producers’ wholesalers publish a monthly list of growers for whom they had proper documentation.

The downstream pressures on CCOF to change particular reporting and verification practices only compounded following the Alar scare, and CCOF recognized the need to effectively parlay the organic category to resonate with and meet the needs of new customer segments:

Like an avalanche waiting to fall, public concern about food safety has been building for years. This winter the avalanche was suddenly set off, and as it charged across the national consciousness, it changed the landscape of the produce business and perhaps agriculture itself in a fundamental way. . . . This episode is forcing some hard questions for CCOF and the organic movement. . . . We are faced with the need to articulate and defend the term organic on a whole new level, as consumer demand creates a bandwagon effect that everyone wants to ride on. (Lipson 1989, p. 1)

The growing legitimacy among downstream buyers led to new tensions. CCOF increasingly found itself balancing the interests of its growers with those of

downstream distributors, wholesalers, and retailers. While successful engagement of downstream buyers provided better access to downstream channels, doing so meant that they would have to subject themselves to greater scrutiny and potentially extra costs associated with greater verification efforts demanded by downstream buyers. For example, downstream buyers required growers to meet commercial standards that many were unaccustomed to. CCOF urged chapters to “pool resources to develop cooperative cooling facilities, shipping docks, box orders, and any other steps necessary to keep your produce as beautiful as it was when picked” (Krupnick 1986, p. 10). For CCOF, this meant balancing the demands of producers and those of downstream buyers and managing the growing resource dependencies on powerful downstream players.

Managing Downstream Engagement Tensions. To manage the tensions arising from growing downstream interest, CCOF pursued two distinct approaches. First, they worked to enhance the transparency of their operations by rationalizing their verification and certification practices and by centralizing organizational control. Second, to counteract the growing resource dependence on downstream buyers, CCOF engaged in jurisdictional expansion to exercise more control over downstream activities.

To capitalize on growing demand from downstream actors, CCOF responded quickly to downstream actors’ needs by strengthening and expanding verification and certification practices. A primary concern for downstream buyers was the quality and perceived objectivity of the inspection process. Farm inspections had historically been open-ended and conducted by fellow CCOF farmers. Given the close-knit community of growers, there was little need for formal verification and enforcement mechanisms. However, in the face of mounting concerns and pressure from downstream buyers and consumers, CCOF took steps to formalize and professionalize its third-party-inspector system, creating a vigorous debate between CCOF members about whether to use volunteer grower members or outside contract inspectors. The argument for contract inspectors stemmed from the demands of the marketplace and a growing set of downstream stakeholders:

CCOF has been under pressure from outside of the organization to have more of its inspections done by independent, paid third-party inspectors. The current procedure that allows growers to inspect other growers is one of the issues legislators bring up as hurting CCOF’s credibility and legitimacy. It looks too much like self-certification to the public. . . . The argument for keeping the current system is based on the cost of having all contract inspections, the success of the volunteer system, grower involvement in the certification process, and the lack of qualified third-party inspectors.

(Baker 1989, p. 15)

Despite resistance from some CCOF chapters and individuals to contract outside inspectors, CCOF moved away from volunteer inspectors. Recognizing the scarcity of qualified inspectors, CCOF conducted multiple inspector trainings (8 in 1989 and 11 in 1990) to meet the growing demand. In addition, CCOF centralized control over the inspection process by creating an inspector development subcommittee to oversee training, examinations, apprenticeships, and continuous improvement of inspector practices and qualifications. CCOF also centralized decision making regarding inspector assignment by creating the role of state certification chair. Previously, chapter certification chairs were responsible for assigning inspectors to growers. These efforts not only increased the legitimacy and credibility of CCOF to downstream buyers but also addressed the decline in volunteerism. By 1990, the transition from volunteer inspectors to contract inspectors was complete, and in 1995, the CCOF board passed a formal management plan that established a system for the hiring, training, apprenticeship, assignment, evaluation, and disciplining of inspectors.

Much like inspections, CCOF embraced soil testing as an important component of their verification practices. In early 1989, CCOF required a soil residue test for new parcels entering the certification program, though they allowed an exemption in cases of demonstrated financial hardship and in cases where past land history posed no threat of contamination. Nevertheless, the soil testing requirement was controversial, and CCOF members debated its role in the certification process: “We need to discuss the role of laboratory testing in our program: is it just a tool to use towards a complete certification picture or should it be used primarily as a marketing tactic?” (Sonnabend 1989, p. 16). Some in the organization expressed concern over the growing reliance on laboratory testing:

Of the changes recently enacted by the Board, I believe the most misguided one is to require pesticide residue testing of all new land entering the Certification Program. The idea that soil residue testing is an acceptable method of validating organic practices is the worst possible trap for CCOF to fall into because it feeds into the public notion that “SCIENTIFIC = TRUTH.” Those of us who worked hard at developing CCOF and helped earn its positive image, did so by scrupulously avoiding soil residue lab testing as a routine method of establishing credibility. (Weisman 1989, p. 26)

Despite these concerns, by the spring of that same year, CCOF had decided, based on demand from downstream buyers, that testing was an important component of the certification program:

CCOF is committed to seeing that all new land entered into the program is tested for background contamination. At the same time, retailers and consumers are demanding more protection from residues in food. The

volume and frequency of sampling of crop, soil and water is going to increase as more land is brought into organic production in conventional growing areas. This will require an expanded program for pesticide residue analysis . . . while recognizing the limitations of laboratory analysis, CCOF still sees it as a valuable tool that can and must be applied to appropriate situations.

(Baker 1989, p. 18)

A transition to contractual inspectors and the use of soil testing represent two specific instances of the tactic of compliance (Oliver 1991) on the part of CCOF to enhance its legitimacy with downstream buyers. As a consequence of these tactics, CCOF made a subtle, structural shift in its brokerage position within the organic industry. Prior to the engagement of large downstream players, CCOF primarily played a coordinative and gatekeeping role (Gould and Fernandez 1989)—determining who could or could not be a member of CCOF, facilitating entry for interested producers, and coordinating efforts of producers to pursue shared interests. These relationships were characterized by relational trust. However, to successfully engage powerful downstream buyers, CCOF needed to develop the perception among downstream buyers and consumers at large that it was an objective, third-party broker whose purpose was to liaise and facilitate transactions between producers and buyers (Gould and Fernandez 1989). The shift from volunteer to contract inspectors contributed to a transition from a relational basis of trust to a more institutional one (Shapiro 1987, Zucker 1986) and is a specific example of how CCOF managed the tension between the interests of downstream buyers and growers.

While compliance with the preferences of downstream buyers with regard to verification practices resulted in greater legitimacy for the organic category and the creation of viable marketing channels, it created a trade-off for CCOF regarding control of the terms of exchange between producers and downstream buyers. To counteract this growing resource dependency (Pfeffer and Salancik 1978) and to lessen the power asymmetry growers faced vis-à-vis downstream buyers, CCOF sought to increase its control by expanding jurisdictional control (Abbott 1988) over downstream activities. To guarantee the integrity of the organic claims of its growers throughout the value chain, CCOF initiated the inspection and certification of all postharvest handling facilities used by a grower:

In the past, CCOF has allowed a grower to obtain an affidavit from the postharvest handling facility declaring that the organic integrity of the product will be maintained according to CCOF standards. This policy has been passed to ensure the organic integrity of all product that is sold under a grower certification. As the organic industry grows, CCOF product is being used in a larger number of processed foods and being shipped

around the world. The growing marketplace requires inspection and documentation throughout the chain of custody for organic products. (McElroy 1995, p. 15)

CCOF expanded its jurisdictional control further in 1997 by developing a retail certification program in an effort to regain some control over the behaviors of downstream players in the growing organic market.

State Authorization Outcomes. During the period of our study, CCOF secured greater sociopolitical legitimacy for the organic category and for their position as a gatekeeper of the category. As mentioned previously, a partial impetus to form CCOF was to lobby for a state law that distinguished the term “natural” from the term “organic” in food labeling. CCOF acknowledged the important legitimating effect of even a weak state law on the development of the organic category: “As many of us who participated in the drafting of California’s law in 1979 have noted, the establishment of that law allowed the growth of an organic farming community to tens of millions of dollars of product sales last year alone” (Scowcroft 1989a, p. 10). CCOF had no coercive authority to penalize fraudulent behavior in the nascent organic food category, and because existing California state law contained no enforcement mechanisms, CCOF felt a strong need to seek greater state authorization for the category. This need only increased in the face of a fraudulent case of a distributor that mislabeled conventionally grown carrots as organically grown. In a letter to the California Department of Health Services, CCOF requested a formal investigation of the distributor, stating that the case

could be very damaging to the reputation of the organic farm products industry, even if untrue. Public confidence in the purity of products sold as “organic” or “organically grown” would be diminished if doubt existed as to the veracity of such labeling. The rumors of repackaging and mislabeling of non-organically grown carrots, thus, are themselves a quite serious matter.

(Kliewer 1988, p. 7)

These concerns led CCOF to take a “new, more active role in defending the term ‘organic’ in the marketplace” (Kliewer 1988, p. 7):

We have served notice to the growers, distributors and retailers that we will demand the State fulfill its proper role in investigating complaints based on the California law. We will, on behalf of our certified growers, work for enforcement of the law and maintain the good reputation of the organic foods industry.

(Kliewer 1988, p. 7)

CCOF’s continued efforts to achieve ongoing state authorization succeeded. With CCOF involvement, legislation established the first-ever enforcement program for the state’s organic standards in October

1991. However, this came with an important trade-off. While state authorization resulted in greater sociopolitical legitimacy and enforcement capabilities, it also meant that control of the market category would shift from a private context in which CCOF controlled the evolution of the category to a broader institutional arena in which a variety of actors (conventional producers, consumer groups, industry associations, retailers, distributors, environmental organizations, lawmakers, and bureaucrats) made new and varied claims to the category and attempted to build their own interests into the evolving regulatory structure (Lee 2009). CCOF clearly recognized this dilemma: “Our future is in very powerful hands and while we still occupy the vehicle it is being carried in we don’t sit in the driver’s seat” (Scowcroft 1990, p. 9). The shift of control of the market category to lawmakers and bureaucrats (at both the state and federal levels) placed additional burdens on CCOF, forcing them to balance day-to-day operations of the organization with the need to stay abreast of the politics and exercise greater vigilance of the regulatory process:

The intrusion of federal legislative politics into our daily workload sometimes causes time and, clearly, financial impact. Yet I see no way to avoid the “system” without risking a great loss of everything we have worked so hard and long for... legislative initiatives to define organic on the state and federal level act as “a... form of extortion to us” in that we can’t drop everything and run to Washington every time someone submits a bill we don’t like yet we can’t afford to ignore it either. Somehow we need to stay on track here in California while making absolutely sure we don’t get blown out of the water by political activity undertaken by our so-called friends in Washington. (Scowcroft 1990, p. 9)

Managing State Authorization Tensions. To manage the tensions associated with state authorization, CCOF engaged in both manipulation and compromise efforts (Oliver 1991). CCOF followed a common strategy pursued by professions and associations seeking to control the development of the institutional landscape via regulatory processes. By embedding their interests into broader regulation, associations achieve the benefits of state authorization while mitigating the risks associated with loss of autonomy or control of the market (Oliver 1991). CCOF pursued a manipulation strategy when the 1991 California legislation created the Organic Foods Advisory Board, which, although it had no direct regulatory powers, advised the government on the implementation of the organic food law. CCOF members received 6 of the 13 seats on this board. The executive director believed that the board would have “far reaching influence throughout the international organic industry” given the size of California’s organic production and consumer markets and because the board anticipated most of the issues to be faced at

the federal level. This meant that CCOF was positioning itself to have a “major role in the development of national organic policy” (Lipson 1991b, p. 1).

With growing consumer demand and interest from regulators, the status of CCOF increased and interested parties saw CCOF in a different light: “Organizations like CCOF, formerly viewed as extremists and zealots, are now regarded as respected and knowledgeable experts in a ‘new’ field of farming methods” (Kaput 1989, p. 23). This newfound respect among a broader set of stakeholders induced CCOF to balance interests of all parties involved while trying to achieve desirable regulatory outcomes for its members. To achieve this balance, CCOF developed substantial political and regulatory monitoring and lobbying capabilities:

CCOF staff and volunteers put an extraordinary amount of effort into monitoring and commenting on proposed legislation and regulation. We also keep our members informed on this front; there are articles in this newsletter on state and federal organic laws, compost regulations, regulations on transport and release of organisms,

and streamlining EPA permitting for organic farm inputs. Each of these laws and regulations has potential to affect our members positively or negatively—and sometimes acutely. And in each case, we are involved in the political discourse. (Bowen 1995, p. 2)

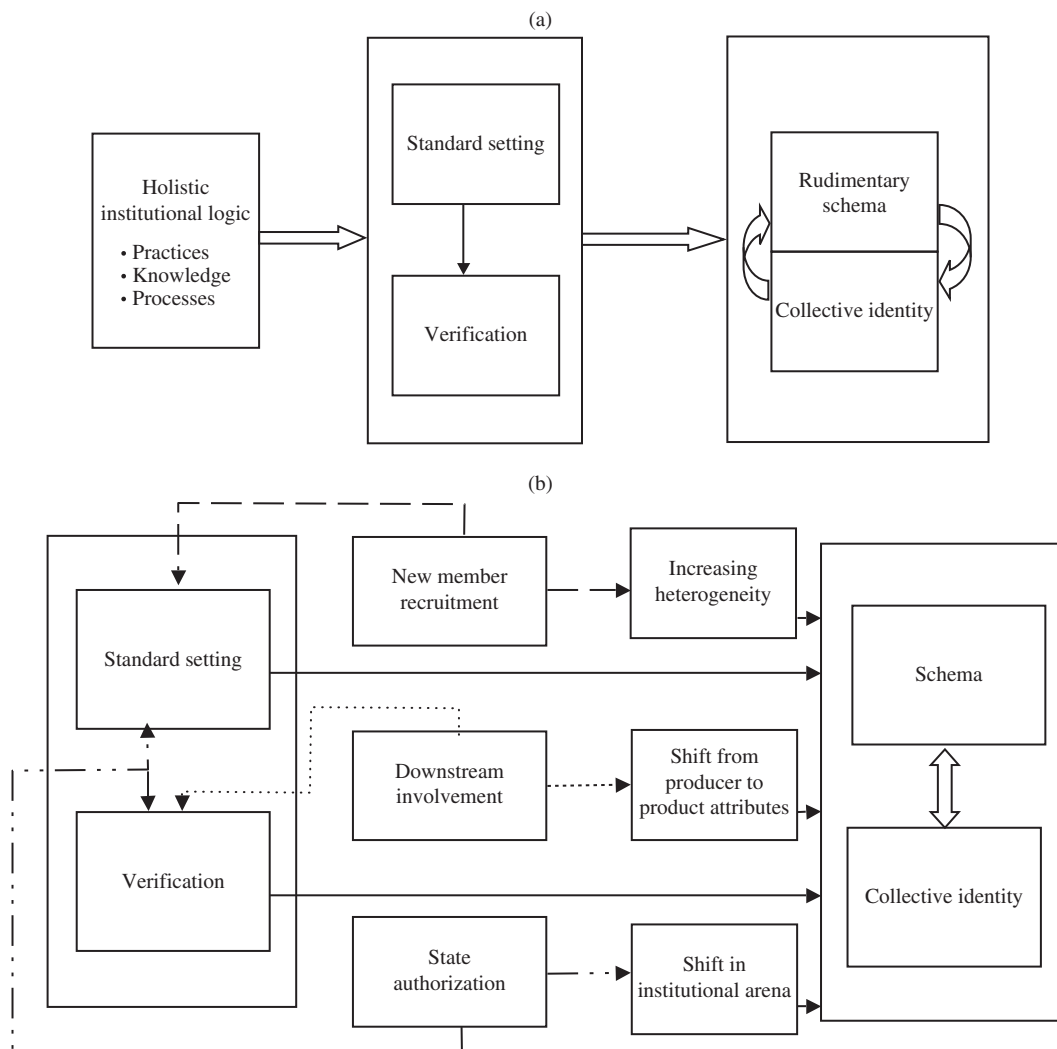
CCOF balanced the tension between control of the organic category and the benefits associated with state authorization primarily through placing their members into regulatory governance, increasing their capacity to monitor political developments, and mobilizing their members and resources to influence regulatory changes at both state and federal levels.

We summarize our findings regarding legitimacy-seeking behaviors, the tensions they generated, and their outcomes in Table 2.

A Grounded Theory of Category Development and Growth

Our findings indicate that the legitimacy-seeking behaviors of CCOF played an integral role in the development and growth of the organic category. Drawing

Figure 2. A Grounded Theoretical Model of Category Development and Growth



upon the key concepts from Figure 1 that emerged from our analysis, we developed a grounded theory that shows the dynamic interrelationships among our core concepts. The theory is represented in Figure 2(a) and 2(b). In Figure 2(a), the first phase starts with the founders of CCOF, guided by a holistic logic, drawing upon the concepts, practices, and knowledge of early pioneers to seek consensus on the meaning of organic by establishing a set of standards that adequately represented and embodied holistic organic practices and principles. As a result, CCOF members reached internal consensus regarding the meaning of organic and of the organic farmer (akin to intensional and extensional consensus, respectively; see Hannan et al. 2007). The resultant rudimentary schema was tightly coupled with the collective identity of what it meant to be an organic farmer and attracted like-minded producers to the emergent category. Thus, ongoing standard-setting and verification processes not only formalized the rudimentary schema, but reinforced the development of a coherent collective identity grounded in a holistic logic.

Figure 2(b) shows the multiplex impact of legitimacy-seeking behaviors on the development of the organic category. Proactively incorporating conventional growers into the category resulted in a heterogeneous membership, which challenged the initial collective identity and holistic logic guiding early CCOF members. New members sought to modify some aspects of the standards to their advantage. Others simply sought greater clarity on what exactly they could use as inputs in the farming process and still legitimately claim the organic label for their products. These actions led to ongoing contestation over the standards (see the dashed line in the figure). To manage these tensions, CCOF made decisions that accommodated heterogeneous producer interests through rhetorical framing and established clearer and more durable product standards, which lessened the need for producers to conform to the founding collective identity. Rather than fostering an internally homogeneous and coherent collective identity centered on a holistic agrarian logic, CCOF pursued a path of refining and strengthening the coherence of the organic category by codifying product inputs and professionalizing the organization.⁶

Downstream engagement led to a different tension but similar organizational response. Efforts to educate and convince downstream players to buy organic produce were effective, leading downstream actors such as distributors, wholesalers, and mainstream grocery retailers such as Safeway and Vons to show greater interest in selling CCOF-certified products. Such category-spanning downstream actors cared mostly about the veracity of the certification and were

largely agnostic to the holistic agrarian logic; consequently, they focused on the product verification process (see the dashed-line feedback to verification in Figure 2(b)). To accommodate the needs of downstream players, CCOF rationalized third-party certification and verification procedures, which resulted in a shift from relational-based mechanisms and toward more formalized certification and verification protocols that focused primarily on the product rather than on the goals and worldview of the producers. Thus, CCOF's efforts to manage the tensions associated with engaging downstream actors also contributed to the decoupling of the initial collective identity from the evolving category schema.

While initial state authorization of the nascent organic category provided no viable enforcement mechanisms or incentives, later state involvement enabled legal recourse against fraudulent growers. The pursuit of state authorization was a double-edged sword for CCOF—while it enabled greater enforcement and increased the durability of the category, CCOF ceded control over standard-setting and verification processes to state officials (see dashed line). To mitigate the risks and maximize the benefits associated with greater state involvement, CCOF worked closely with state and federal officials to influence the shape and scope of the regulation of the category. To accomplish this, CCOF redoubled its political monitoring capacities and mobilized its members and lobbied officials.

In managing the tensions arising from these legitimacy-seeking behaviors, CCOF inadvertently decoupled the collective identity of pioneering CCOF members from the market category itself. This decoupling meant that downstream distributors and customers no longer expected the producer to adhere to the holistic agrarian logic; instead, they expected that their products were grown in a similar way with similar inputs. This decoupling enabled CCOF to maintain rigid category boundaries notwithstanding the entry of conventional farmers who did not necessarily conform to the initial collective identity. Scholars have argued that collective identity incoherence can erode category boundaries, making them fuzzier and less salient (King et al. 2011, Pozner and Rao 2006, Wry et al. 2011); however, CCOF overcame this challenge by focusing on characteristics and practices that all growers could similarly adopt at the product level. By so doing, CCOF was able to alter the boundaries that defined category membership and yet maintain its strength. Whereas membership requirements were initially based on producer attributes and goals, they subsequently became defined by product characteristics. The creation of standards and verification protocols that centered primarily on the product allowed audiences to accept transitioning conventional growers who adhered to the product standards as category members.

In sum, the dilution of organic producers' collective identity did not affect the overall category, contrary to previous theoretical arguments. The emphasis on product standards and verification processes strengthened category boundaries, without which the organic category may have become incoherent and less appealing to audiences. New member recruitment, downstream engagement, and state authorization set in motion processes that affected the evolution of the organic category and standard-setting and verification processes, leading to a diminished collective identity on one hand, and greater salience and durability of the organic category boundaries on the other.

Discussion and Conclusion

This study explores how a SBCO can facilitate the legitimacy and growth of a nascent market category. While our findings are congruent with research that documents how actors seeking to create a new market engage in similar legitimacy-seeking behaviors (Navis and Glynn 2010, Santos and Eisenhardt 2009), they are also unique in that they point to clear tensions and trade-offs that threaten the collective identity of market actors and suggest that such tensions must be actively and effectively managed to legitimate a new market. We believe these findings have important implications for the literature on legitimacy and market category emergence.

Contributions to the Study of Legitimacy

We contribute to the current understanding of legitimacy and market intermediaries in several ways. Regarding legitimacy, recent work has underscored the importance of not only attaining but also maintaining legitimacy in new markets among multiple and diverse audiences and across time (Fisher et al. 2015, Navis and Glynn 2010, Zuzul and Edmondson 2017). We contribute to this more nuanced perspective of legitimacy by identifying key legitimacy-seeking behaviors and their outcomes and implications for new category evolution. Specifically, we advance the literature on legitimacy by highlighting the “double-edged” nature of legitimacy in nascent markets and focusing on the tensions and trade-offs that arise from seeking and obtaining legitimacy. One of our key findings is that while legitimacy-seeking behaviors facilitated greater resource flow, social acceptance, and access to markets, these benefits came at the cost of a coherent collective identity and the relinquishing of some control of the organic category to others. Specifically, legitimacy-seeking behaviors shifted power and decision making among actors, leading to new power configurations and dependencies in nascent markets where categorical boundaries were still up for negotiation. Despite being congruent with foundational ideas

articulated in early formulations of resource dependence (Pfeffer and Salancik 1978), the exploration of such trade-offs in contemporary studies on legitimacy is scant. Although some scholars have begun to identify the importance of power and resource dependence dynamics in nascent markets (Ozcan and Santos 2014, Santos and Eisenhardt 2009), additional research along these lines will provide an important corrective to extant literatures on entrepreneurship and new market formation that are overly focused on understanding the dynamics surrounding the attainment of legitimacy rather than the trade-offs associated with such achievements. Scholarly attendance to the tensions and trade-offs endemic in legitimacy-seeking behaviors will yield a clearer understanding of nascent and evolving power dynamics underlying new market category creation and growth. Future research is needed to ascertain whether the behaviors identified in this study are necessary and sufficient for successful legitimation in other contexts. Furthermore, our study does not claim that this is an exhaustive list of legitimacy-seeking behaviors. Important theoretical and empirical work lies ahead to identify and classify such behaviors.

Additionally, we identify how actors can manage the tensions and trade-offs associated with legitimacy-seeking behaviors. In the case of the organic food category, CCOF sought to manage tensions associated with new member recruitment, involvement of downstream players, and regulatory oversight of state actors by focusing on those elements that producers shared (i.e., product inputs) and downplaying the elements that distinguished them (e.g., producer values and characteristics). This finding is in harmony with research on paradox suggesting that organizations can resolve tensions related to category membership by “deleting” or lessening differences among organizations and “aggregating” or emphasizing new elements that can tie the firms together (Jay 2013, Pratt and Foreman 2000, Smith and Lewis 2011). Thus, future research may benefit from incorporating paradox frameworks to explain how firms can manage the tensions associated with legitimating a new market.

Contributions to Market Intermediaries

Our findings also speak to the market intermediary literature by showing that the standard-setting and verification activities of SBCOs played a key role in delineating and defending categorical boundaries. Although some have suggested that simultaneously fulfilling the roles of standards creator and enforcer may hinder acceptance of a particular standard or category (Hwang and Powell 2005), our findings suggest that it was critical for CCOF to fulfill both roles to retain relevance and maintain control over a rapidly expanding

product category. Yet, these activities were not sufficient conditions for the growth of the organic product category and its decoupling from the initial collective identity of its members. Any group can engage in the creation of standards, accreditation programs, or rating hierarchies, but such efforts do not guarantee others will follow those standards, seek accreditation, or pay attention to a ratings scheme (Carlos and Lewis 2017). For example, Sauder (2008) reports that numerous schemes for ranking law schools existed prior to the ascendancy of the *U.S. News and World Report* rankings, but none achieved legitimacy among the relevant stakeholders. Additionally, Bartley (2009) noted that while labor safety certification bodies set high labor standards and enacted rigid verification processes, few companies participated. In nascent market settings, market intermediaries such as standards organizations, accreditation bodies, ratings agencies, and even critics control only symbolic resources and are therefore able to impose only symbolic sanctions. However, if symbolic sanctions become an important decision cue for those determining the allocation of key inputs and outputs, as our case illustrates, accreditations and certifications become consequential (Zald 1978, p. 91). Such accumulation of power can enhance their ability to determine membership, set additional rules and standards, and pool needed resources. It can also lead to advantageous positioning to influence broader regulatory structures, create status differentiation among actors, and eclipse competing standards (Ahrne et al. 2002).

Given that our study is of a single SBCO, generalization of these findings are limited because of the absence of studies on SBCOs and market intermediaries operating in other nascent markets and sectors, which would allow a fuller understanding of the scope conditions of these dynamics. Fruitful future research on the role of standards organizations in market formation could include exploring whether standard-creation and verification practices are sufficient conditions for market formation or whether some degree of legitimacy-seeking must occur for successful adoption. Furthermore, while the SBCO in our study grew out of and was largely supported by the organic food movement, future research could investigate how standards bodies can legitimate new markets when they face direct opposition from interest-driven movements. For instance, how would SBCOs' ability to demarcate and defend category boundaries be impacted by social movement contestation?

Contribution to Literature on New Market Category Emergence

Our results suggest the need for a more process-based perspective of category creation and change, one that accounts for how categories change as they become

heterogeneously populated and multiple audiences become increasingly involved (Durand and Paoletta 2013). Our context is somewhat atypical, standing in contrast to extant accounts of new category formation that can be categorized as taking a “bottom-up” approach, whereby category members make sense of the category by interacting with one another and with consumers, often with the media playing an important role in these processes (Durand and Khaire 2017, Hannan et al. 2007, Kennedy 2008, Navis and Glynn 2010, Rosa et al. 1999). By contrast, markets in which activists create a crisp set of attributes to define and control a category use more of a top-down process that creates different category formation dynamics from those documented in prior studies. For example, identity movements in the beer and wine industries as well as the film and beef industries created “system[s] of binary opposition” (Zuckerman and Kim 2003, p. 29) that made it difficult to straddle the two opposing categories (Weber et al. 2008). In all cases, this opposition served to galvanize group identification and facilitate the mobilization of collective action (Pozner and Rao 2006).

Although the organic category⁷ exhibited a similar binary opposition to conventional agriculture, our findings suggest that it did not retain the authenticity that other market categories such as the microbrew segment of the beer industry retained in the first two decades of the market (Carroll and Swaminathan 2000). Why is this the case? Based on our findings, we posit three explanations. First, the standard-setting and verification efforts of organic pioneers were influenced by a strong holistic logic that stood in strong opposition to conventional agricultural practices. This provided an initial categorical boundary between the fledgling organic category and conventional agriculture. However, clearer and increasingly comprehensive standards significantly reduced ambiguity regarding the meaning of “organic” (i.e., the number and relevance of dimensions defining the category), of who could be considered an “organic producer,” and of what could be considered “organic food.” This had a dualistic effect on the category. On one hand, this reification led to more durable categorical boundaries, providing a compelling rationale for claims that organic food was substantively different from conventionally grown food. On the other hand, codification and standard setting of what was initially an esoteric set of philosophies and practices facilitated entry of producers that identified less with the holistic logic and goals that motivated the pioneers of the category.

Second, given their structural position within the emergent organic-food value chain, downstream buyers—in the face of growing demand for organic products—had a strong interest in developing verification procedures that would enable a reliable sourcing of credibly certified products. The shift toward

more objective and professional “third-party” verification processes replaced peer monitoring—an effective social control mechanism in markets where authenticity and identity are of central importance to the value of the product (see Carroll and Swaminathan 2000, pp. 731–732). Furthermore, the growth of downstream players mediated the relationship between producer and consumer, which led to a decline in personal interactions between producers and consumers and a corresponding decrease in identification with the aims and purposes of organic agriculture.

Third, the development of verification processes coupled with formally sanctioned codification of standards in state and federal law facilitated product commensuration (Espeland and Stevens 1998). For example, commensuration allows a processor of tomato sauce to combine organic tomatoes grown by multiple producers in multiple locations with confidence that all are grown according to the same principles and processes. Commensuration resulted in a focus on the product rather than the producer, further facilitating the declining authenticity of the organic category. Carroll and Swaminathan (2000) noted that microbreweries and brewpubs pursued cognitive strategies that sought to define the specialty beer segment in ways that excluded major brewers and contract brewers. For instance, a larger, more corporate microbrewer said, “the industry would be better served by a definition of craft beers—focused on ingredients and brewing process—rather than craft brewers” (Carroll and Swaminathan 2000, p. 731). By codifying standards and rationalizing verification processes, the organic category shifted attention away from producers and focused on products, which enabled the category to withstand significant heterogeneity within its membership. Additional research on product and market categories is needed to substantiate whether this finding occurs in other setting as well.

Last, we contribute to this literature by examining how meanings underlying collective identity change and how such change may be precipitated by efforts to more clearly articulate categorical membership. Our specific contribution lies in considering the relationship between a collective identity and the development of a market category—an understudied topic of organizational identity research (Gioia et al. 2013). Unlike many studies that equate collective identity with category boundaries (Hsu and Hannan 2005, Khaire and Wadhvani 2010, Porac et al. 1995), we see the two as distinct. Our view of collective identity is analogous to the Gioia et al. (2013) view of organizational identity. They argue that the durable component of an organization’s identity is rooted in organizational members’ use of labels that express who or what they believe the organization to be. Inasmuch as the meaning associated with those labels changes, the identity

becomes mutable (Gray et al. 2015). This reasoning is congruent with our findings regarding collective identity and category development. While the boundaries of the organic category became increasingly well defined and rigid, the meanings attached to that category changed and shifted in subtle ways, particularly for those “insiders” that were part of the initial collective identity. Clarification of the categorical membership criteria enabled the market membership to become increasingly heterogeneous. In other words, as the categorical boundaries became more clearly articulated, the collective identity of its members became less coherent.

Finally, these findings speak to research at the intersection of social movements and new markets. The origins of market niches such as green building (York and Lenox 2014), fair-trade products (Reinecke and Ansari 2015a, b), recycling (Lounsbury 2001), biodiesel (Hiatt and Carlos 2016), grass-fed beef (Weber et al. 2008), soft drinks (Hiatt et al. 2009), and renewable energy (Pacheco et al. 2014, Sine and Lee 2009) all have their roots in movement- or value-driven actors. The blending of social values and market forces offers tremendous potential for socially conscious entrepreneurs to reframe consumers’ preferences, influence consumption patterns, forge new distribution methods, and redefine the means by which goods are produced. Consequently, activist-mediated markets are important from a public policy perspective because they are the source of substantial economic and social change that redefines preexisting norms, practices, and institutions (Hiatt et al. 2015).

Although early organic activists did not entirely achieve their objective of “establish[ing] a completely new system of food production and distribution” (Belasco 1989, p. 69), their pioneering actions set in motion a market that has significantly altered agricultural practice and consumer behavior, making organic agriculture one of the fastest-growing niches in both domestic and international agricultural markets. While advocates find justification for their market’s existence through opposition to mainstream institutions and organizations, tensions arise in these types of markets because pioneers must nonetheless seek support, endorsement, and legitimacy from some of those same institutions (Rothschild and Whitt 1986). The study of how movements can reshape institutions such as markets continues to provide a generative scholarly focal point (Schneiberg and Lounsbury 2017). Further study of how tensions between competing values and related logics are managed is critical to understanding under what conditions markets for these sorts of goods and services are frustrated, facilitated, co-opted, or transformed.

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Endnotes

¹SBCOs are those organizations whose primary purposes include the creation and promotion of standards, the verification of other organizations' compliance with those standards, and the formal acknowledgment that an organization has met the standards through the conferral of certification, endorsement, or accreditation (Lee 2009, p. 1247).

²The vegetarian and whole-wheat crusades, the pure-food movement, and the back-to-the-land movement—movements dating back to the mid-nineteenth to mid-twentieth centuries—were all suspicious of factory-produced food, sought dietary reform, and set the stage for the core ideals, philosophies, and practices that were the basis for the contemporary organic food movement (Peters 1979).

³California is a unique state in terms of organic farming (Guthman 2004). For more than 50 years, California has been the top state in terms of agricultural output—nearly \$53.5 billion in 2014, which is almost 13% of all U.S. cash receipts for all commodities. Yet, alongside this massive agricultural presence have grown up alternative and countercultural movements such as the peace movement, the health food movement, and the alternative agricultural movement—all of which contributed to suitable conditions for the emergence and growth of the organic category.

⁴We acknowledge that, in general, food and its consumption are more closely tied to symbolism and cultural influence than to traditional agricultural production (DeSoucey 2016). However, because of its value-laden nature, organic food production was also imbued with symbolism and cultural significance.

⁵By state authorization, we mean that an entity is supported by the actions of state officials, which comes in the form of enabling legislation or agency regulation that codifies the key features of a schema or category and provides a mandate for the associated good or service to be legal and legitimate for sale (see Hannan et al. 2007, p. 112; Scott 1987).

⁶A comparison of how CCOF described itself in publications during the time of study further evidences a shift in its collective identity and ethos. In the online appendix (Tables A1 and A2), we include self-descriptions of CCOF from the *National Organic Directory*—the primary source of information on the organic food market and the only national directory during the period under observation. The results in Tables A1 and A2 provide evidence of how CCOF's membership criteria shifted from a focus on producer attributes and a holistic agrarian logic to a focus on market rationalization and product standardization.

⁷A large body of work in rural sociology and agricultural studies has argued that organic agriculture has been appropriated and “conventionalized” by corporate forces (Buck et al. 1997; DeLind 2000; Guthman 1998, 2004) and that standards and certification processes play

a subtle, yet powerful role in these changes (Busch 2000, Hatanaka and Busch 2008). While our findings generally concur with these conclusions, we advance this agenda by considering the important role of legitimacy-seeking behaviors *coupled with* standard-setting and verification practices. Our approach is also unique in that we focus on a single SBCO and how it managed the tensions associated with these legitimacy-seeking behaviors vis-à-vis both internal and external stakeholders.

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