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Generative imitation, strategic distancing and optimal distinctiveness during the growth, decline and stabilization of Silicon Alley

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ABSTRACT

We embrace a cultural perspective on entrepreneurship to examine the performative relationship between entrepreneurial narratives and the field discourse that unfolded during the emergence of the 'new media' field in New York city that came to be known as 'Silicon Alley'. During growth, the accumulation of projective entrepreneurial narratives generated a field discourse from which entrepreneurs drew. However, because of the hype generated and the implementation challenges encountered by the ventures, the expectations set by the entrepreneurs remained unrealized, thereby leading to failures. The loss of legitimacy that accrued to these ventures spread to others through the cultural symbols shared by the ventures, which led to the collapse of the field. Opportunities based on cultural symbols considered valuable during early stages now became worthless. The Silicon Alley field eventually stabilized as entrepreneurs offered revised narratives to generate renewed growth. Based on these dynamics, we introduce *generative imitation* and *strategic distancing* as narrative-discursive possibilities to complement the notion of *optimal distinctiveness*. We propose that optimal distinctiveness best describes narrative-discursive possibilities and efforts when fields have stabilized, whereas generative imitation and strategic distancing better describe possibilities and efforts during growth and decline periods respectively.

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A heterogeneous group of firms emerged in New York City in the mid-1990s to constitute a new field that came to be known as *Silicon Alley*. By producing cultural content for websites (which came to be known as *new media)*, these ventures challenged traditional print media and advertising. By 1999, the new media firms were generating around $2 billion in gross revenues, with Silicon Alley accounting for nearly 25% of all initial public offerings in the U.S. and 8% of all U.S. venture capital investments (PriceWaterHouseCoopers, 2000). However, with little to show in terms of profits, and engulfed by the nation-wide crisis around Internet stocks, the field started unraveling by 2000. The buzz around *new media*

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firms faded, and the ventures associated with the stigmatized repertoire of Silicon Alley's cultural symbols lost legitimacy overnight. Although many firms disappeared, some were able to stay alive by leveraging the resources created during the growth period to eventually stabilize a recognizable field.

To inquire into and learn from this phenomenon, we develop an inquiry frame that builds on the insights from the literature on cultural entrepreneurship (e.g., Lounsbury & Glynn, 2001; Garud, Schildt & Lant, 2014; Martens, Jennings, & Jennings, 2007; Navis & Glynn, 2010; Überbacher, Jacobs, & Cornelissen, 2015; Wry, Lounsbury, & Glynn, 2011). Inspired by Allison's (1971) work, we take an abductive approach to conduct our inquiry (Bartel & Garud, 2003; Peirce, 1931-1958).[1] Allison demonstrated that different 'lenses' (combinations of organizing concepts, inference patterns, and propositions) draw attention to different kinds of issues about phenomena. In our case, we begin with insights from the literature to not only reconfirm and refine what we already know through an examination of the dynamics that unfolded in Silicon Alley, but also to extend the reach of the emerging theory on cultural entrepreneurship.

Our inquiry frame builds on a performative relationship between entrepreneurial narratives and field discourse, which is an alternative to a multi-level approach (e.g., Fligstein & McAdam, 2012). The performative relationship between entrepreneurial narratives and field discourse is based on a constitutive view of communication and culture (Cornelissen, Durand, Fiss, Lammers, & Vaara, 2015; Garud, Gehman, & Tharchen, 2017; Gehman & Soubliere, 2017; Lounsbury & Crumley, 2007), which considers fields as dynamic emerging cultural toolkits of labels, concepts, and metaphors (Cornelissen & Clarke, 2010; Granqvist, Grodal, & Woolley, 2013; Rindova, Dalpiaz, & Ravasi, 2011; Swidler, 1986; Überbacher et al., 2015). In using these cultural symbols to stitch together their narratives, entrepreneurs also contribute to the meanings that stakeholders accord to emergent symbols, thereby constituting a field discourse. The field discourse, in turn, generates opportunities for and establishes limits to what entrepreneurs can say and do.

This inquiry frame draws attention to several questions that have been partially addressed in the cultural entrepreneurship literature. For instance, we know that entrepreneurs draw from a toolkit of cultural resources to which they contribute. However, it is not clear how entrepreneurs can establish legitimacy for radically novel projects during field inception and growth when the meanings attached to emergent symbols remain ambiguous. Moreover, why do fields collapse to the extent that some do, and what can entrepreneurs do when they encounter a downturn? Going even further, what are the dynamics that unfold when fields stabilize, if they do?

By addressing these questions, we join recent efforts to extend the theory on cultural entrepreneurship (e.g., Fisher, Kotha, & Lahiri, 2016; Garud, Schildt et al., 2014; Lounsbury & Glynn, in press; McKnight & Zietsma, in press) in several ways. Besides providing researchers with details of what happened in Silicon Alley for future theorization, we also analytically extend (Tsoukas, 2009) insights on cultural entrepreneurship. Specifically, by exploring three possible performative contexts constituting field dynamics, we address Kennedy and Fiss's (2013) call to undertake a study of category emergence and dissolution. For instance, we discovered that *optimal distinctiveness* (e.g., Deephouse, 1999; Hargadon & Douglas, 2001; Navis & Glynn, 2010; Zhao, Fisher, Lounsbury, & Miller, 2017; Zuckerman, 2017) did not readily apply during Silicon Alley's inception and growth because institutional categories and expectations had yet to emerge and stabilize. Consequently, we offer *generative imitation* (Tarde, 1890/1903) as a concept that more appropriately captures narrative-discursive possibilities during the early stages of field emergence. Generative imitation is a relational concept wherein entrepreneurs gain legitimacy for their ventures by establishing a semiotic relationship between the symbols contained in their narratives (Eco, 1979). In addition, we also propose the notion of *strategic distancing* that describes efforts by entrepreneurs to actively disassociate their ventures from stigmatized cultural symbols during field decline. Finally, we argue that the notion of optimal distinctiveness best applies when the field has stabilized. In proposing this, we join with Lounsbury and Glynn (in press) who noted that 'to analyze optimal distinctiveness in a given institutional field first requires that a given field exists, and an understanding of how that field is situated amidst a community of fields.'

Cultural entrepreneurship

There has been a linguistic turn to entrepreneurial studies as epitomized by the literature on cultural entrepreneurship (Cornelissen & Clarke, 2010; Garud, Schildt et al., 2014; Granqvist et al., 2013; Lounsbury & Glynn, 2001; Wry et al., 2011). This literature draws attention to the importance of leveraging cultural resources to generate legitimacy and to secure additional resources for entrepreneurial activities through the use of narratives. Narratives temporally order familiar and unfamiliar material and symbolic resources into one totalizing account held together by a plot (Bruner, 1986a; Gabriel, 2000; Polkinghorne, 1988). The coherence (narrative probability) that a plot generates draws the attention of listeners by evoking images of the future while generating memories of the past (Ricoeur, 1984). To gain legitimacy for their ventures (Aldrich & Fiol, 1994; Zimmerman & Zeitz, 2002), entrepreneurs build on symbols that are familiar and unfamiliar to audiences (Barry & Elmes, 1997; Lounsbury & Glynn, 2001) to establish optimal distinctiveness (Deephouse, 1999; Zhao et al., 2017; Zuckerman, 2017). Indeed, narratives invite listeners to imagine what they would have done, and so become a part of the story (Bartel & Garud, 2009; Czarniawska, 2004a; Pentland, 1999; Taylor & Van Every, 2000). In this way, narratives connect entrepreneurs with stakeholders (Barry & Elmes, 1997; Lounsbury & Glynn, 2001), and, in doing so, help construct collective identities for ventures that build on related symbols (Czarniawska, 1997; Wry et al., 2011).

What are the origins of entrepreneurial narratives? Literature suggests that actors draw from a broader discourse that influences the creation and interpretation of narrative texts (Fairclough, 2001; Hoffman, 1999; Maguire & Hardy, 2006; Steinberg, 1999; Zilber, 2002, 2006). This discourse provides a 'cultural toolkit' (Rindova et al., 2011; Swidler, 1986; Überbacher et al., 2015) that enables actors to constitute their identities and activities. To be plausible and understandable, for instance, a narrative has to be anchored within an existing system of meaning (Bruner, 1986b). At the same time, existing meaning systems are transformed when speakers and listeners perform coordinated 'joint actions' in 'ensembles' (Clark, 1996: 3).

Based on these observations, we conceive of emerging fields as ecosystems of firms that draw on symbols and ideas in discourses to construct narratives that convey their past, present and future activities (for reviews on the concept of fields, see Martin, 2003; Wooten & Hoffman, 2008; Zietsma, Groenewegen, Logue, & Hinings, 2017). There are several benefits of taking such a narrative-discursive perspective for studying entrepreneurship in emerging fields. First, by focusing on symbolic commonalities, it is possible to study early stage processes when it is difficult to identify a field based on recognizable patterns of resource exchange relationships (DiMaggio & Powell, 1983) or 'category codes' (Hannan, Polos, & Carroll, 2007) typically suitable for understanding established rather than emerging fields (Grodal, Gotsopoulos, & Suarez, 2015; Zuckerman, 1999). Second, a focus on cultural symbols allows researchers to theorize and examine how emerging field discourses provide a 'tool kit' (Swidler, 1986) that empowers novel entrepreneurial narratives, helping explain how companies portray both institutional conformity and distinctiveness (Navis & Glynn, 2011; Zhao et al., 2017). Third, such a perspective makes it possible to examine the activities of a broad set of actors including entrepreneurs, stakeholders and the media who take part in the discourse around the emerging field (Cattani, Porac, & Thomas, 2017; Granqvist & Laurila, 2011; Grodal & Granqvist, 2014; Mazza & Pedersen, 2004; Wooten & Hoffman, 2008).

We deepen and extend the cultural entrepreneurship literature (see Lounsbury & Glynn, in press for a review) by considering the *performativity* of entrepreneurial narratives through their *relational* (e.g., how legitimacy is generated through narratives by making links between the venture and symbols in currency) and *temporal* (e.g., how narratives are mechanisms for generating anticipations of the future in the present by evoking memories of the past) properties (Garud, Gehman, & Giuliani, 2014; Garud et al., 2017). In acknowledging the constitutive power of narratives, speech act theory highlights how phenomena are constituted by the very 'sayings and doings' of actors (Austin, 1962; Butler, 2010; Callon, 2010). For instance, a business model is a speech act articulated by entrepreneurs to gain the support of stakeholders such as financiers, customers and employees so as to enhance the viability of business models (Doganova & Eyquem-Renault, 2009). These speech acts are based on a field discourse from which the entrepreneurs draw. At the same time, the field discourse itself is emergent based on the narratives of the entrepreneurs. These dynamics result in a 'mutual transformation of social structure, social action, and cultural systems' (Kane, 1997: 250).

With these observations, we address the questions we raised earlier by exploring the relational and temporal dimensions of narrative-discursive possibilities across three performative settings – inception and growth (henceforth 'growth'), collapse and decline (henceforth 'decline'), and re-growth and stabilization (henceforth 'stabilization'). The data show entrepreneurs establishing legitimacy during field growth by associating with symbols that gained currency through projective narratives. Because the possibilities were in the future, many different kinds of ventures entered the field using distinctive labels, which made it difficult for the entrepreneurs to establish optimal distinctiveness. During decline, as cultural symbols lost currency, entrepreneurs tried to stop loss of legitimacy by disassociating their ventures from stigmatized symbols. Moreover, rather than offer projective narratives, entrepreneurs switched to retrospective accounts to make sense of what had transpired and to decide what was required of them to survive. It is now during the third period, when a shared system of meaning has been emerging, that entrepreneurs are establishing optimal distinctiveness to regain legitimacy through their narratives.

Do all fields go through such cycles? Not necessarily (Goldfarb & Kirsch, in press). Some proceed directly from growth to stabilization. Others never recover from the downturn or may remain dormant for a number of years only to reappear much later. Yet, many fields have experienced 'hype-cycles' with strong emotional components (e.g., Borup, Brown, Konrad, & Van Lente, 2006; Grodal & Granqvist, 2014; van Lente, Spitters, & Peine, 2013). From this perspective, extended theorization on cultural entrepreneurship is well warranted.

Methods

The paper is based on longitudinal data gathered from multiple sources. First, having lived in the midst of Silicon Alley, we experienced its emergence throughout the period that we report here. Interested in the phenomena, we kept field notes, wrote white papers, interviewed actors in the field, visited companies, and attended events. Second, we gathered media coverage on the Alley, of which there was no dearth. Not only was the field covered by the traditional media (e.g., *Crains New York Business*, *New York Times*, *Wall Street Journal*, *Star Ledger*), but also by the new media firms such as the *Silicon Alley Reporter*, *Alley Cat News*, *New York New Media Association*, and *Coopers and Lybrand* reports on New York New Media. Reading the *Silicon Alley Reporter* chronologically by itself offers a longitudinal ringside view of what unfolded in real time. Third, we subscribed to listserves, email-bulletins, and fax-lists managed by sources such as the *Silicon Alley Reporter*, and *New York New Media Association* in order to ensure that we kept abreast of the latest developments in the field. We also accessed the websites of the firms in real time and over time (from the historical repository at *www.archive.org*). Such access allowed us to see how the companies presented themselves as the field grew, collapsed, and then stabilized. Fourth, we accessed in-depth accounts written by others. For instance, Indergraad's (2004) book titled *Silicon Alley. The Rise and Fall of a New Media District* and Kait and Weiss's book *Digital Hustlers: Living Large and Falling Hard in Silicon Alley* proved invaluable. Besides, there were several analysts' reports such as Endeavor Insight's analysis of entrepreneurship in New York City that informed our analysis.

Data analysis

A summary of our real-time field notes written in 1998 will provide readers with the challenges that we confronted in understanding what was going on.

> We started by immersing ourselves in information about the field, reading trade magazines, talking to key participants in start-up and established firms, talking to technology content or media experts, attending conventions, monitoring web pages, etc. We quickly became bogged down with the volume of information, the variance in perspectives, and the lack of 'convergence' in our data. Nothing became 'saturated' in grounded theory terms (Glaser & Strauss, 1967). Rather, each player had a different perspective on the field. Every week the players changed. The technology and its use were changing constantly. It soon became difficult for us to comprehend this field given its complexity and its rate of change.
>
> Weick (1979) pointed out that individuals actively seek information that confirm their beliefs while disregarding the rest. Despite this powerful 'exclusionary effect', we could not make sense of the phenomena that we were studying when we applied traditional industry frames. That is, akin to the accumulation of anomalies that cannot be explained with existing paradigms (Kuhn, 1970), we too began experiencing many 'anomalies' that could not be explained using existing industry paradigms. It was through our discussions about what to do in the face of this experience that we decided that we had stumbled upon the dilemma of studying fields 'in-the-making.' We decided to write about this dilemma with Silicon Alley as a case in point.

Eventually, we concluded that ambiguity was an inherent characteristic of field emergence, and therefore resorted to the data itself to highlight facets of the phenomena left undertheorized. An analysis revealed three temporally bracketed performative periods (Langley, 1999) (growth, decline, and stabilization) punctuated by three turning points (inception, collapse, and re-growth). Consistent with an abductive approach, we decided to understand the dynamics using our inquiry frame to reconfirm what we already knew, and to extend the theory on cultural entrepreneurship. In this task we took a processual approach as highlighted by Mohr (1982):

> Just as variance theory rests ultimately on a belief in the metaphysical notion of efficient causality, so process theory rests ultimately on a metaphysical belief in the operation of *the laws of chance*. Some airborne seeds do find favorable soil. A process theory is only as strong as the clarity and compelling nature of the *probabilistic processes* hypothesized to make the connections. (Mohr, 1982: 51). [emphasis added]

Cultural entrepreneurship in Silicon Alley

In this section, we examine the interactions between entrepreneurial narratives and field discourse across the three periods (growth, decline, and stabilization) and the turning points (inception, collapse, and re-growth) we identified from our preliminary analysis of the data. To simplify our exposition, we combined inception and growth, collapse and decline, and regrowth and stabilization. We experimented with multiple styles to present our findings, eventually deciding to provide a descriptive account using the voices of the actors in the field interspersed with insights from the literature. Such 'collage-work' is particularly relevant for connecting phenomena with theory to abduce new insights (Garud, Berends & Tuertshcer, 2018).

Table 1 summarizes a set of observations from the Silicon Alley field, and the inferences that we drew. In our description of what unfolded in Silicon Alley below, we draw attention to issues and topics that emerged that are germane to the literature on cultural entrepreneurship. We return to these observations in the discussion section of the paper where we summarize the key contributions that we make from this study.

Entrepreneurship during inception and growth[2]

The inception of Silicon Alley can be traced to the efforts of numerous entrepreneurs located in lower Manhattan in New York City who saw the Internet as a new medium for producing cultural content. New York City was already a major media center populated by journalists, advertisers, broadcasters, entertainers, and artists. The new media entrepreneurs wanted to transform the landscape with their business models by offering new cultural content using digital technologies, which would also serve as a new medium for advertising. These entrepreneurs came from a wide variety of professional backgrounds and industries, including advertising, graphic design, publishing, digital technology, software development, visual and performing arts, and journalism. As the interaction among players from different arenas increased, the professional boundaries and definitions as defined by traditional media and related industries began blurring (Lant & Hewlin, 2005: 231).

The entrepreneurs were determined to make it big by being 'first movers' to capture 'sticky eyeballs' with initiatives that 'would revolutionize the way people experienced all types of media' (field notes). There were few meaningful category codes defining the organizational forms that emerged (Durand & Paolella, 2013). Instead, a variety of firms emerged throughout lower Manhattan with seemingly incomprehensible names such as Razorfish.com, Pseudo.com, RareMedium.com, OvenDigital.com and Blue Dingo.com. Each company

Table 1. Temporally Bracketed Periods During the Emergence of the Silicon Alley Field.

Field Data/Illustrative Quotes	Interpretation of Discursive-Narrative Possibilities
Inception & Growth (~1995 to ~2000)	
• *As a good entrepreneur, you're playing a role in a script that's bigger than you. You're part of a great story and you need to know what the story is. And then you need to cast people in it… It's about having a story and convincing others of the value of your vision*. (Seth Goldstein, quoted by Pelander, 1999)	• Here, we see nested storytelling, with the entrepreneurs as primary authors and performers drawing upon and contributing to a larger emerging and enabling performative context, wherein discourse and entrepreneurial narratives co-emerge
• *Public Notice – Swim at your own risk. Fast changing currents. Rafting discouraged. No life-guard protection. Emergency phone: (none). (OvenDigital ad, Silicon Alley Reporter, 1997)* • *The hardest part of putting together the 'Top Trends of the Year' cover story wasn't so much picking the trends themselves, but keeping up with the daily bombshells that threatened to recast the very stories we were trying to capture… (The SAR, 1998)* • *Webrings: Open Media* Kieretsu. 'Find the webring for you.' Webrings are loosely affiliated *sites; noncommercial organizations comprised of small sites created by private individuals and fans* (Meme of the Month, Silicon Alley Reporter, 1999) • *In the early days of the local Internet business, ideas were all we had* (@NY, 1999) • *This is a pioneering culture being created at 55 Broad* (field notes and details of conference held at 55 Broad Street, Global Community Sandbox, June 1999)	• These data highlight the ambiguity and risks that entrepreneurs will encounter when they jump in. Ideas are loosely coupled, build on symbols, and are the currency. Participants connect in an experimental fashion, which fuels idea generation
• *...without getting too emotional on you, this is an unprecedented time in history. Young people with energy and dreams can take their shot. You don't have to ask for permission from anyone, you can just do it*. (Calacanis, 1997) • *It seemed that every interesting company spawned 10 competitors, three or four of which had significant backing. Heck, even the bad ideas seemed to get funding and spawn competitors*. (Calacanis, 2001a)	• The energy and dreams of people are propelling the field through prospective entrepreneurial narratives. Emotion is an amplifier • Firms generatively imitating firms despite and because of the ambiguity
• *Many of the companies are not yet categorized…if your company is one of them please let me know which category you would like to be listed under* (Silicon Alley '98 conference email, Calacanis, 1998)	• Firms have yet to be categorized, so it is difficult for anyone to find a stable core. Yet, they all want to associate with Silicon Alley, which is a field in search of meanings
Collapse & Decline: (~2000)	
• *Fatal Friday, April 14, marked the beginning of a protracted correction in the market. As many Alley companies succumb to the pressure to produce revenues, stock prices have plummeted. As we go to press, 36 or 53 companies listed in our Public Record are trading under $10. Everyone knew the halcyon days couldn't last, but few anticipated how deep and swift the correction would be* (Alley Cat News, Dec. 2000: 64)	• The collapse was swift, catching many off-guard. The performative context turned from one that was enabling to one that was constraining
• *Downsizing and Out in the Alley: All summer companies have been trimming and tightening their belts. Always an indicator, two wildly popular bulletin boards – f…dcompany and dotcomfailures – emerged to document the shakeout."* (Alley Cat News, Nov 2000)	• There is a contraction of resources. The documentation of failure by old and new media shone a spotlight on the new media firms as they 'trimmed and tightened their belts.'

(*Continued*)

Table 1. (*Continued*).

Field Data/Illustrative Quotes	Interpretation of Discursive-Narrative Possibilities
• *In 2002 it was definitely embarrassing to say you were doing Internet stuff,"* said Mr. Heiferman, founder of i-Traffic in 1995 and Meetup in 2002. *'It seemed so passé*	• In order to survive, entrepreneurs had to distance themselves from the symbols that had become stigmatized
• *2001 is not a year to be a hero but a year to survive* (Robert Lessin, CEO of Wit SoundView, Alley Cat Street Alley Cat Street Fair, 2001.)	• Investors had to be convinced that they were making 'wise' investments
• *What emerged from the spring shakeout was not less investing by venture capitalists but wiser spending.'* Alley Cat News, Dec. 2000: 62	
• *The fact that everyone is getting painted with the same brush right now….if that's what it takes to separate the true companies from the hype companies, I'm willing to do that.* (Wheatley, 2001)	• Stigmatized symbols impact all the ventures that were based on them irrespective of whether they are 'true' or 'hype' companies
• *But what we have to do today is keep the lights on. You've got to learn from the lessons of the past (St. John, 2006)*	• This data highlights retrospection by the companies in order to learn from the past
Regrowth & Stabilization (Ongoing since ~2001)	
• *Have rumors of your demise been greatly exaggerated? Forget about grumpy Wall Street analysts and cynical press spinners. Sign up immediately for the AlleyCat Street Fair… Show the world that you're a survivor, and that you're here to stay!* (Ad in Alley Cat News, Feb 2001)	• The new performative context is both enabling and constraining
• *As the industry slowly regained its footing, DoubleClick and its founding team managed to resize the company and achieve profitability before selling it to private equity firm Hellman & Friedman in 2005. (Endeavor Insight, 2014)*	
• *Forget 2000. Run your business the way classic businesses have been run. Remembering the basics is how you get funded in any market* (Alley Cat News, Summer 2001)	• Now, standard metrics of performance apply
• *HR Forecast for the New Economy: It's Hip to be Square. Everything old is new again. No more pool tables, flip-flops, or ridiculous stock options. …it's time for workers to get back to work (Alley Cat News, Jan 2001)*	• No more ambiguous boundaries. Ventures are now governed by an orthodox discourse
• *AlleyWatch is the largest organization focused on the New York technology, startup, and entrepreneurial ecosystem with a global readership of highly affluent and educated individuals across 200+countries. Our digital properties serve as the first read for venture capitalists, angel investors, entrepreneurs, accelerators, startup employees, thought leaders, event organizers, corporate executives, academics, city officials.* (alleywatch.com/about)	• The ventures in the field appear to have gained legitimacy, so much so that an organization that is both local and global is covering Silicon Alley firms, and connecting them with global investors
• *When Right Media, which was founded by a former Double- Click employee, sold to Yahoo! for $850 million, two of its former employees had an idea for a new kind of digital advertising company. Brian O'Kelley and Mike Nolet founded AppNexus to transform digital advertising by offering real time bidding to compete with some of the biggest names in the business: Google, Yahoo!, and Facebook. In just five years, the company has grown to be one of the largest ad exchanges in the world, second only to its homegrown competitor, Google's Double- Click. (Endeavor Insight, 2014)*	• Ventures are similar yet different from the others of their category (e.g., digital advertisement) as exemplified by AppNexus' efforts to introduce real time bidding in order to transform digital advertising

This table contains some of the data that we have reported in the text along with additional data in order to provide a different holistic view of the dynamics that unfolded in Silicon Alley.

offered its own narrative on how it would revolutionize traditional media by capitalizing on the emerging digital technology.

Rather than a collective identity, it was their desire to explicitly distinguish themselves from traditional media companies that united these firms. The New Media Group noted: 'Sum Do, Sum Don't. We Do. New Media: We Get it'.[3] Particularly revelatory of the process of identity construction through the affirmation of differences given similarities (Czarniawska, 2004b) was Olive.com's narrative:

> I am not an Agency.
> *But I have an Agency background*.
> I am not a Boutique.
> *But I am small with new ideas*.
> I am not a Consultant.
> *But I advise companies*.
> I am not a software company.
> *But I create cutting edge applications*.
> I am not an Design Firm.
> *But I do great creative work*.
> I am not any of these things.
> *But I am all of these things*.
> I am brand new.
> *But I have been around for a while*.
> Still don't know what I am?

These entrepreneurs moved quickly to spread the word about the possibilities that new media had to offer, and why New York was 'the place to be' (Grigoriadis, 2000). They organized events, such as *Cyberslacker* parties, featuring the founders of Silicon Alley firms such as MTVi, Feed, Razorfish, Pseudo.com, StockObjects, Nerve, and the *Silicon Alley Reporter*. Locations for networking were crucial. For instance, in March 1997, the *Global Community Sandbox* opened at 55 Broad Street in lower Manhattan, evoking an image of a field in-the-making with blurry, shifting boundaries.

What transpired in Silicon Alley confirms insights offered by the literature on cultural entrepreneurship. Scholars have argued and shown that support is often generated through entrepreneurial narratives (Garud, Schildt et al., 2014; Lounsbury & Glynn, 2001; Martens et al., 2007; Snow & Benford, 1988). Ventures gain legitimacy (Aldrich & Fiol, 1994; Suchman, 1995) through narratives that draw from other discourses in the broader environment, including the domains of science and technology (Borup et al., 2006; Garud, 2008; Lounsbury & Glynn, 2001). These discourses provide entrepreneurs with a repertoire of cultural symbols including useful vocabulary, claims, and justifications (Green, 2004).

While building upon a field's cultural symbols has been proposed as a solution to the challenge of legitimacy, it is still not clear how entrepreneurs can communicate something radically new through field symbols that are themselves emerging. An answer lies in Indergraad's (2004: 136) insight on business models serving as 'templates for future actions.' Silicon Alley entrepreneurs introduced symbols such as edutainment (a portmanteau of education and entertainment) to articulate future oriented visions (Garud, Schildt et al., 2014; O'Connor, 2002) through narratives that related new media firms with various existing discourses (e.g., sales, marketing, publishing). As Pelander (1999) observed:

> As a good entrepreneur, you're playing a role in a script that's bigger than you. You're part of a great story and you need to know what the story is. And then you need to cast people in it…It's about having a story and convincing others of the value of your vision. (Pelander, 1999: 32:72)

Although commonalities existed across Silicon Alley ventures, the narratives of the entrepreneurs were different enough that few seemed to compete with one another directly. Indeed, as the 'sandbox' image exemplifies, there existed considerable ambiguity about the categories to which firms belonged. Warning the entrepreneurs rushing in, OvenDigital's advertisement boldly proclaimed: 'Public Notice – Swim at your own risk. Fast changing currents. Rafting discouraged. No lifeguard protection. Emergency phone: (none).' (Silicon Alley Reporter, 1997). A Silicon Alley '98 conference email noted: 'Many of the companies are not yet categorized…if your company is one of them please let me know which category you would like to be listed under (commerce, content, interactive, agency, etc.)' (Calacanis, 1998). The image used to promote the conference consists of a series of intersecting Venn diagrams with a blurry image of firms' names and their phone numbers in the background in order to convey the convergence of multiple fields and the ambiguities involved in the categorization of the firms.

The shifting discourse in the field driven by a constant change of entrepreneurial narratives is best understood from *Silicon Alley Reporter*'s disclaimer to its 1998 Top 10 Trends segment:

> The hardest part of putting together the 'Top Trends of the Year' cover story wasn't so much picking the trends themselves, but keeping up with the daily *bombshells that threatened to recast the very stories we were trying to capture*… We were ready to boldly declare 1998 the year e-commerce assumed center stage, an evolution typically not championed by the mainstream media. But every media outlet from the Gray Lady to the local television news uncovered the analyst's predictions for online spending during the Christmas season, thus rendering obsolete the-media-still-doesn't-get-it angle. So, we shifted gears and turned our attention to the painfully low margins of the e-commerce game, which portend a long, hard road to profitability for many 'e-tailers' no matter how much revenue is coming in the door. And, on it went. Whether the topic at hand was MP3 and the digital distribution of music or the government's increasing involvement in the high-tech arena, *new stories were breaking as we tried to finishing touches to this issue and ship it to the printer. So, some of the details may have changed a bit by the time you read this*. (Silicon Alley Reporter, 1999) [emphasis added]

Researchers have pointed out that the presence of multiple idiosyncratic narratives generates ambiguity (Daft & Lengel, 1986), which is amplified in the presence of interconnected, shifting, narrative fragments (Boje, 1995). This was the case in Silicon Alley. These partial, interconnected, entrepreneurial narratives generates a kaleidoscopic view for participants, which allows for multiple and contested visions of future possibilities (Brown, Rappert, Adam, & Webster, 2000). Consequently, field formation is often associated with a multivocal discourse (Robichaud, Giroux, & Taylor, 2004), i.e., 'a cacophony of uses, claims, and product standards' (Rosa, Porac, Runser-Spanjol, & Saxon, 1999: 64).

For its part, the narrative logic, which relies on perceived plausibility rather than on specific facts (Bruner, 1986b), makes it difficult to infer the relative superiority of one narrative over the other. Lacking an established means for comparison (White, 1992), stakeholders must evaluate entrepreneurs based on the 'verisimilitude' of each narrative (Bruner, 1986b). This provides an opportunity for a greater number of entrepreneurial firms to enter the field, each with a distinctive vision of the future. These new entrants, in turn, provide more narratives for field members to draw from (Bartel & Garud, 2003), thereby fueling the growth cycle.

Our own field notes highlight the ambiguity experienced by the actors during this period:

> In this emerging arena, actors are struggling to make sense of a field in which market segments and the rules of the game have not yet been established. We find that the actors in this field are engaged in a process of trying to make sense of who they are, what their product or service is, what the potential market is, and with whom they should form relationships. In this process of trying to simultaneously create and make sense of this new arena of social and economic activity, organizational boundaries are vague and permeable; interaction among individuals across firms is as critical as interaction within firms. (field notes)

These observations resonate with Lingo and O'Mahony's (2010) findings from their study of creative work among the music producers in the Nashville country music industry. The authors found ambiguities associated with the quality metrics (What makes a hit or constitutes success?), occupational jurisdictions (Whose claim of expertise entitles them to control the process?), and transformation process (How should the work be done?).

In Silicon Alley, the excitement generated resulted in attracting entrepreneurs as exemplified in a statement made by the editor of *Silicon Alley Reporter*, Calacanis (1997), who noted: 'Without getting too emotional on you, this is an unprecedented time in history. Young people with energy and dreams can take their shot.' Indeed, emerging literature has theorized the role that affect (such as excitement) plays in generating emotional energy (Collins, 2004), which mediates the decisions of entrepreneurs and stakeholders to participate in emerging fields (Grodal & Granqvist, 2014; Zietsma & Toubiana, 2018). We also experienced the amplifying role of excitement in drawing a heterogeneous set of entrepreneurs and stakeholders into Silicon Alley. The sense of inevitability about envisioned futures (Borup et al., 2006; Granqvist & Gustafsson, 2016) that emerged led to an inflow of capital, resulting in a price/earnings ratio of the tech firms listed in NASDAQ hitting 200 in the late 1990s (Teeter & Sandberg, 2017).

As expected, traditional media such as the *New York Times*, *Crain's New York Business*, *The Wall Street Journal*, and *New York Magazine* began covering the unfolding events. In addition, Silicon Alley began receiving coverage from the new media firms themselves. These firms editorialized what was happening, and in the process became powerful performative 'macro-actors' (Callon & Latour, 1981) influencing the unfolding field discourse (Bitektine & Haack, 2015).

Both traditional and new media drew attention to the entrepreneurial activities unfolding in the field, thereby increasing legitimacy (Lamertz & Baum, 1998; Mezias & Boyle, 2005) while shaping the related norms and expectations (Rindova, Becerra, & Contardo, 2004; Vaara, Tienari, & Laurila, 2006) and producing new meanings for the cultural symbols that emerged (Fiss & Hirsch, 2005). Media coverage, both traditional and self-referential, amplified entrepreneurial narratives by profiling the ventures and their young founders. *Silicon Alley Reporter* had its *Top 100*, and *Crain's New York* had its *Top Cats*. Each issue reported (and sensationalized) the new ventures run by young adults while evangelizing the superiority of new over traditional media. Extolling the virtues of the cultural content being created in Silicon Alley, Calacanis, the editor of the *Silicon Alley Reporter*, noted:

> Ten years from now people will laugh when they read about all the attention given to the browser wars. Give me a break, is Seinfeld funnier on a Sony TV rather than a JVC? New York and Los Angeles are becoming the driving force in the Internet Industry for a very simple

> reason: they are the talent and media capitals of the world. Sure, content and community are going to take longer to play out than the tools to make them. Right now, L.A. and NYC may be on the bottom of the food chain by the *Red Herring*'s and *Upside*'s standards because we don't have the immediate revenues that make myopic venture capitalists drool. But there's no place on the food chain I'd rather be. Would you rather have made the camera that shot 'Citizen Kane,' or make 'Citizen Kane? (Calacanis, 1997: 3)

The performative impact of media coverage was magnified at local gatherings and events. One such event was a high-profile Silicon Alley networking event, *Cocktails with Courtney*, where participants freely discussed their aspirations over drinks with Courtney Pulitzer (of Pulitzer fame). Other events included *CyberSalon* and *CyberSuds*. At these events, some of which we attended, the conversations and interactions amplified the field discourse, thereby drawing in additional entrepreneurs.

Entrepreneurship during collapse and decline

The situation in Silicon Alley changed dramatically when the field collapsed in 2000, which was followed by a downturn. Excitement gave way to doom-and-gloom. Ventures, which had built on once promising but now stigmatized symbols, began losing legitimacy (e.g., dot. com, Lee, 2001). Entrepreneurs, caught off-guard during these 'unsettling times' (Swidler, 1986), were unable to re-narrate their way out, and so many started exiting the field. The value of the 'Alley Fund' (composite of 46 publically traded Silicon Alley firms) dropped 80% (Indergaard, 2004) between January and October 2000. As St. John (2006) noted,

> … Silicon Alley was all but obliterated. Dozens of companies went out of business during the burst of the technology bubble, and the economic slow-down following the 9/11 attacks took still more. Employment in information technology in New York City plummeted to around 35,000 at the end of 2005 from around 50,000 in 2000, according to the New York State Labor Department.

The nature of the collapse went beyond a mere market correction. Having served as witness to the sayings and doings of the entrepreneurs during the inception and growth period (see Clark and Carlson (1982) for arguments on audiences serving as witness to utterances as speech acts), stakeholders now called into question the intelligence, integrity, and actions of the entrepreneurs. As the *New York Times* noted: 'Employees smoked marijuana for lunch and took cocaine for supper. They slept under their desks. "It was wild and Wall Street suits would come to the parties and get high and write us a check in the morning"' (LeDuff, 2000). Even Alley insiders expressed remorse, 'Our failures over the past five years have included a lack of focus, unrealistic expectations, little humility, and too much greed' (Calacanis, 2001d).

Besides hubris and incompetence, there were other reasons offered for the demise of companies besides incompetence. For instance, the editor of the Silicon Alley Reporter wrote about high profile failures:

> Pseudo, Urban Box Office, and Urbanfetch were among the promising companies that embraced the 'get-big-quick' mentality of the 1990s but were forced to shut down in 'be-profitable-now' 2000. In some cases, they were flawed, or had naïve management; in many cases *they ran out of runway*. To be sure, the Internet industry – along with Silicon Alley – was out of control last year. *It seemed that every interesting company spawned 10 competitors, three or four of which had significant* backing. *Heck, even the bad ideas seemed to get funding and spawn competitors*. (Calacanis, 2001a) [emphasis added]

'Running out of runway' highlights the intertemporal challenges that future oriented narratives can generate (Garud et al., 2017; Garud, Schildt et al., 2014). Entrepreneurial narratives produce claims and predictions that generate social commitments (Austin, 1962; Searle, 1969) precisely when knowledge about the field is limited. Yet, an entrepreneurial journey is seldom an orderly process. Instead, it is characterized by false starts, dead-ends and mistakes (Van de Ven, Polley, Garud, & Venkataraman, 1999). Entrepreneurs may not fully appreciate these dynamics *ex ante* and may overestimate their abilities to deliver on their promises, especially if they lack prior experiences with entrepreneurial activities (Dosi & Lovallo, 1997). Consequently, there is every likelihood for entrepreneurial failures, especially during field emergence.

The news of failures had a chilling effect on Silicon Alley. For instance, the AlleyCatNews noted, 'After failing to raise additional financing, Pseudo closed its doors. While no one was surprised… *the news reverberated ominously through the Alley*…Pseudo's demise closes a chapter, the first chapter really, in the history of the Alley. No one, from here on out, will ever be too hip to make money' (Alley Cat News, 2000: 66).

The systemic nature of collapse can be traced to earlier efforts to evangelize new media. An Alley insider observed, 'Friends [during the growth period] did not demand performance but rather a feeling of solidarity; that we were all in it together' (Calacanis, 2001c). The interconnected ecosystem that emerged because of this solidarity now began working against the entrepreneurs (see also Venkataraman & Van de Ven, 1990 for sympathetic findings). As the co-founder of Agency.com observed, 'Then the word gets out immediately and suddenly "e-tailing" goes from being the six month word of the day to "oh my God, if you're an e-tailer you're in trouble" (Kait & Weiss, 2001: 300). In a similar vein, the co-founder of Agency.com noted, 'when one goes, they topple like dominoes' (Kait & Weiss, 2001:300). Indeed, firms went out of business almost overnight because they found it increasingly difficult to secure the resources required to survive (Indergaard, 2004: 133–54).

To complicate matters, the media served as a forum for amplifying the decline. Headlines such as "Downsizing and Out in the Alley' (AlleyCatNews, Nov. 2000:32) became the mantra when the bubble burst. Given constraints on the carrying capacity of the media, and given that public attention is a scarce resource, media reports dramatized failures in 'slick, little packages' (Hilgartner & Bosk, 1988: 62). Media dramatizations (Andreassen, 1987; Rindova, Pollock, & Hayward, 2006) and generalizations (Wilkins & Patternson, 1987; Zillmann, 1999) that had helped propel growth during field formation now served to de-legitimize ventures, thereby contributing to a system-wide crisis. For instance, the cofounder of Flatiron Partners, a Silicon Alley venture capital firm, had this to say on the role of media during this downturn:

> It's wacky. It was all out of proportion twelve months ago in terms of media hype, media frenzy; and *Silicon Alley companies, if they've suffered, have suffered from being in the spotlight too much*. You had relatively small companies with relatively few employees and relatively few revenue dollars seeming to have extraordinary influence, because this became a fascinating story within the overall story of the New York City economic boom. *Live by the sword, die by the sword* – I think that's exactly what's going on. (Kait & Weiss, 2001: 111) [emphasis added]

The discourse that unfolded began constraining the activities of the firms that could survive. For instance, Silicon Alley entrepreneurs began distancing themselves from the stigmatized labels. As Mr. Heiferman, who founded the Web advertising firm i-Traffic in 1995 and Meetup in 2002, noted, 'In 2002 it was definitely embarrassing to say you were doing Internet stuff…It seemed so passé.' More broadly, entrepreneurs, through their narratives, began distancing their organization from the earlier field discourse, as exemplified by DoubleClick's decision to take down its 'Welcome to Silicon Alley' billboard (Joyce, 2002).

While distancing themselves from stigmatized symbols, entrepreneurs kept their ventures alive by modifying business plans through their revised narratives. For instance, in *The Unvarnished Truth*, Agency.com's Chan Suh offered a candid look at downsizing and the road to profitability:

> We are taking this step proactively so that we can maintain a competitive and financially sound business for our employees and clients before we sustain huge losses…It's been a strange year, but it was a good year for the industry. It was a tonic that we needed to swallow…the charlatans have been exposed. *The fact that everyone is getting painted with the same brush right now*…. if that's what it takes to separate the true companies from the hype companies, I'm willing to do that. (Wheatley, 2001) [emphasis added]

In a similar vein, Robert Lessin, CEO of Wit SoundView noted, '2001 is not a year to be a hero but a year to survive' (AlleyCatNews, March Alley Cat Street Fair, 2001). Entrepreneurs even framed their negative experiences in a positive light – as a source of learning. For instance, St. John (2006) observed: 'But, what we have to do today is keep the lights on. You've got to learn from the lessons of the past. All that is just noise until things happen.' Such efforts, as exemplified in this quote, are consistent with Weick's (1995) notion of sensemaking through re-narration.

DoubleClick, a poster child of the Silicon Alley field, was one of the firms that could survive, as profiled by Endeavor Insight (2014) in their report on New York Tech:

> When households in the U.S. were just getting their first dial-up Internet connections, Kevin O'Connor, Dwight Merriman, and Kevin Ryan mixed technology and advertising to monetize the consumer Internet. DoubleClick became a leading Internet ad-server and rode the expanding Internet bubble to an IPO in 1998. *When the bubble burst and decimated the tech industry, DoubleClick managed to survive, losing 70% of its clients but 80% of its competitors.* [emphasis added]

As the quote highlights, DoubleClick survived despite losing 70% of its clients in part because it also lost 80% of its competitors. Still, a writer from @NY lamented, 'Last Sunday, the *New York Times* ran another one of its Alley-is-Dead-themed articles. This one basically equated DoubleClick's decision to take down its "Welcome to Silicon Alley" billboard as proof that the Alley as a term for the New York region's digital media sector is dead' (Joyce, 2002).

Entrepreneurship during regrowth and stabilization

Despite the doom and gloom scenario, the field did not die out. Some businesses went out of business, and their founders and employees went looking for something else to do. Others focused on their few profitable activities and weathered the storm out of the limelight. As the Star Ledger pointed out, 'the companies that remain may represent the next wave of prosperity for the Alley.… The new economy is getting back to an old formula' (Perone, 2002).

Although signs of stabilization became evident only much later, new media firms began taking steps to spur re-growth soon after the collapse. For instance, in 2001, an advertisement appeared in a new media journal, *the AlleyCatNews*, urging the entrepreneurs to return: 'Have rumors of your demise been greatly exaggerated? Forget about grumpy Wall

Street analysts and cynical press spinners. Sign up immediately for the AlleyCat Street Fair… Show the world that you're a survivor, and that you're here to stay!' (AlleyCat News, March 2001). In Summer 2001, another cover story in the *Alley Cat News* read: 'Cleaning up is hard to do. The Internet party is over. AlleyCat looks at the law firms that *are picking up the pieces of the new economy – and cashing them in*.'

Many founders and former employees 'sometimes referred to as mafias' (Endeavor Insight, 2014) founded many more companies during the re-growth and stabilization period. DoubleClick serves as an example:

> As the industry slowly regained its footing, DoubleClick and its founding team managed to resize the company and achieve profitability before selling it to private equity firm Hellman & Friedman in 2005. At $1.1 billion, this acquisition was one of the biggest of a New York City tech company at the time. The new owners would go on to sell the company to Google for $3.1 billion, and today DoubleClick is at the center of Google's $50 billion advertising business. The financial success of this business has been superseded by its ongoing impact, with *Dwight and Kevin Ryan going on to found seven more New York City tech companies and its former employees starting 26*. Yahoo! acquired one of these firms – Right Media – in 2007 for $850 million. [emphasis added]

In profiling other firms besides DoubleClick, the Endeavor Insight article shows how, during the stabilization period, ventures differentiated themselves from other firms even while emulating them. For instance, the article mentions Right Media, a firm founded by a former DoubleClick employee. Two of Right Media's employees had an idea for a new kind of digital advertising company, which then became the basis for AppNexus, a company that was formed to 'transform digital advertising by offering real time bidding to compete with some of the biggest names in the business: Google, Yahoo!, and Facebook.' The article went on to note that the company had grown to become one of the largest 'ad exchanges' in the world within a period of five years.

During this re-growth and stabilization period, the framing of activities changed considerably. By 2003, stigmatized symbols around Silicon Alley began disappearing. Many companies tried to appear more mainstream, de-emphasizing their status as new media companies, often framing their activities as information technology professional services providers. Financial discipline was emphasized:

> Perhaps the biggest change on the Alley has been the shift from a culture of profligacy to one of financial discipline. While first-generation Web entrepreneurs once boasted of mountains of venture capital, massages for staff and Aeron office chairs for all, the current crop of Alley executives can't let a conversation go by without pointing out how utterly miserly they are. (St. John, 2006)

The new media companies changed their focus: 'We're upgrading our editorial mission. We're not obsessing over the dot.com deathwatch, but rather looking at the enabling technologies and the impact they will have' (Calacanis, 2001b). New entries in local media coverage, such as AlleyWatch.com, emphasized a traditional business-oriented stakeholder model:

> AlleyWatch is the largest organization focused on the New York technology, startup, and entrepreneurial ecosystem with a global readership of highly affluent and educated individuals across 200+countries. Our digital properties serve as the first read for venture capitalists, angel investors, entrepreneurs, accelerators, startup employees, thought leaders, event organizers, corporate executives, academics, city officials. (alleywatch.com/about)

By 2006, Silicon Alley was 'buzzing again', as noted in a *New York Times* article (March, 2006) entitled 'Alive and Well in Silicon Alley':

> In recent months a number of Manhattan new-media companies have been involved in heady high-dollar deals that carried a faint but alluring whiff of the good old days. Start-ups are once again popping up like mushrooms in Manhattan, and last May the New York Software Industry Association opened a technology incubator at its headquarters at 55 Broad Street. It now houses 14 new companies.

The article went on to quote Nicholas Butterworth, a member of the original Silicon Alley generation of the mid-90s who was starting a new technology company: 'Everything is cranking up. There is definitely something in the air. *It's not exactly the same as it was the first time around, but it's got some of that same spirit*.' In short, the emotional highs and lows that characterized the growth and decline periods were not so readily evident during the stabilization period.

By 2007, entrepreneurs were once again pitching to venture capitalists during monthly gatherings at the New York Tech Meetup. Brooklyn Polytechnic University began hosting events such as the 'Special Breakfast Forum on the Emerging Shape, Impact and Direction of Silicon Alley 2.0' (February 26, 2007). Traditional media firms, threatened with disruption earlier, now began buying up the companies that survived. For instance, in 2005, AOL bought Weblogs Inc., a publisher of blogs including the popular technology site Engadget, for $25 million. In 2006, the women's portal iVillage, a survivor of the first boom and bust, was sold to NBC Universal for $600 million. By 2013, New York City was the second largest technology hub in the world, with 336 IPOs and acquisitions occurring between 2003 and 2013 (Endeavor Insight, 2014).

How is it possible for fields such as Silicon Alley to reverse their fortunes and re-establish legitimacy? Extant literature suggests that organizational practices become predictable and 'rule like' in part because actors develop taken-for-granted expectations (Jepperson, 1991; Meyer & Rowan, 1977). Additional literature has explained the formation of such taken-for-granted understandings as an outcome of texts that explain and legitimize practices (Phillips, Lawrence, & Hardy, 2004; Strang & Meyer, 1993). In particular, Phillips et al. (2004) theorized that texts are more likely to facilitate institutionalization when they form a relatively uniform and uncontested whole, what Bourdieu (1991) calls an orthodox discourse.

Building on these observations, we suggest that an orthodox discourse emerges once stakeholders can evaluate organizations based on their actual outcomes. The accomplishment of measureable outcomes promised in entrepreneurial narratives allows for comparisons across previously incommensurable narratives, thereby giving rise to the development of a pragmatic system of comparison (White, 1992). Comparability reduces ambiguity and facilitates the formation of beliefs about cause-effect relationships (Strang & Meyer, 1993). While there is always room for 'fresh action' and prospective visions, stakeholders expect entrepreneurs to offer realist accounts, seeking answers to questions such as: How efficient is the organization? How do its outputs compare to those of other well-known organizations? Are the structures and operations of the organization the most appropriate?

The emergence of an orthodox discourse in Silicon Alley is evidenced in the headlines of the cover stories in the *AlleyCatNews* over the course of 2001. For instance, one headline in the January editions read: 'HR Forecast for the New Economy: *It's Hip to be Square*.' Another in the same issue proclaimed: 'Everything old is new again. No more pool tables, flip-flops, or ridiculous stock options. …*it's time for workers to get back to work*.' In the summer issue,

Table 2. Narrative-Discursive Possibilities During Field Constitution.

	Inception & Growth	Collapse & Decline	Re-growth & Stabilization
Performative Setting	Enabling	Constraining	Enabling & Constraining
Relationality	Generative Imitation	Strategic Distancing	Optimal Distinctiveness
Temporality	Projective	Retrospective	Real-time

one of the headlines read: 'Forget 2000. *Run your business the way classic businesses have been run. Remembering the basics is how you get funded in any market.*'

We theorize that the decreasing ambiguity in field discourse influences entrepreneurial actions. Actors in positions of authority and possessing rhetorical skills define and help diffuse norms of 'standard' organizational structures, practices and performance metrics (Maguire & Hardy, 2006; Phillips et al., 2004; Suddaby & Greenwood, 2005). Stakeholders demand measurable performance, which entrepreneurial firms now deliver. The central cultural symbols of the field become less malleable, as they take on specific meanings (Rao, 1998). Because discourse influences actions (Phillips et al., 2004; Strang & Meyer, 1993), the firms constituting the field defined through shared symbols are likely to converge on standardized roles, routines, and network relationships. Increased interactions, partnerships, and mergers and acquisitions with well-established actors (such as the case of DoubleClick and Google) help generate legitimacy through association.

Discussion

Informed by a recursive relationship between entrepreneurial narratives and field discourse, we embraced a performative perspective on cultural entrepreneurship to abductively study (Peirce, 1931-1958) the dynamics that unfolded in Silicon Alley. In particular, we used a cultural toolkit lens (e.g., Swidler, 1986) to understand how entrepreneurs position their ventures within an emerging field to which they contribute through their narrative sayings and doings (Austin, 1962). At the same time, the field discourse that emerges conditions what entrepreneurs can say and do (Garud et al., 2017).

The application of this performative perspective to study the dynamics that unfolded in Silicon Alley led to the identification of three different performative contexts that we labeled as inception and growth, collapse and decline, and re-growth and stabilization. Most studies on cultural entrepreneurship have focused on either the growth period (Aldrich & Fiol, 1994; Lounsbury & Glynn, 2001; Wry et al., 2011), or on a period when a field has stabilized (Scott, 1995). By highlighting the full spectrum of performative contexts within which entrepreneurial activities unfold (see Kennedy & Fiss, 2013 for a call to take a more dynamic view of categories), this study makes a contribution to the literature on cultural entrepreneurship.

An analysis of the longitudinal data on Silicon Alley revealed key differences in relationality and temporality constituting the discursive-narrative possibilities across the three periods (Table 2). During inception and growth, entrepreneurs took advantage of the generativity afforded by the field discourse to create distinctive narratives that related their ventures with emerging symbols. To overcome skepticism, entrepreneurs' narratives were future oriented (Garud, Schildt et al., 2014; O'Connor, 2002). Rather than predictions, these future oriented narratives served as performative visions that opened up new avenues and pathways for exploration and enactment (Weick, 1995). Indeed, the excitement that these future oriented narratives generated resulted in attracting others, thereby amplifying field formation over time.

The data on Silicon Alley's emergence during this early stage show no clear meta-categories to which the new media companies belonged or from which they departed (e.g., 'please let me know which category you would like to be listed under'). Even stakeholders could not articulate their expectations (as we discovered during our interviews of potentially impacted parties including managers at new and traditional media companies). Yet, all these actors sensed that something was happening (similar to Usher's (1954) notion of 'perception of an incomplete pattern').

Similar findings have been reported by Thompson, Purdy, and Ventresca (2018) in their study of the development of an ecosystem around social impact entrepreneurship in the Seattle, Washington area. Based on their study, the authors propose two distinct periods punctuated by a phase transition during the emergence of the ecosystem. During Period I, which is characterized by a variety of 'experiments, false starts, and fruitless relationships', a number of 'convening events' unfold to generate a meaning system (which is initially lacking) for the actors. It is only during Period II that a durable pattern of relationships between the actors emerges, which is connected by a common meaning system. In the ecosystem that these authors studied, there was no 'collapse and decline' period, as was the case with Silicon Alley.

In Silicon Alley, without clear established categories and boundaries during inception and growth, field membership could be traced only through the cultural elements that the ventures shared. Each venture built upon multiple symbols from the toolkit of emerging cultural symbols, and each symbol within the toolkit was used across multiple entrepreneurial narratives. As new associations emerged between the symbols, and as new symbols emerged, the meanings of the symbols continued to change. This dynamic is similar to the one Garud, Gehman, and Karnøe (2010) documented in their study of the symbols associated with nuclear energy, the meanings of which continued to change over time (see also Cattani et al., 2017:72 for sympathetic arguments on category and field dynamics).

The emergent mesh of symbols and ventures in Silicon Alley was akin to a quilt in-the-making, a performative context that made it difficult for ventures to optimally distinguish themselves from stabilized categories and expectations to gain legitimacy. Optimal distinctiveness, based on socio-psychological theories of 'assimilation and differentiation' (Brewer, 1991: 475), theorizes that firms derive legitimacy by conforming to yet departing from multiple institutional categories and expectations (Zhao et al., 2017; Zuckerman, 2017). However, in the absence of established categories and concrete stakeholder expectations, ventures could not conform to and depart from categories with established meanings (Navis & Glynn, 2011) or from stabilized field norms and expectations (Deephouse, 1999).[4]

Such dynamics are not confined to 'cultural industries' (Jones & Maoret, 2018). In the case of cochlear implants (an implanted bio-medical device), for instance, the field was characterized by considerable ambiguity. Ambiguity emerged because multiple entrepreneurs and intrapreneurs offered alternative designs based on their beliefs about what would be beneficial to the profoundly deaf while embracing different evaluation metrics to measure performance (Garud & Rappa, 1994). This ambiguity was evident in the proliferation of labels such as single and multi-channel, intra and extra-cochlear, intracutaneous and percutaneous plugs. Indeed, the ambiguity around the labels, designs, beliefs, and clinical tests was so great that the US Food and Drug Administration (FDA) had to convene a 'Consensus

Development Conference' in order to institutionally induce closure within a four-day period on a controversy that had lasted over decades (Garud, 2008). While participants at this conference embraced a scientific discourse, the very rhetoric of science was culturally induced through the texts that were produced and circulated (Garud, 2008). Studying the many other Consensus Development Conferences convened by the FDA for other bio-medical devices and drugs is a rich avenue for future research.

How can a field form when firms are not able to refer to stabilized categories and institutional expectations to generate legitimacy? We propose the notion of *generative imitation* to capture the relational dynamics that ensued in Silicon Alley, which offers a pathway for ventures to generate legitimacy even during emergent situations when the meanings of the categories and stakeholder expectations have yet to materialize and stabilize. Generative imitation is informed by work by Tarde who pointed out that '[o]ur social life includes a thick network of [imitative] radiations…., with countless mutual interferences' (Tarde, 1899/1974:101) (as quoted in Czarniawska, 2004b:122). As applied to cultural entrepreneurship, and informed by what transpired in Silicon Alley, generative imitation draws attention to the expansion of the symbols in the cultural toolkit, which occurs when entrepreneurs imitate one another in generative and expansive ways (e.g., *every interesting company spawned 10 competitors*).

Generative imitation is not a simple mechanical reproduction of a template that results in diffusion (see Rogers, 2003 for diffusion of innovation). Instead, it is a series of 'translations' (Serres, 1974) involving displacements and transformations, which occurs with each act of 'imitation'. Each move performatively re-creates myriads of local differences (Tarde, 1999:71) (again, as cited in Czarniawska, 2004b:122), thereby resulting in entrepreneurial narratives that are familiar yet novel (Barry & Elmes, 1997; Bartel & Garud, 2003).

This process drove the emergence of the nascent Silicon Alley field. Lacking a consensual understanding of field-wide symbols, the points of reference for each venture were other relationally salient ventures and the symbols they offered. This is a dynamic that Kennedy (2008) also found in a study that shows early entrants ('misfits') gaining legitimacy by seeking coverage to establish a few-but not too many links with other entrants. Similar dynamics have been reported by Rao, Monin, and Durand (2005) who showed the emergence of a hybrid category through the erosion of existing categorical boundaries when French chefs emulated and borrowed from rival categories.

Few empirical studies have explored how discourse shaped by multiple stakeholders can lead to the loss of legitimacy (for an exception, see Maguire and Hardy's (2009) study on how DDT lost legitimacy). Our study highlights endogenous mechanisms for the loss of legitimacy during field collapse and decline. Before the collapse, entrepreneurs used narratives to extend the meanings of the symbols (a) relationally (the broadening of meaning), and (b) temporally (the creation of implicit promises about the future), which gave rise to a hyped-up field discourse (Borup et al., 2006). When ventures could not fulfill the promises they had made ('running out of runway'), the symbols that had earlier been the source of cultural capital now became cultural millstones. News of failure of firms, amplified by the media, impacted other firms through the symbols shared across the entrepreneurial narratives. The accumulation of failures set the stage for field collapse well before the field could stabilize. Indeed, so swift was the collapse that it caught many ventures off guard, leading to their exit.

There were firms that could stay alive by forging new identities, in part by distancing themselves from the labels that had become stigmatized (e.g., DoubleClick). To capture this possibility, we offer the notion of *strategic distancing*, by which we mean entrepreneurs' efforts to actively disassociate from stigmatized symbols. However, it was not possible for entrepreneurs to completely disassociate their ventures from the cultural commitments they had made, or to 'symbolically decouple' from stigmatized labels as Überbacher et al. (2015) have proposed. Doing so would have raised questions from vigilant audiences about the truthfulness and the plausibility of such revised narratives, especially given that the ventures were under the spotlight (Ashforth & Gibbs, 1990). Moreover, it was not pragmatic for ventures to completely abandon their past practices; not only were these practices sticky, but they were also essential for survival. For all these reasons, we qualify the term 'distancing' with the adjective 'strategic'.[5]

Strategic distancing requires entrepreneurial skills that are different from those required for establishing optimal distinctiveness. Strategic distancing refers to efforts by entrepreneurs to minimize legitimacy losses to their ventures because of the associations that audiences make between their ventures and stigmatized symbols. By contrast, optimal distinctivenss refers to efforts by entrepreneurs to garner legitimacy by being similar yet different from established categories and institutionalized expectations. Distancing is also different from generative imitation, which results in the *population* of the toolkit of cultural resources. Instead, distancing results in the *depletion* of the cultural resources in the toolkit. Depletion occurs as entrepreneurs retreat from the very symbols that once afforded them agency during the growth period.

The process whereby material and cultural resources from earlier attempts at field emergence are re-purposed to engender the re-growth and stabilization of a field has not received much attention in the management literature. In Silicon Alley, the bits and pieces of the field kept alive by the surviving ventures set the stage for re-growth and renewal. The context of the field discourse now promoted an orthodox discourse around observable behaviors and outcomes. This orthodox discourse encouraged incumbents and new entrepreneurs to demonstrate performance by picking up the pieces. Rather than offer future oriented or retrospective narratives, entrepreneurs begin using here-and-now accounts. While excitement and doom-and-gloom had amplified the growth and decline periods respectively, regrowth and stabilization lacked the emotional highs and lows of the earlier periods, except for when some surviving firms were bought out by established firms for large sums of money.

Indeed, so gradual was re-growth and stabilization that our analysis could not pin-point any specific year when Silicon Alley sprung back. Although re-growth efforts were set in motion in 2001, we could only see the change in the field by comparing Silicon Alley in 2016 against what it was in 2000. And, it is during this period when a common meaning system has emerged (Period II in the Thompson et al., 2018 study, i.e., when a shared language has emerged) that we might see the different facets of optimal distinctiveness apply (this is still ongoing in the case of Silicon Alley). For instance, it is now easier for entrepreneurs and audiences to explore and evaluate ventures' conformity to and uniqueness from the expectations of the different stakeholders (Zhao et al., 2017). There may be different business model configurations to establish optimal distinctiveness given the tensions that arise from the demans placed by multiple stakeholders (McKnight & Zietsma, in press). Moreover, ventures will necessarily encounter multiple different audiences, setbacks and surprises as they embark on their journeys, which will call for adjustments (Fisher et al., 2016; Garud, Schildt et al., 2014).

Conclusion

Overall, by identifying *generative imitation* and *strategic distancing* as complements to *optimal distinctiveness*, we offer a fuller suite of concepts that can inform practice and research. The expanded toolkit of resources that we articulated in this paper provides entrepreneurs additional resources to skillfully navigate fields in-the-making. For researchers, these insights, abductively generated from a study of the cultural dynamics that unfolded in Silicon Alley, provide opportunities for future research in other fields. For instance, how do entrepreneurial opportunities (conceived as narrative-discursive possibilities) emerge, change, become stigmatized, and regain potency? What can entrepreneurs do when such transitions occur? In particular, can entrepreneurs survive field collapse? How might fields remain dormant only to re-emerge, and what can entrepreneurs do to regain legitimacy? These are but some indicative questions that we believe are worth pursuing based on the findings and theorization that we report in this paper.

Notes

1. As with inductive theorization and unlike deductive theorization and testing, abductive theorization leaves open for investigation the insights that emerge. Unlike inductive theorization though, abductive reasoning does not try and identify a rule like proposition, but instead, lends itself to the elaboration of a line of thinking (see also Shepherd & Sutcliffe, 2011).
2. References to most sources included; others available from authors on request.
3. The new and traditional media actors did not seem to understand each other as captured in this observation that appeared in a *Wall Street Journal* article: 'The young firm (SiteSpecific), in honor of its first investor (established publisher Harte-Hanks), threw a cyberparty in its cramped "office" – a loft apartment where its CEO was living…The gray-haired Mr. Franklin stood out in his conservative suit…Around 8:30p.m., Mr. Franklin made a prepared speech. No podium was available, so he gamely stood atop a black metal chair and discussed shareholder value and corporate philosophy…*Standing in the back, Allison Fishman, 23, a marketing executive for an Internet software developer, sipped her beer and whispered "That was so weird. What was he talking about?"… Meanwhile, Harte-Hank's Mr. Franklin listens to explanations of SiteSpecific's technology and at times feels bewildered.*' (Bounds, 1996) [emphasis added].
4. Another poster child of the Internet revolution, Amazon, was the subject of considerable contestation amongst securities analysts during the late 1990's – Is it an electronic bookstore, or is it a larger portal to something else? As Beunza and Garud (2007) show, different analysts used categories, analogies and key metrics to arrive at different market valuations of the company.
5. We observed a similar dynamic unfold in our longitudinal study of a software company operating from India, which was adversely impacted by the dot.com collapse. The company strategically distanced itself from many of the labels that had been stigmatized, retaining those required to communicate the value of the practices that they had put in place, even while implementing tough belt-tightening measures to survive the downturn. Now, the company is a flourishing off-shore software services provider.

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