

CONFLICT AND CHANGE IN CATEGORY IDENTITIES: HOW DID THE  
INTERNET CHANGE WHAT IT MEANS TO BE A TRAVEL AGENT?

by

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## DISSERTATION ABSTRACT

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Title: Conflict and Change in Category Identities: How Did the Internet Change What It Means To Be a Travel Agent?

This research investigates evolution of the meanings assigned to the categories that designate and demarcate formal organizations of the same genre or type. I use grounded theory techniques to examine whether and how members and stakeholders relabel organizational categories and ascribe associated new meanings. Specifically, I uncover that what seemed to be an organizational category's change in direct response to the Internet was actually better explained as a confluence of gradual changes in response to socio-cultural, regulatory, *and* technological pressures. The empirical context for this study consists of the population of privately owned travel agencies as they confronted almost two decades of shifting consumer demands, the aftermath of deregulation, and the emergence of online competition. Data were gathered through interviews with agents and other individuals employed within the travel industry, archival accounts from various print and electronic sources, and nearly two decades of articles published in the category's primary trade journal. I pair discourse analysis of the agents' trade journal articles with other grounded theory techniques to build theory and document mechanisms through which both members and external stakeholders of an organizational category influence the meanings ascribed to a social construct.

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# CHAPTER I

## INTRODUCTION

Organizational categories represent consensual schemas that producers, consumers, suppliers, and a variety of additional external stakeholders (i.e., non-member individuals and organizations that frequently interact with members of a category (Scott, 1995)) use to assign meaning to groupings of similar organizations (Hannan, Polos & Carroll, 2007). These social constructs influence their member organizations' available resources (Zuckerman, 1999), identities (Gioia, Price, Hamilon & Thomas, 2000) and strategic decisions (Negro, Hannan & Rao, 2011). The study of organizational categories has, therefore, become a "thriving topic" in the social sciences (Negro, Kocak & Hsu, 2010: 3), and several recent empirical studies examine their origins (e.g., King, Clemens & Fry, 2010; Navis & Glynn, 2010; Wry, Lounsbury & Glynn, 2011). Despite these advancements, little is known about how organizational categories change with the prevailing wisdom being that their meanings are contestable during periods of emergence but become static and "taken-for-granted" as they mature (Navis & Glynn, 2010). In rare instances where scholars have captured changes to extant organizational categories, they have done so in contexts where discontinuous socio-cultural, technological, and/or regulatory changes altered entire industries (Rao, Monin & Durand, 2003; Jones, Maoret, Massa & Svejnova, 2011; King, Clemens & Fry, 2010).

This dissertation seeks advance this nascent stream of research by explicitly examining the mechanisms responsible for changes to the meanings of established organizational categories in contexts where discontinuous environmental changes do not fully account for redefinitions of organizational categories or their constitutive

dimensions. To make this contribution, I examine the organizational category of U.S.-based travel agents, which experienced incremental and multifaceted changes to its meaning in the decades prior to, and after, the commercialization of the Internet and the establishment of “online agencies.” In order to capture the complex, inter-organizational, and multi-level processes involved with the travel agents’ changing category-level meaning, I combine interviews, archival data, and seventeen years of discourse from the travel agents’ leading professional journal. This grounded theory approach generated novel findings that inspired, and answered, this dissertation’s research question:

*“How do category members and external stakeholders reshape or maintain the meaning of an organizational category in conjunction with discontinuous and/or incremental environmental changes?”*

In order to fully understand *if* and *how* the meaning of the travel agent category changed in an era that coincided with the emergence of the Internet I implemented a longitudinal case study approach that differs markedly from a conventional reliance on cross-sectional data and an implicit assumption of long periods of stability punctuated by change (Gersick, 1991; Romanelli & Tushman, 1994). I also developed a comprehensive definition of the category construct, which the majority of past works treats as nominal grouping of organizations based solely upon perceived similarities between products and/or services. I augment this definition by incorporating literature that indicates that members and external stakeholders use the additional dimensions of organizational practices and avowed purposes to construct and maintain category boundaries. Using my definition enables scholars to better understand organizational categories that offer

substitutable products (e.g., grocery stores and farmers markets) but are still recognized by members, consumers, and other external stakeholders as distinctly different because of disparate category-wide practices and purposes (McKendrick & Carroll, 2001; Zhao, 2008).

This comprehensive definition and in-depth and longitudinal approach uncovered an alternative, and as-yet unstudied, pathway to category-level change. In this context studied in this dissertation, category-level changes to the meaning of travel agents were not directly attributable to discontinuous shocks. Rather, changes emerged from the performance of several distinct and sometimes contradictory roles (i.e., patterns of expected and replicable behaviors (Biddle, 1979; 1986)) that were observed to coexist within the organizational category between the years 1994 and 2010. External stakeholders and category members influenced the prevalence of these roles, which slowly altered the products, practices, and purposes that characterized the travel agent category. After decades of these incremental changes, the category's label remained the same but collective expectations regarding its members' behaviors and resources were fundamentally altered. Although travel agents were immediately affected by an array of regulatory (e.g., deregulation), technological (e.g., the Internet), and socio-cultural shocks (e.g., altered perceptions of travel safety in the aftermath of the 9/11 terrorist attacks), it took decades of changes to the content and frequency of their roles before the influence of these discontinuous shocks on the category's meaning was fully recognized.

Elucidating this alternative pathway to category-level change makes several theoretical contributions to the organizational and category literatures. First, as Negro et al. (2010) highlight the organizational literature that explicitly studies category-level

phenomena is embryonic and contains few studies that explicitly examine processes of category change. This dissertation begins to fill this theoretical lacuna and contributes to a topical area of study that emerged with Zuckerman's (1999) recent publication.

Secondly, this dissertation contributes insights into how external stakeholders can alter a category's meaning. The current literature views category members as the main arbiters of their category's meaning and accords them a high level of influence in resisting external attempts to change or challenge these meanings (Jones et al., 2011). My findings show that external stakeholders can redirect a category's meaning away from its original specification, and show that the ability of members to resist modifications their category's meaning may be quite limited. In addition, they suggest boundary conditions that explain antecedents to category members' ability to influence the meanings assigned to their organizational collective.

My argument is organized as follows: In Chapter II, to provide a foundation for the analyses, I review the prior literature concerning organizational categories and develop a definition of the category construct that includes the dimensions of *products*, *practices*, and *purpose*. I then detail several exogenous and endogenous mechanisms that scholars have developed to explain processes of category change and/or maintenance in response to discontinuous shocks. In Chapter III, I outline this study's research methods and offer a rationale for adopting a grounded theory approach. In Chapter IV, I introduce this study's empirical setting, defining the organizations that constitute the category of U.S.-based travel agents and exploring the historical context that accompanied the category's formation and subsequent change. In Chapter V, I summarize, analyze, and report this dissertation's results. In doing so, I describe the specific roles that were

observed to coexist within the category, track their prominence over time, and develop mechanisms to explain how these roles changed the meaning of U.S.-based travel agents. In the final chapter, I summarize the theoretical contributions of these findings, explore the interplay (or lack thereof) between the constructs of organizational identities and categories, and discuss implications of this study for further research.



## **CHAPTER II**

### **LITERATURE REVIEW**

In order to advance the organizational literature concerning how organizational categories change, this research provides a more holistic examination than currently exists in the literature. In a recent publication, Jones and colleagues (2011: 2) bemoan that organizational categories have often been oversimplified by social scientists who view, and research, the constructs as “labels that actors use to sort social phenomena into appropriate bins.” The following section reviews the current literature on organizational categories and, in doing so, identifies several theoretical gaps and/or ontological disagreements that my dissertation’s findings address.

At present, scholars fail to agree on the ability of members and/or external stakeholders to purposefully change the meanings of organizational categories (Negro et al., 2010) and those that do accept instances of purposive change focus almost exclusively on members’ attempts to maintain their category’s meaning in response to external threats (Negro, et al., 2011). My dissertation compliments these past studies, and ultimately demonstrates that both members *and* external stakeholders influence organizational categories in ways unexplained by current research. In addition, I incorporate non-product dimensions into the definition of organizational categories. The implementation of a ground theory approach was crucial to uncovering the importance of practices and purposes as additional dimensions that enable the construction of categories and influence their change. In sum, this dissertation advances the organizational literature by enriching our understanding of the breadth of actors that influence categories, the mechanisms through which they alter and/or maintain categories, and the properties of

organizations (i.e., products, practices, and purposes) that can manifest as constitutive properties of categories.

Before doing this, it is important to note that although scholars point to recent research on organizational categories as an emergent and distinct literature, the construct itself has long been a facet of other literatures that attempt to explain how socially constructed partitions influence organizational landscapes. Negro and colleagues (2010: 4) note that categories are one of many tools that organizational scholars from varying disciplines use to understand how “collective processes explain social behavior, events, and mechanisms in and around organizations.” For example, Negro and colleagues highlight institutional theorists’ incorporation of the category construct to explain the cognitive drivers behind isomorphism. In recent years, Scott and Davis (2008) have even revisited Scott’s (1995) definition of “pillars” to explicitly include organizational categories as the symbolic carriers of cognitive-cultural dimensions of institutions.

Scholars applying a population ecology approach also use the category construct to indicate a precursory state that occurs when audiences recognize similarities among organizations but do not take these similarities for granted as representing a distinct organizational form (Hannan, Polos & Carroll, 2007). Categories have – and remain – an implicit component of other management theories including social movements (Davis & Thompson, 1994), organizational identity (Albert & Whetten, 1985; Whetten, 2006), and various other cognitive approaches to organizational study (Negro, et al., 2010).

Although the category construct frequently appears in these organization literatures, it was rarely, until recently, a focal component of analysis. In short, because organizational categories are a topical, and not paradigmatic, body of literature, there exists a plethora of

theoretical assumptions and methodological approaches that have been applied to this emerging subfield of organizational research.

In this literature review, I attempt to provide coherence to these multiple perspectives by highlighting recent publications that explicitly examine organizational categories as their unit of analysis and/or elucidate mechanisms that change and/or maintain these social constructs. To that point, I defer detailing an exhaustive list of past research that implicitly uses organizational categories to understand dynamics among organizations and their environments. Rather, I limit this review to organizational research that recognizes categories and categorization processes as issues that influence market behaviors and outcomes and therefore deserve to be understood in their own right. This literature proved instrumental in understanding *how* and *why* the travel agent category changed as a direct and indirect result of the Internet for several reasons. First, my interview data indicate that the Internet represented something more than just another of a long line of new technologies that the category of travel agents adopted during its long history. Rather, interviewees suggested that the Internet fundamentally changed meaning assigned to the entire collective of organizations, with one agent recalling:

“The Internet had a direct influence on my life, it changed how we all function and what we all do. Moreover, *it redefined what a travel agent is.*”

In addition, an organizational category lens allowed me to capture the involvement of a plethora of external stakeholders, many of whom directly or indirectly influenced the travel agents’ collective meaning during nearly two decades of evolution. In sum, the category construct was uniquely suited to capture a phenomenon that took decades to

unfold, involved a continually changing cast of members and external stakeholders, and required the integration of multiple levels of analysis.

To detail the construct of organizational categories, I first examine its emergence, and continued use, in other social science literatures with a particular emphasis on contributions from the sociological literature. Subsequently, I explore the construct's incorporation into organizational research and highlight publications that explicitly incorporate organizational categories as their units of analysis. Because of the recency of topical interest in organizational categories (e.g., Zuckerman's (1999) work is often cited as the progenitor of contemporary organizational category research) I add a cohesive definition of the construct, which remains ambiguously and/or inconsistently defined in the extant literature. After providing this definition, I review past findings that directly or indirectly address exogenous and endogenous mechanisms that members and/or external stakeholders use to maintain and/or change categories and their associated meanings. I close this section by reviewing process research and justifying the use of discourse analysis to capture the changing meaning of the category of U.S.-based travel agents.

## **SOCIOLOGICAL ORIGINS OF CATEGORIES**

The organizational literature on categories attempts to understand how members, consumers, suppliers, and a variety of other external stakeholders identify, maintain, and/or change common meanings that are ascribed to a group of similar organizations. Categories are most often conceptualized as homogenizing forces that suppress attempts by organizations and individuals to implement radically novel strategies. Although Deephouse (1999) does not explicitly apply the concept of categories, his exploration of the conformity proposition, which states that organizations display similarities to

maintain their legitimacy and enhance resource acquisitions, captures the essence of most category research. Consequentially, much of the organizational literature's category research explores a human tendency to identify and group similarities among everyday phenomena and identifies the ways in which this human compulsion manifests as inducements for intra-category isomorphism. In the following section, I explore the sociological origins of the construct, with a particular emphasis on how sociologists explain the human predilections towards classifiable phenomena, before exploring the topic's incorporation into the organizational sciences.

Durkheim's (1912) publication, in which he contrasts classification systems between Western societies and more "primitive" cultures, is commonly seen as the progenitor of category research in the sociological literature. In this publication, Durkheim (1912: 82) proposes that classification is not only an outcome of human intelligence but may itself be responsible for humans' cognitive capacity:

"Far from it being the case... that the social relations of men are based on logical relations between things, in reality it is the former, which have provided the prototype from the latter. According to [other scholars], men were divided into clans by a pre-existing classification of things; but, quite on the contrary, they classified things because they were divided into clans."

He goes on to suggest that the first groupings occurred as individuals divided themselves into clans and that these prehistoric acts gave rise to humans' tendencies to classify all manner of social phenomena. In time, Durkheim suggests, categorization became a subconscious, and often irrational, phenomenon of the human condition:

"Things are above all sacred or profane, pure or impure, friends or enemies, favorable or unfavorable; i.e., their most fundamental characteristics are only expressions of the way in which they affect social sensibility. The differences and resemblances, which determine the

fashion in which they are grouped, are more affective than intellectual.”  
(1912: 86)

Although a contemporary reading of Durkheim’s work, and, more specifically, its racial undertones, invokes considerable unease about his beliefs and skepticism concerning his methodology, contemporary research provides support for his hypotheses. In work that explores the intersects between sociological and cognitive neuroscience categorization research, Cerulo (2010: 117) highlights contemporary cross-disciplinary support for Durkheim’s assertion of subconscious categorization:

“Automatic cognition involves rapid, effortless, unintentional thought; it allows us to quickly process information without extended review. Automatic cognition is tied to the existence of “schemas” (or more formally schemata) – knowledge structures such as stereotypes, scripts, etc. that, with broad strokes, represent the characteristics of people, places, objects or events and allow us to infer what these entities do, where they fit, and what to expect of them...Deliberate cognition involves a different neural experience; it refers to slow, considered, and measured thought. When engaged in deliberate thought, individuals may reject or override their schemas, and actively search for characteristics, connections, relations, and expectations rather than assuming them.”

Thus, contemporary research suggests that although categories predominantly inhabit the background of social interactions as unconscious decision-making heuristics, they can be brought to the forefront when invalidated or disliked. Cerulo (2010: 122) also highlights the mechanisms that neuroscientists suggests give rise to categories:

“Concepts are built on a prototype or a ‘best example’ premise. This means that, at their core, concepts amplify or exaggerate the critical features of a category; they focus our brains exclusively on a category’s ‘ideal’. When we encounter something, we use our mental concepts and perform a process called ‘graded membership’ – i.e. we rank or place entities with reference to others in their class. For example, when you go shopping for a tomato, your brain compares every tomato you see to an ideal prototype, and it works from there. The more attributes the tomato-in-hand shares with the prototype that exists in your brain, the more likely

you are to include what you see in the category tomato and the closer you will rank that observation to the category's core ideal.”

Scholars from a variety of theoretical disciplines have also recently explored the social construction, and change, of categories at various levels of analysis. Psychologists known as social identity theorists explore the formation of individual-level identities and focus on the construction of symbolic boundaries that denote “oneness” with various social groups (e.g., Fiske, 1998; Hogg & Abrams, 1988; Tajfel & Turner, 1985). Sociologists, including Bourdieu (1984) and Lamont (1992), extend the level of analysis to communities and explore the construction of socioeconomic and cultural categories that denote appropriate actions for their members. In turn, anthropologists (and other social scientists) have explored the construction and maintenance of categories at a national level based on the criteria of ethnicity, gender, and nationalistic identity (e.g., Barth, 1969; Stein, 1997; Wilson & Donnan, 1998). Although disparate mechanisms underpin these categories (for a review, see Lamont & Molnar (2002: 187)), each of these socially constructed phenomena fulfills the purpose of enabling communication and coordination among human beings. Given their predominance in Western society, it is, then, no surprise that organizations also serve as targets for categorization processes.

## **CATEGORIES IN THE ORGANIZATIONAL SCIENCES**

As previously mentioned, the concept of categorization has long been a facet of institutional theory, population ecology, and a variety of cognitive approaches to organizational study. However, as noted by Negro and colleagues (2010: 6), these literatures treat categories “implicitly as a component of the external environment.” Zuckerman's (1999) work, which examined the influence of analysts' ability to clearly

identify startups with extant categories on subsequent IPO valuations, is credited as being the first to explicitly focus on the category construct and its interaction with organizational behavior. His findings – that financial analysts paid less attention (which later correlated with decreased IPO and increased volatility) to organizations that promoted products not clearly aligned with those associated with a pre-established category– clarified the importance of categories for scholars and practitioners alike.

Although the Zuckerman’s findings concerning “illegitimacy discounts” (i.e., decreased valuations from analysts when organizations’ products failed to clearly align with one category or attempted to combine the attributes of several categories) represent an important contribution, his work’s greater influence is to explain how analysts maintain category boundaries. Category members and external stakeholders continually redefine these boundaries as they engage in attempts at sensegiving (i.e., make claims about the defining features of a category) and sensemaking (i.e., negotiate the validity of these claims) concerning the constitutive attributes of category members (Ravasi & Schultz, 2006). Scholars credit this work, and Zuckerman’s later work with Phillips (2001), with catalyzing interest in understanding categories as cognitive constructs that incorporate broader cultural rules and norms to explain restrictions to organizational deviations from industry norms. Negro and colleagues (2010: 7) summarize the contributions of this work to the field of organizational research, positing that these works established that: “(1) category boundaries are controlled by the perceptions of an audience, (2) they are consequential for organizations’ interactions with other social actors, and (3) they can be studied empirically by using data on intermediaries’ or other audiences’ classification systems.”



The financial analysts that Zuckerman (1999) studied represent an important but overall small portion of the external stakeholders influence category boundaries. Later empirical works demonstrate that consumers (Zuckerman, Kim, Ukanwa, & von Rittman, 2003), producers (Porac, Rosa, & Saxon, 2001), the media (Kennedy, 2008), and supply-chain partners (Navis & Glynn, 2010) also indirectly influence categorization processes. Members and external stakeholders engage in communicative acts to continuously determine the clarity of the category (i.e., the tolerated deviance from the proto-typical norm that is acceptable) the valence of a category (i.e., whether it's desirable to be affiliated with a category), and an organization's fit therein (Kennedy, Lo, & Lounsbury, 2010). These criteria are then used to evaluate an organization's compliance with shared expectations and to reward compliant organizations and to punish deviants (Kahl, Kim, & Phillips, 2010).

In addition to an abundance of organizational research that suggest categories function as regulatory devices that penalize deviations from proto-typical norms, later findings suggest that categories may also influence the formation and enactment of organizational strategies. In one of many category studies that use U.S. cinema as their context, Zuckerman and colleagues (2003) posit that studios attempt to elicit favorable reviews from critics by casting actors that they believe align their films with the products of extant categories. Hsu (2006) extends these findings and provides evidence that some film producers increase the number of critics that screen their film by simultaneously aligning their products (e.g., through casting, promotional material, etc.) with multiple categories (e.g., independent producers, blockbuster producers, etc.). However, doing so impedes critics' abilities to fit a film with an established category and negatively

influences the overall ratings assigned by critics. Lastly, Mezas and Mezas (2000) demonstrate that perceived congruencies between films and established categories subconsciously influences the distribution and marketing techniques adopted by different supply-chain partners. Combined, these studies demonstrate that categories do more than punish deviations *ex post*, and instead continually exert pressures on organizations *ex ante* as they innovate, implement, and evaluate new strategies and/or product offerings.

The ability of members and external stakeholders to subconsciously use categories to enact the aforementioned processes is the crux of the construct's purported value. That is, members, consumers, producers, investors, supply-chain partners, etc., regularly share beliefs about the constitutive properties of organizational categories that are similar enough to coordinate efforts while avoiding continuous debate. This is not to suggest, however, that members and external stakeholders ever completely agree about the meaning of categories, even those that are "taken-for-granted" (Navis & Glynn, 2010). Rather, in most instances categories possess an ideal degree of "fuzziness" (Porac, Thomas, Wilson, Paton, & Kanfer, 1995; Hannan, Negro, & Rao, 2010) that allow members and external stakeholders to hold differing beliefs about specifics of a category while still agreeing on the minimal requirements for membership (Cornelissen et al., 2007; Navis & Glynn, 2010). With a lack of consensus regarding a category's minimal similarities, external stakeholders and members engage in deliberate cognitive acts to reestablish a fundamental level of shared meaning. Rosa, Porac, Runser-Spanjol, and Saxon (1999) demonstrate this process, showing that a failure of members and external stakeholders to agree upon the constitutive properties of minivan producers resulted in the destabilization, contestation, and ultimately a complete redefinition of the category's

meaning. The literature offers evidence that “mature” categories can drift from states of near-consensus to contestation as well, with larger contextual changes commonly identified as catalysts for renewed debate over the unifying properties of a category (e.g., Rao and colleagues’ (2003) study illustrates a renewed debate over the meaning of the French gastronomic category after more than a century of uncontested meaning).

To summarize, categorization is a cognitive process that has been thoroughly explored in a variety of other social science disciplines (e.g., sociology, anthropology, psychology, etc.). Zuckerman (1999) receives credit as the first scholar to explicitly incorporate the category construct as a unit of analysis into the organizational sciences. His study, and subsequent others, conceptualize categories as cognitive constructs that communicate and reinforce expectations that members and external stakeholders share regarding the properties of member organizations. Later research supports the belief that categories regulate deviations but also suggests that they exert an *ex ante* influence during processes of strategy formation. Taken together, the literature suggests that although categories typically operate at a subconscious level, the failure of members and external stakeholders to maintain a basic-level of agreement about categories’ constitutive properties can catalyze inter-subjective acts of deliberate cognition and debate. The following section further examines the construct of organizational categories and provides three dimensions that research suggests external stakeholders consider when assessing category membership and coherence. After further clarifying the construct’s definition, I detail the mechanisms that past organizational research highlight as potential catalysts for the change or maintenance of category meanings.

## **ORGANIZATIONAL CATEGORIES DEFINED**

Similar to research in population ecology, the literature on organizational categories runs the risk of becoming tautological if it fails to develop consistent definitional standards for its focal construct. Although governments attempt to institutionalize category definitions (e.g., the U.S., Canadian and Mexican governments group businesses according to product similarities with the North American Industry Classification System (NAICS)), these designations fall short of capturing the totality of organizational categories. Category members and external stakeholders, as discussed above, rarely accept and/or internalize a homogenous definition of a category. Furthermore, instances where all audiences completely agree upon the definition of a category are ephemeral, as new members, new external stakeholders, and/or environmental changes disrupt the status quo. Thus, government classifications fail to account for the ongoing social construction of the constructs, nor do they provide the nuance needed to explain how meanings attached to organizational categories change over time.<sup>1</sup> An additional shortcoming of government classifications (specifically the NAICS system) is that they focus almost exclusively on similarities between organizations' products and/or service, which are important but not absolute influences on category boundaries.

In the next section, I review the literature's past use of "organizational categories" to identify three common dimensions that unify these disparate approaches and to advance a concise and operational definition of the construct. In order to accomplish this,

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<sup>1</sup> For example, U.S.-based travel agents are subsumed under the NAICS code 561510, which is updated only once per decade and is currently defined by the vague requirements that organizations "sell travel, tours and accommodation services to the general public and/or commercial clients."

I first review Zuckerman's (1999) use of the category construct and suggest that his work influenced future scholars to focus almost exclusively on characteristics of an organization's *products and/or services* (henceforth shortened to *products*) when defining category boundaries and evaluating membership. I then introduce research that explicates two additional dimensions used by members and external stakeholders to discern similarities between organizations: *practices* and *purpose*. I close this section by encouraging a tripartite definition of the construct and provide evidence to suggest that products, practices, and purposes coexist as potential sources of discontinuity and/or change for perceived organizational similarities.

### **The Product Dimension**

Zuckerman (1999) uses the category construct to illustrate a classification system that members and external stakeholders create and perpetuate through successive cross-product comparisons. In his study, organizational categories are explicitly referred to as "product categories," meaning that members and external stakeholders base their inter-organizational categorization processes on the production of substitutable products and/or services. Although several variations of this terminology exist in the literature (e.g., Zhao (2009) uses the term "industrial category" and Navis and Glynn (2010) use the term "market category"), empirical work in this tradition shares the belief that members and external stakeholders use observable features of organizations' products to construct categories. Jones and colleagues (2011: 2) label these commonalities as "artifact codes" and detail that nuances that members and external stakeholders consider when constructing organizational categories around products:

“for example, films in the Western genre have an artifact code that specifies protagonist (cowboy, rancher, sheriff), antagonists (gunslinger, Indian, farmer), and types of conflict (material goods such as land, water, or money and over ethics such as vengeance or justice).”

Organizational research in a variety of contexts continues to demonstrate the important role that products play in the construction and maintenance of category boundaries. These include studies of categories in the aforementioned film industry (Hsu, 2006; Zuckerman et al., 2003) Indian art (Khair & Wadhvani, 2010), satellite radio (Navis & Glynn, 2010) and the automotive industry (Porac, Wade, & Pollock, 1999). Navis and Glynn (2010: 440) perhaps best summarize this approach, positing that categories form when:

“two or more products or services [are] perceived to be of the same type or close substitutes for each other in satisfying market demand; the organizations producing or supplying these related products or services are grouped together as members of the same market category.”

Although product similarities are often used to construct categories, an abundance of contexts exist with product similarities that are ambiguous, altogether absent, and/or superseded by other characteristics that members and external stakeholders use to facilitate categorization processes. In these instances, research suggests that organizations’ practices and/or espoused purposes influence categorization processes. In order to introduce the additional dimensions of practices and purposes, I first provide an example of a category that is simultaneously defined by both dimensions (and devoid of agreement concerning the category’s prototypical products) before highlighting situations in which either practices or purposes take precedence in categorization processes.

## **The Dimensions of Practices and Purposes**

Producers of American jazz represent a longstanding category of organizations that exist unthreatened in the absence of discernible product similarities. Kahl and colleagues (2010) suggest that, after more than fifty years of debate, Duke Ellington provided the closest thing to a definition concerning the constitutive properties of jazz when he simply noted “it’s all music.” Interestingly, members and external stakeholders continue to identify jazz as a distinct cannon of music even without consensus concerning the minimal requirements of a prototypical jazz song. Kahl et al. (2010: 83) note that jazz remains unified by a collective purpose that emerged in the aftermath of World War II to be “antithetic to traditional European culture” and to embrace experimentation, improvisation and cross-genre combination. In order to accomplish this purpose, members of the jazz category institutionalized a series of practices (e.g., embracing errors, soloing, etc.) that now accomplish their shared purpose and enable the identification of a jazz category in the continued absence of product similarities (Barrett, 1998).

### **A Tripartite Definition**

While jazz music illustrates a category whose practices and purposes define the category in lieu of product commonalities, categories abound that demonstrate the simultaneous influence of each dimension. McKendrick and Carroll (2001) offer one such example, demonstrating that external stakeholders resoundingly rejected attempts by major American breweries (e.g., Budweiser, Coors, etc.) to profit from the popularity of craft beers in the mid-1990s. Although these industrial breweries altered their products to be virtually indistinguishable from microbrewery ales (in some cases their beers actually

achieved higher rankings), their attempts to claim membership with the microbrewery category failed because external stakeholders and members believed their purposes and practices to be antithetic to the microbrewery category and based upon “opposing ideologies.” Zhao (2008), in another alcohol-related context, highlights French and Californian vintners as categories with similar products and practices but distinguished by different overarching purposes (i.e., accentuating a wine’s “terroir” vs. the scientific refinement of wine). The argument could, of course, be made that a subset of extraordinary members and external stakeholders can identify subtle differences between Californian and French wines and/or that members and external stakeholders use minor differences between practices to demarcate these categories (e.g., French wines are labeled by region and Californian wines are labeled by grape varietal). These arguments, however, miss the larger point: that any extant inter-category differences between practice and products originated from purposes that were fundamentally different and accompanied each category’s inception.

There are numerous additional examples where changing practices and/or purposes (i.e., not products) are the primary influence on categories. Kennedy et al. (2010) examine the emergence of the nanotechnology category where membership is conferred by the engagement in research and development practices at the atomic and molecular scale of measurement. Negro and colleagues (2011) highlight Barolo/Barbaresco wine producers who confronted and resisted technologies that challenged their traditional practices even when they would have had no detectable influence on their finished product. Collectively these studies suggest that products alone are insufficient for a complete understanding of categorization processes. I therefore offer



a tripartite definition of organizational categories that guides the remainder of this research:

Organizational categories are social constructs that members and external stakeholders use to communicate perceived similarities between the *products, purposes, and/or practices* that unify a collective of organizations.

With this definition as a guiding template, I use the following section to review organizational literature that details the precursors to, and mechanisms responsible for, the maintenance and/or change of a category's unifying products, practices, purposes, or any combination thereof. I pay particular attention to the locus of attempts to change and/or maintain a category's meaning and organize the review around the exogenous (i.e., attempts by external stakeholders or new entrants to influence category boundaries and/or meanings) and/or endogenous (i.e., attempts by incumbent members to influence category boundaries and/or meanings) origins of these attempts.

### **MECHANISMS FOR CATEGORY MAINTENANCE/CHANGE**

It is necessary to briefly discuss the ability of individuals and/or organizations to purposefully influence category meanings before detailing mechanisms identified in instances of category change and/or maintenance. Organizational scholars recognize that there is a need for additional research into, and clarification regarding, issues of agency and power within category research (Negro et al., 2010). Currently, empirical works in the category literature either suggest that categories emerge and change organically (Hannan, Pólos, & Carroll, 2007) or are influenced by more purposive mechanisms (Negro, Hannan, & Rao, 2011). Negro and colleagues (2010) further submit that even studies that suggest purposive drivers behind category changes differ on viewing

members' and/or external stakeholders' attempts to change a category's products, practices, and/or collective purpose as cooperative or conflict ridden.

In this dissertation, I advance what Negro and colleagues (2010: 20) refer to as a “political agency view” that “emphasizes the social construction and dissemination of categories” and views category processes as “conflict[s] and battle[s] among multiple parties to make their schemas dominate the market.” In addition, in this dissertation I offer data that suggest that both members and external stakeholders actively contested the meaning of the travel agent category and that both were economically impacted by a revision to, or maintenance of, the category's meaning. This is not to suggest that categories *never* emerge and/or change through conflict-free processes of automatic cognition. Rather, given the likelihood that attempts to substantively change a category's products, practices, and/or purpose affect other categories (e.g., in Rao et al.'s (2003) study French Nouvelle cuisine challenged the legitimacy of the category of classical French cuisine), a wide array of external stakeholders, and/or the value of physical and cultural member investments, purposive attempts to change a category may often be marked by contestation and conflict among members and external stakeholders. In the following section, I briefly summarize three types of environmental changes that can directly influence organizational categories and then examine how these changes influence external stakeholders' and members' motivations, and abilities, to change and/or maintain the products, practices, and/or purposes associated with an organizational category.

## **Triggers to Category Change**

Past research suggests that discontinuous bouts of technological, regulative, and/or socio-cultural changes often precede category changes. In these studies, swift advances to technologies, sweeping alterations to the political landscape, and/or radical socio-cultural changes disrupt taken-for-granted category meanings, causing members and external stakeholders to reengage in deliberate cognitive acts concerning the products, practices, and purposes that constitute a category's meaning. Although any of these discontinuous shifts alone have the potential to catalyze category change, it is important to recognize that, in many cases, they exert a combined influence (e.g., regulatory changes often accompany or precedes technological discontinuities). The following section explores each of these precursors to category change separately before examining their collective ability to catalyze four mechanisms commonly responsible for category change.

Widespread changes to technologies represent the most commonly studied trigger for category changes. The organizational literature widely accepts that technologies, which often underpin a category's products, practices, and purposes, are subject to bouts of both incremental and discontinuous change (Tushman & Anderson, 1986). I adhere to Anderson and Tushman's (1990) definition of technological discontinuities as periods in which innovative breakthroughs dramatically increase the price vs. performance relationship of a category's products. As such, rapid technological changes can either enhance or destroy categories whose products, practices, and/or purposes depend upon a particular type of technology. Many organizational studies examine categories in contexts where technological developments enabled the formation of new categories that

competed with extant organizations wedded to outdated technologies. Navis and Glynn (2010) offer one such example, demonstrating that a discontinuous shift in broadcasting technologies reset longstanding institutional arrangements between the categories that provided the content, produced the hardware, and distributed signals for U.S.-based radio news and entertainment.

Regulatory changes also offer an opportunity for members and external stakeholders to create new categories or to influence those already in existence. In the previous example, a regulatory change (i.e., the FCC allocating broadcast frequencies for digital signals) preceded a technological shift (i.e., the invention of satellite radio technologies) that challenged several pre-existing categories reliant on traditional radio technologies. Regulatory changes, either alone or in conjunction with technological changes, represent a common catalyst to changes concerning the meaning and valence of extant or new organizational categories. Kennedy and colleagues (2010) also highlight the common interdependence between technological and regulatory changes. In their study, a “nanotech” category was not commonly recognized until the 1999 passage of the National Nanotechnology Initiative, despite decades of incremental advances in nanotechnologies. However, as King, Clemens, and Fry (2010) demonstrate, regulatory changes alone have the potential to alter the landscape and content of organizational categories. These authors chronicle the aftermath of the 1994 Arizona School Improvement Act, which enabled private sector competition among the state’s schools. Three distinct categories of schools emerged in the aftermath of this legislation, including the original public schools and two nascent categories of private schools that defined

themselves around dimensions that were appropriated and from, improved upon, those traditionally associated with public schools.

Lastly, socio-cultural changes constitute a less-frequently studied, but equally important, catalyst for category-wide changes. Socio-cultural changes can invalidate extant dimensions of organizational categories and/or enable the creation of a de novo category of substitutes. As previously mentioned, Rao and colleagues (2003) demonstrate that challenges to the sacrosanct dimensions of classical French cuisine resulted from societal (i.e., not category-wide or industry-wide) rejections of orthodox practices. Kahl and colleagues (2010) posit that the equally extensive changes among the category of jazz producers resulted from the civil rights movement within the United States.

In sum, organizational categories are social constructs that are embedded in, and impacted by, geographically and temporally bound social milieus. As Zhao (2008) notes, “the impact of categories on social perception and evaluation is contingent upon the classificatory scheme and structure in a [broader] system.” As a result, the products, practices, and purposes that constitute a recognized organizational category in one context can have very different meanings and values when relocated in space and time. The discussion above offered a broad outline concerning the possibility of technological, regulatory, and socio-cultural changes to alter the products, practices, and purpose that members and external stakeholders use to recognize an extant or emergent organizational category.

These environmental changes alone, however, do not automatically alter the content and valence of organizational categories. Rather, they upset the social and

economic arrangements that define entire industries and enable the introduction of new products, practices, and purposes into preexisting categories and/or the creation of entirely new categories that directly and/or indirectly challenge their predecessors. In the following section I introduce two specific exogenous mechanisms (i.e., attempts by external stakeholders or new entrants to influence category boundaries and/or meanings) that are set in motion by technological, regulatory, and socio-cultural changes. I then examine two endogenous mechanisms (i.e., attempts by members to influence category boundaries and/or meanings) that category members often deploy to counteract change attempts.

## **EXOGENOUS MECHANISMS**

While organizational research traditionally posits that members directly influence their categories' meanings (i.e., through the implementation and promotion of products, practices, and purposes), it is also recognized that external stakeholders indirectly influence these processes. Far from being a univocal mandate, a category's meaning is a continuous target for reinterpretation and/or appropriation by a diverse, and continually changing, field of external stakeholders. Currently, research typically highlights discontinuous changes to industry-wide technologies, regulations, and/or the socio-cultural landscape as precursors to instances of new category creation and/or category change. Negro and colleagues (2010) highlight two possible mechanisms that directly explain how non-members leverage these environmental changes to challenge the status quo of the category landscape.

### **Intra-Category Cooptation**

In one scenario, environmental changes empower and/or encourage non-members to introduce new products that they claim are affiliated with an extant organizational category. Carroll and Swaminathan (2000) provide an example of this mechanism, highlighting industrial brewers' attempts to commercialize craft beers (previously only offered by a members of the microbrewery category) following a socio-cultural shift as Americans increasingly explored and accepted non-lager beers. These industrial brewers expanded their product lines to include several varietals of "craft" beers (e.g., Budweiser introduced an unfiltered Hefeweizen named Crossroads), entered these products in regional and national craft beer competitions, and often attempted to disguise these beers as emanating from the microbrewery category (e.g., Miller Brewing labeled their craft beers as originating from the fictitious Plank Road Brewery).

### **Inter-Category Competition**

In a second scenario, environmental changes empower and/or encourage non-members to introduce new products that directly compete with those assigned to an extant category (i.e., they do not attempt to disguise their products' origins). Rao and colleagues (2003) provide one of the richest descriptions of this mechanism as they examine how socio-cultural changes enabled the formation of Nouvelle cuisine as a de novo and distinct category. The definition, and consumer acceptance, of the nascent category of Nouvelle organizations highlighted differences in the categories' practices, purposes, and products and directly contested the category of classical restaurateurs. Navis and Glynn (2010) provide an additional example of this mechanism and

demonstrate that metaphors are often used by members of a fledgling category to connect their offerings to those that potential consumers and other important external stakeholders assign to an extant category (e.g., electric lighting systems were framed in familiar terms drawn from the existing category of gas lighting (Hargadon & Douglas, 2001)). The authors suggest that this tactic commonly results in the increased adoption of offerings from nascent categories because external stakeholders are familiar with the basic benefits of their product or service and can easily recognize their advantages over the preexisting alternatives.

## **ENDOGENOUS MECHANISMS**

Assuming that new technologies, regulations, and/or socio-cultural changes do, in fact, influence the clarity and valence of dimensions used to construct and maintain category boundaries, a prudent question to ask would be: “why don’t category members simply embrace these changes and purposefully incorporate them into their pre-existing products, practices, and/or purposes?” To answer this question, scholars posit that categories that fail to stabilize the meanings associated with their prototypical products, practices, and/or purposes run the risk of becoming poorly defined, which can lead to difficulties in attracting stakeholder recourses, porous boundaries, and unchecked new entrants that further add confusion to attempts to collectively define the category (Zuckerman, 1999).

Hannan and colleagues (2007) perhaps best describe the factors that encourage category members to promote stability in the products, practices, and/or purposes dimensions that unify their collective. The authors advocate an adoption of a “fuzzy-set”



theory to address the categorization of objects and organizations that deviate from prototypical ideals (Zuckerman, 1999). According to this belief, a category's "fuzziness," and thus its susceptibility to outside influences, is calculated using grade-of-membership (GoM) function. The GoM is, in short, the average of the likelihood that each of the category's constitutive properties (e.g., the practices, products, and purpose) is shared by organizations claiming membership with the category. Thus, a category with a very low GoM indicates a dearth of consensus and a high degree of fuzziness about the schema-relevant features that unify the collective.

Building on "fuzzy-set" theory, scholars suggest that categories that fail to achieve a high level of GoM exhibit an unstable set of meanings and are ripe for reinterpretation by de novo producers claiming membership with the category and external stakeholders that seek to compete with, and/or co-opt, dimensions of a category (Negro et al., 2011; Rosa et al., 1999). It is, according to these theorists, in the best interest of extant members to promote a stable set of products, practices, and/or purposes that coordinate the beliefs and actions of members and external stakeholders. The following section explores two potential endogenous mechanisms that members use to maintain their category's meanings by limiting the influence of technological, regulatory, and/or socio-cultural changes or encouraging changes among organizations that enable a coordinated response to the aforementioned sources of change.

### **Identity Endurance**

Organizational identities represent a potentially important mechanism to understand if and how members prevent the products, practices, and purposes associated

with their category from changing and, in some cases, direct instances of change. Albert and Whetten (1985: 265) first defined organizational identities as the “culture, philosophy, market position, [and] membership” that are central to an organization’s character, clearly distinguish it from similar organizations, and endure over time. Organizational scholars have long acknowledged (albeit sometimes indirectly) that the meanings affixed to categories influence the identities of the organizations they encompass (and vice versa). Early indications of this can be found in Albert and Whetten’s seminal (1985) work but recent works such as Navis and Glynn (2010) and Gioia and colleagues (2010) explicitly advance this theorizing.

Categories are believed to constitute macro-level phenomena that provide “prototypes” (i.e., profiles of the attributes expected to be common among category members) to new organizations must partially conform to in order to be considered legitimate entrants into a category (Whetten, 2006: 226). Organizational identities – the answers to “what we are” and “what we do” – form as organizations adopt homogeneous characteristics that signal membership with their larger category and heterogeneous characteristics that distinguish their organizations from peers (Gioia et al., 2010). Organizational identities are therefore not only delimited by an entity’s unique heritage but also maintained by perpetuating the products, practices, and purposes that denote their membership with a category of similar organizations (Hsu & Hannan, 2005; Rao, Davis, & Ward, 2000).

Whetten (2006:225) illustrates the long-lasting influence of a category’s practices, purpose and products on the identities of members, suggesting that these dimensions provide the cultural and material resource that endure to become the “cornerstone” of

their organizational identities. Other organizational research suggests that crises and/or broader instances of environmental complexity and uncertainty should strengthen an organization's defense of their organizational identity, and thus the category-level attributes that were present at their time of founding (Hogg & Terry, 2000). In fact, revisiting Whetten's (2006: 222) rejoinder to, what he believed to be, the increasingly incorrect use of "organizational identity"; identities are activated and brought to the fore when organizations face "fork-in-the-road" decisions that present major disruptions to their day-to-day functioning. Several empirical works support this assertion and find that the products, practices, and purposes that define a category at the time of an organization's founding become engrained in identities and constitute powerful mechanism to prevent later instances of category change. Rao et al. (2003) present one such example, highlighting the continued adherence of "classical" French chefs to sacrosanct cooking practices even after culinary guidelines loosened to legitimize a wide-array of new practices. Kahl and colleagues (2010) also demonstrate that the eras in which organizations are established influence their identity and their later perception of, and reaction to, category-wide changes.

Overall, research that incorporates the identity and category constructs suggests that an organization's category influences the trajectory of their collective identity in a "difficult-to-change" fashion that becomes so deeply engrained that it is analogous to a person's gender (Gioia et al., 2010). Because organizations have an interest in maintaining the institutionalized categorical attributes that comprise their identities, extant theory suggests organizational identities as a potentially important mechanism to explain member attempts to maintain the stability of categorical dimensions in the face of

discontinuous changes to industry-wide technologies, regulations, and/or the socio-cultural landscape. In categories with a limited-number of organizations (e.g., only two organizations populate the satellite radio category (Navis & Glynn, 2010)), members often have an extraordinary ability to coordinate and/or prevent changes to their category's products, practices, and purposes because high barriers to entry (e.g., technology costs, government regulations, etc.) privilege their access to monetary and/or social capital. Most categories, however, including that of travel agents, are not oligopolistic in nature and, as such, are seldom comprised of organizations whose identities can fully direct category-level processes. In such cases, professional associations are a second potential mechanism to explain members' abilities to prevent and/or direct instances of change to their category's meaning.

### **Professional Standardization**

In lieu of several large organizations dictating category content, many categories establish professional associations as more egalitarian mechanisms to define and maintain their collective's norms in response to instances of technological, regulatory, and/or socio-cultural change. These associations, oftentimes in conjunction with local, and/or national, regulatory support, codify and formalize the practices, products, and/or purposes that members are expected to adhere to and subsequently prevent the membership of non-compliant organizations. Although professional associations are commonly seen as mechanisms to regulate intra-category deviance, they can also potentially interpret technological, regulatory, and/or socio-cultural changes and direct the responses of category members.

Greenwood, Suddaby, and Hinings (2002) highlight the successful efforts of the professional association of Canadian cost accountants to alter their members' products, practices, and purposes in response to broader regulative and socio-cultural changes from 1977 to 1997. In this context, the professional association used presidential addresses, annual reports, and other sources of public and internal discourse to effectively convince members and external stakeholders that the category of cost accountants needed to embrace innovative products, practices, and purposes in response to a new regulative and socio-cultural environment. Although not examined in the aforementioned study, category-specific media (e.g., trade journals, review publications, etc.) also represent an important source of discourse that professional associations use, and oftentimes control, to maintain or change dimensions of their category's meaning (e.g., classical French chefs relied upon the Michelin Guide to rate restaurants regarding adherence to, and execution of classic techniques (Rao et al., 2003) and the Saffronart catalog played an important role clarifying the dimensions of the emergent Indian art category between 1995 and 2007 (Khaire & Wadhini, 2010).

In conclusion, external stakeholders and members both purposefully influence the products, practices, and purposes assigned to organizational categories. Although technological, regulatory, and/or socio-cultural changes often catalyze attempts by both of these groups to maintain and/or change a category's meaning, the organizational literature suggest that disparate mechanisms account for each group's ability to influence the constructs. External stakeholders and/or new entrants are often motivated by environmental changes to co-opt the meanings assigned to extant categories or to establish new categories that contain products, practices, and/or purposes that compete

with those already enacted by a category of organizations. Alternatively, members attempt to direct and/or limit changes to their category by maintaining the products, practices, and/or purposes that are internalized in their organizational identities or through compliance with standards codified by professional associations. Taken together, the organizational literature supports the view that categories are not static and univocal constructs but are instead dynamic and influenced by both members and external stakeholders. In the following section, I therefore elaborate on my decision to employ process methodology and discourse analysis to capture changing rhetorical patterns among both members and external stakeholders that accompanied, and were responsible for, the sweeping changes to the meaning of U.S.-based travel agents.

### **PROCESS RESEARCH AND APPROPRIATE METHODOLOGY**

Thus far, the literature review implies a view of organizational categories as intangible constructs, which scholars have little hope to capture as permanent assets of an organization or their encompassing environs. Indeed, members and external stakeholders are almost continually renegotiating the constitutive dimensions of categories as they regulate or reward deviations from established norms (Hatch, 2005). Organizational categories are therefore best conceptualized as existing in a constant state of ‘becoming’ (Tsoukas & Chia, 2002) rather than ever achieving finished end states (barring the complete extinction of category). As such, theory and this study’s data invite a methodological approach guided by past organizational attempts at process theorizing. Langley (2007:271) describes this approach:

“Process thinking involve[s] consideration of how and why things – people, organizations, strategies, environments – change, act and evolve over time (perhaps expressed best by Andrew Pettigrew (1992: 11) as

catching ‘reality in flight’) or, adopting a more radical process ontology, how such ‘things’ come to be constituted, reproduced, adapted and defined through ongoing processes.”

In order to understand organizational categories, this study takes time seriously and considers the changing events, relationships, and interpretations that preceded and paralleled the introduction of mechanisms that changed and/or maintained dimensions of a category (Langley, 1999).

Capturing these processes requires an approach, free of retrospective biases, that incorporates not only the temporal ordering of events and the actors involved but also examines processes of sensegiving and sensemaking that are often unconscious and distributed among category members and external stakeholders. This dissertation therefore adopts a discourse analysis approach, which has demonstrated value for organizational research that seeks to capture the real-time evolution of shared meanings through textual analysis (Phillips & Ravasi, 1996; Czarniawska, 1997). Utilizing a discourse approach, I systematically analyzed texts and other forms of data with the intent of uncovering patterns that demonstrated an evolution of shared meanings associated with larger contextual changes. Given my interest in understanding how the meaning of travel agents changed in response to the Internet, I examined attempts to give sense to, and make sense of, what it means to be an *agent* in the times preceding, during, and following the commercialization of the Internet and the introduction of online substitutes. The methods section presents a detailed account of the collection and analysis of these data used to understand the changing meaning of the travel agent category.

## CONCLUSION

Organizational scholars from a variety of research areas incorporate the construct of categories and often do so in contradictory ways. As a result, I focused this literature review on a nascent stream of research that explicitly takes organizational categories as the unit of analysis and a focal aspect of their analyses. In doing so, I reviewed the contributions of other social science literatures and the topical body of category research in the organizational sciences. In addition, I provided a tripartite definition of organizational categories as social constructs comprised of agreements regarding organizations' products, practices, and purposes. Subsequently, I explored insights from the organizational literature concerning the ability of members and external stakeholders to purposefully influence dimensions of an organizational category and antecedents to their ability to do so. I highlighted mechanisms with exogenous (e.g., intra-category cooptation and inter-category competition) and endogenous (e.g., organizational identities and professional associations) origins that can potentially change the clarity and/or valence of extant organizational categories. In closing, I explained why a process approach that utilizes discourse analysis is appropriate for advancing our understanding concerning category-level phenomena. The following section further details my methodological approach.



## CHAPTER III

### METHODS

As explained in the previous chapter, categories represent constructs that are acknowledged to significantly influence the behaviors and performance of organizations. Categories influence financiers' (Zuckerman, 1999), consumers' (Rosa et al., 1999), and other external stakeholders' (Navis & Glynn, 2010) expectations about the products, practices, and purposes that members demonstrate. In order to successfully compete, organizations must respond appropriately to these pressures and publicize strategies consistent with the expectations a wide-array of external stakeholders (Zuckerman, 2000). Although it is known that category members desire to maintain clarity around the products, practices, and purposes that define their collective and to have these attributes positively perceived (Kennedy et al., 2010) few works explicate the processes and mechanisms that underpin instances of categorical change or maintenance (Negro et al.'s (2011) paper is a very recent exception). In this chapter, I outline the methods used to investigate processes that accompany a destabilization of the meaning assigned to an organizational category and what ultimately proved to be a reversal in the valence attributed to the category's products, practices, and purposes by external stakeholders and members. Specifically, I detail a methodological approach that seeks to answer the broader research question of how organizational categories are maintained or changed when challenged by an assortment of gradual and discontinuous environmental changes.

The remainder of this chapter is organized as follows. First, I provide an overview of the research methods, which states assumptions concerning the construct of organizational categories, the research design for capturing how something that is "taken-

for-granted” changes, and the empirical setting used to study this phenomenon. Next, I describe the sources of archival and contemporary data used to explore this study’s research question. Lastly, I detail this study’s approach to data analysis and address limitations from this approach and the steps that were taken to mitigate any potential shortcomings.

## **RESEARCH METHODS**

The methodological approach guiding this study can best be characterized as *theory elaboration* (Gilbert, 2005; Lee, 1999; Lee, Mitchell, & Sablynski, 1999) given that it is not completely devoid of influence from previous literature but seeks to extend an underexplored topic. Miles and Huberman (1994: 17) stress that this middle ground, between “pure” induction and deduction, allows the researcher to “describe and analyze a pattern of relationships” that may otherwise go unnoticed given the volume of data that qualitative researchers confront. As such, this research was guided by the past findings of organizational theory but the category-specific research question emerged from an exploration of this study’s empirical context, U.S.-based travel agencies.

Given the limited amount empirical work on categorical change, and by extension this research’s interest in building theory, I took a grounded approach to inductively explore this dissertation’s data (Glaser & Strauss, 1967). Ultimately, a single, embedded case study design emerged from this grounded approach, which looked at how the changing narratives from multiple types of external stakeholders (e.g., airlines, customers, etc.) and travel agents were interpreted and assimilated into a new category meaning. This methodological approach was appropriate given the dissertation’s concern with a phenomenon that spans two levels of analysis: organization and category (Yin, 2003).

Cohen and Crabtree's (2006) protocol for grounded research guided the ensuing data collection and the initial analysis:

1. Identification of a phenomenon of interest  
*The change or maintenance of travel agents' category in light of technological shifts and new forms of competition*
2. Identification of structural or process features of the phenomenon  
*The structure of the travel industry prior, during, and after the commercialization of the Internet and online travel sites*
3. Decide which data will be collected to inform the phenomenon  
*Interviews, archival data, and trade journals*
4. Engage in theoretical sampling  
*Travel agents, administrators of the agents' professional association, and other external stakeholders*
5. Develop emergent categories and theoretical explanations for the phenomenon of interest  
*Use of insights gleaned from interviews and archival data to generate theoretical explanations for the processes and mechanisms responsible for changing the meaning of travel agents' category*

Before further detailing the nuances of the methodological approach it is necessary to identify the ontological assumptions that guided this research. As previously stated, research on categories trace their theoretical lineage to a broader organizational literature on sensemaking (Berger & Luckman, 1967; Weick, 1979, etc.). Consistent with these earlier works, scholars attribute category meanings to political negotiations (Zhao, 2005) and an evolution of a shared narrative (Phillips, Lawrence & Hardy, 2004) amongst a dynamic population of members and interested external stakeholders. Negro and colleagues (2010: 12) succinctly state that the “meaning [of organizational categories are not] created by a single authority... but by diverse audiences.” As such, extant research on category identities relies on case studies and rich qualitative data to capture

these socially constructed phenomena (e.g., Khaire & Wadhvani, 2010; Navis & Glynn, 2010).

In addition to capturing the discourse from multiple audiences that ultimately constitute a category's meaning, scholars urge researchers to look beyond their focal category in order to understand broader market or societal changes that influence the ability of members and external stakeholders to craft, maintain, or change category meanings (Kahl et al., 2010; Negro et al., 2010). This research design therefore reconstructs both the discourse that accompanies and encompasses a category's discourse and uses other sources of data to provide a historic backdrop to this discourse. The inclusion of rich contextual data is crucial for a complete explication of endogenous and exogenous mechanism responsible for changes at a category-level.

As previously mentioned, extant work on categories is somewhat conflicted concerning the ability of individuals and groups to purposefully change the meanings of organizational categories. On one end of the continuum are works that find zero, or limited, agency in regards to category emergence or change. For instance, Kahl et al. (2010: 88) find that the transition of jazz music, from what was once a "lowbrow" offering to what is now an accepted and celebrated cannon of music, was somewhat of a natural outgrowth of macro-cultural shifts in American arts and entertainment. On the other end of this continuum are studies that suggest that members and external stakeholders actively and knowingly influence category meanings (Negro et al., 2011). Although the discussion about purposive attempts to influence meaning is relatively nascent at the categorical-level of analysis (Negro et al., 2010), this research was designed with the anticipation that scholars will come to recognize that both *sensegiving*

and *sensemaking* attempts by members and external stakeholders as important to capture to fully understand category-level change (Gioia et al., 2010; Ravasi & Schultz, 2006).

Consistent with the literature at the organization-level of analysis this research design is guided by the belief that members' and external stakeholders' influence on an organizational category is temporally dependent. Navis and Glynn's (2010) recent empirical findings illustrate this dynamic as members attempts at sensegiving during the emergence of their category gave way to distributed sensemaking as supply-chain partners, regulators, and gradually consumers began to interact with the technology. This dissertation's context seems to represent an extreme case where a rapid change in technology and the competitive landscape reset the longstanding arrangement of the organizational field and allowed for a renewal of both sensemaking and sensegiving concerning the attributes of a previously "taken-for-granted" category (Bowker & Starr, 1999; Eisenhardt, 1989). The following section briefly highlights characteristics of the travel agent category that uniquely positioned it for study. A more detailed description of this setting can be found in Chapter IV.

## **EMPIRICAL SETTING**

The setting for this dissertation is the category of "independently owned travel agencies", which emerged in United States in the 19<sup>th</sup> century but rose to prominence in the early 20<sup>th</sup> century. American Express, the first travel agency in the United States, began their operations in 1850 and primarily delivered people and freight to the rapidly expanding western states (Milne & Backhausen, 2003). The emergence of smaller and independently owned agencies came later and coincided with the aftermath of the industrial revolution and a nascent middle-class market for leisure travel. It was during

the early 20<sup>th</sup> century that entrepreneurs, recognizing the need for coordinators of leisure travel, began to establish storefronts and independent agencies in many U.S. cities (Starchild, 2000). In 1930 the *American Society of Steamship Agents*, the first professional association of agents, was founded and still exists as the *American Society of Travel Agents*.

The cessation of World War II had several implications for agents. Among the most influential were advances in airline technology that directly resulted from the war efforts. These included newly pressurized cabins, improved jet engines (leading to lower operating costs and fares) and a surplus of pilots returning from military service (Winstead et al., 2002). These changes, combined with an unprecedented period of economic growth and a rapidly expanding transportation infrastructure, resulted in several decades of sustained growth for the travel industry and agents.

Although this dissertation's period of interest does not begin until the mid-1990s it is necessary to highlight the events of October 24<sup>th</sup> 1978. It was on this day that the Airline Deregulation Act (Pub.L. 95-504) was signed into law, dramatically changing the nature of the leisure travel industry. Prior to this act, interstate air travel was regulated by the United States Government's Civil Aeronautics Board, which established fixed fares for routes. Following deregulation, airlines began competing aggressively on fares and used travel agents as direct sales channels to consumers. The initial effect of deregulation was positive for agents because of the lucrative commissions offered by airlines (e.g., threshold incentive were commonly offered where the volume of tickets sold by a travel agent resulted in higher commissions earned per ticket). Gradually, however, new

technologies increasingly allowed airlines to circumvent agents and establish direct sales channels to the consumer.

The Internet was not the first of these technologies; frequent flier programs paired with “1-800 numbers” persuaded many business travelers to begin dealing directly with the airlines prior to 1994. However, the advent of the Internet and the subsequent launch of online travel websites created a mass exodus of consumers booking domestic leisure air travel, which had historically comprised the bulk of revenues (most interviewees placed this at about 80 percent) for independent travel agencies. My case study begins in January 1994 (two years prior to the launch of the first online travel website) and continues to the present.

The selection of this empirical context is consistent with scholars who recommend the selection of cases that promise clear theoretical insights that limit the irrelevant data confronted by researchers (Eisenhardt, 1989). There are several reasons to believe that the travel industry and the category of U.S.-based travel agents between 1994 and 2010 represents an “extreme situation” in which the processes and mechanisms involved with categorical change will be “transparently observable” (Pettigrew (1988) cited by Eisenhardt (1989: 537)). These characteristics of the category will be detailed in Chapter IV but in short include the category’s early exposure to online competition and the rapid disintermediation of agents from the sale of domestic airline tickets. In sum, the exact processes or mechanism that accompanied this category’s confrontation of the Internet and online substitutes will not be fully representative of changes occurring amongst multiple industries now grappling with similar circumstances. Rather, the goal of selecting the population of travel agents as this dissertation’s context was to access

rich data, to generate novel theory, and to build a theoretical foundation that later empiricists can attempt to fit to their unique contexts. The following section details the richness of the data that enabled this dissertation's findings.

## **DATA SOURCES**

In the spring of 2011, a conversation with a professor catalyzed this dissertation's initial research question. Neither she, nor I, could pinpoint the continued functional relevance of leisure travel agents in a post-Internet era. Yet, these agents continue to exist in abundance and, according to some statistics, have recently experienced population resurgence.<sup>2</sup> It was this puzzle that motivated an initial, and broad, research question of "what did the Internet do to the profession of agents?" Shortly thereafter, I conducted a series of pilot interviews over the phone with agents, all of whom suggested that the Internet's influence on this organizational category was something more than an incremental modification of their working lives. Rather, these agents uniformly suggested that the Internet's influence was pervasive on all aspects of their category. One agent's reflection on the Internet was characteristic of these responses, "the Internet had a direct influence on my life, it changed how we all function and what we all do. Moreover, *it redefined what a travel agent is.*"

It was these initial interviews, which suggested that the Internet had fundamentally changed what it meant to be an agent that narrowed this dissertation's theoretical perspective a focus on organizational identities, categories, or a combination of the two. The Internet's influence on U.S.-based travel agents represents an ideal case,

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<sup>2</sup> [http://travel.nytimes.com/2012/04/22/travel/are-travel-agents-back.html?emc=eta1&\\_r=0](http://travel.nytimes.com/2012/04/22/travel/are-travel-agents-back.html?emc=eta1&_r=0)



rich with archival data and living interviewees, to study the sensemaking and sensegiving associated with a category-level meaning change in response to a new technology.

Consistent with the tenants of grounded theory, these pilot interviews sparked a series of successive iterations between organizational theories and data, as this dissertation’s specific research question continued to emerge and be refined. The multiple sources of data resulting from these processes are consistent with Miles and Huberman’s (1994) recommendation of *methodological triangulation*. That is, each data source provided independent measures to confirm or reject the Internet’s influence on the category of travel agents (see Table 1, below).

**Table 1:** Data sources incorporated into this dissertation

<b>Type</b>	<b>Data</b>	<b>Quantity</b>	<b>Time Period</b>
<b>Category Trade Journals</b>			
<i>Travel Agent Magazine</i>	Articles	~5000	1994-2007
<b>Semi-structured Interviews</b>			
<i>Pilot Interviews</i>	Transcribed audio and meeting notes	5	2010-2011
<i>Agent Interviews</i>		22	
<i>ASTA President Interviews</i>		3	
<b>Archival Data</b>			
<i>Trade Publications</i>	Instructional texts	8	1983-2007
<i>ASTA Research Reports</i>	Primary research	5	2010-2011
<i>General Press Articles</i>	Newspaper articles	7097	1994-2011

### **Category Trade Journals**

Given this dissertation’s inductive approach to understanding if, and how, the Internet changed the meaning of an entire category for multiple individuals it was crucial to identify sources of data that captured the interface between agents and external stakeholders. The use of trade journals represents an established approach to capture the

“content, rhetoric, and dialogue patterns” (Hoffman, 1999: 355) that leaders and members of an organizational field use to negotiate supra-organizational constructs. Trade journals, therefore, offer data that specifically concerns category-level discourse and highlight broader industry changes, which “locate [these] discourses historically and socially” (Hardy, 2001: 28). This dissertation relies heavily on trade journals to provide a unique window into the real-time attempts at sensemaking and sensegiving that accompanied the Internet’s emergence as a threat to the category of agents.

Pilot interviews suggested that one trade journal, the *Travel Agent Magazine* (*TAM*), was particularly important for capturing inter-category discourse and later interviews and archival research confirmed the preeminence of its circulation. Although the *TAM* was founded almost a century ago, this dissertation incorporates only data from the magazine from 1994 (two years prior to the emergence of the first online travel website) to the present. These data include approximately 5,000 articles from the *TAM* that contained “category relevant” discourse during the dissertation’s period of interest. The selection criteria used to cull these articles (from a total of 24,000 articles published during this period) was purposefully extensive with the goal being to err on the side of including extraneous articles (that will not contribute data to this dissertation), rather than omitting articles with relevant data (see Table 2, below).

### **Semi-Structured Interviews**

After conducting pilot interviews in the spring of 2011, I began collecting interviews from a variety of agents whose unique experiences informed coding that would later be applied to the *TAM* articles. Melissa Teates, the director of research for the

American Society of Travel Agent (*ASTA*), was instrumental in recruiting these initial interviewees. The *ASTA*, the category's only national professional association, reached out to their members through targeted solicitations on the organization's "LinkedIn" website.

**Table 2:** Selection criteria for *TAM* data

<b>Criteria for Inclusion</b>
Mentions of the Internet's influence on agencies/agents
Projections or reflections on categorical trends (e.g., niche travel, adventure travel, etc.)
"We" statements
Category-wide opportunities and/or recommendations
Relationship statements (e.g., TWA and agents)
Industry wide activities that are explicitly forecasted to impact agents
Mentions of the <i>ASTA</i> , the category's primary professional association
Endorsement or coverage of agent's/agencies' strategies
Macro-trends in related categories of organizations (e.g., airline sales, rail, etc.)
Any mention of commissions and/or other forms of financial compensation for agents
<b>Criteria for Omission</b>
Destination articles
Economies/travel industries in specific places (e.g., "Monaco saw X happening in recent travel trends")
Profiles on individuals
Specific events (unless reoccurring or featured because of their relationship with agents)
Advertisements
"Agents should call..." statements or promotions

Later interviewees were identified via "snowball" sampling, in which the initial interviewees were asked to identify colleagues that might be willing to participate. Consistent with extant research (Glaser & Straus, 1967), agents were purposefully selected as interviewees based upon their ability to speak to the study's phenomenon of interest (i.e., they were employed in the category before and/or during the Internet's influence). Consequentially, a total of 25 interviews were conducted over the phone or Skype with agents who either: worked in the industry before the Internet and continue to do so (23 agents), worked in the industry before the Internet but no longer do so (2

agents), and agents that ascended to administrative positions in the *ASTA* during this dissertation's period of study (3 former *ASTA* presidents).

These interviews were guided by a template (see the Appendix), which drew heavily on past approaches to understand sensemaking and sensegiving processes at the organizational and category level of analysis (I modeled much of this template after the instrument used by Gioia et al. (2010)). Prior to conducting my first semi-structured interview, I conducted additional phone calls with each of my pilot interviewees to confirm the clarity of the interview template and the correct use of industry/category terminology. Following several revisions to the template, I conducted interviews with agents between August and November of 2011. These interviews lasted between 27 and 87 minutes, with later interviews often truncated because of the uniformity of previous responses. Each interview followed a similar pattern, with minor modifications made for the three individuals that served as past-presidents of the *ASTA*. I began by providing a brief overview of the study's topic of interest, taking great care to avoid influencing their responses with any mention of "organizational identities" or "categories" (these terms were also not used in the subsequent questions). A typical introduction proceeded as follows (taken verbatim from an interview on September 20<sup>th</sup>, 2011):

"What I'd like to talk about today is how the Internet influenced, not you specifically (although this is part of the story), but rather the profession of travel agents and if/how you think the Internet has changed what agents see as the distinctive and defining characteristics of your profession."

Following this brief introduction, agents were asked to describe their history in the category in regards to geographic location, types of services offered, and changes in their customer base over time. I then asked agents a series of questions concerning

characteristics of their category before the Internet (e.g., how they felt other external stakeholders viewed their category) and then focused the later half of the interview on if/how the Internet (or other significant events) changed the meaning of their category. These interviews resulted in approximately 17 hours of recorded audio and 242 single-spaced pages of text.

### **Archival Data Sources**

Several additional sources of print and electronic data were incorporated to develop the historic narrative concerning the Internet's influence on travel agents. These data were collected from the beginning of this study's collection period (spring 2011) until the completion of this dissertation (fall 2012). They include trade publications (primarily in the form of instructional texts), reports published by the *ASTA*, and popular press accounts detailing the Internet's influence on leisure agents.

The trade publications that were collected, converted to a digital format, and included in Atlas.ti, a qualitative analysis software, included the following:

- Adams, R. & Adams, T. 2003. *Start your own: Specialty travel and tour business*. Canada: Entrepreneur Media Inc.
- Milne, R. & Backhausen, M. 2003. *Opportunities in travel careers*. Chicago: McGraw-Hill.
- Mintzner, R. 2007. *Start your own travel business and more : cruises, adventure travel, tours, senior travel*. Irvine, CA: Entrepreneur Press.
- Monaghan, K. 2006. *Home-Based Travel Agent*. Branford, CT: Intrepid Traveler.
- Ogg, T. & Ogg, J. 2001. *How to start a home based travel agency*. Valley Center, CA: Ogg & Associates.
- Starchild, A. 2000. *Start your own travel agency*. New York/ Hong Kong: Books for Business.
- Stevens, L. 1983. *Guide to starting and operating a successful travel agency*. Wheaton, Ill. : Merton House Travel and Tourism Publishers.
- Syrratt, G. 1992. *Manual of travel agency practice*. Oxford: Butterworth-Heinemann, Ltd.

Particular attention was paid to data that recounted the history of the travel agent category and/or highlighted the skills and resources needed to be an agent.

With the assistance of the *ASTA*'s research director, I also obtained several research reports generated through questionnaires distributed to their "research family," which consists of 525 agents. This group is a representative sample of all *ASTA* members (approximately 24,000 in 2010) that participate in *ASTA* research projects in exchange for a waiver of their membership fees. These research reports include the following:

- Agency sales and revenue trends (First half 2011)
- The Snapshot: Airline data, inbound/outbound tourism, and more (2011)
- *ASTA* agency profile (2011)
- Why students do not choose travel as a career (2011)
- Technology and website usage (among agents) (2010)
- Independent (home-based) agent report (2010)

Although all of these reports were published within the last two years, most incorporate data, and report on trends, from the early 2000s until the present.

Lastly, following the guidance of recently published works on organizational category (Navis & Glynn, 2010), I searched publications from three major U.S. newspapers- the *New York Times* (*NYT*), the *Wall Street Journal* (*WSJ*), and the *Washington Post* (*WP*)- for articles concerning the travel agent category over this studies period of interest (1994-2010). These sources were critical for capturing the changing narratives of travel critics, industry analysts, and other "non-agent" stakeholders that represent a critical voice for the social construction of category boundaries and the valence of the category (Kennedy et al., 2010). A search using the Lexis-Nexus and

Factiva databases uncovered 7097 articles that used the term “travel agent”, “travel agency” or “travel agencies” anywhere in their title or text. These articles were analyzed and the 1,495 articles that used one of the aforementioned terms to refer to a traditional leisure agency and/or an online agency were incorporated into this study’s analysis (the articles most commonly excluded were those that included the text “contact your travel agent for addition information” or those that listed “travel agent” as a past profession in an obituary).

Combined, these data provided both rich retrospective and real-time accounts of travel agents and other external stakeholders as they attempted to understand, maintain, and/or change the meaning of the category in light of several environmental changes. These disparate sources ensured that relevant codes emerged only if their importance was confirmed across multiple data sources and corroborated from data at multiple points in time. The following section further details the protocol that guided my collection and analysis of these data.

## **DATA ANALYSIS**

Given the previously mentioned factors that made this dissertation’s data and phenomena uniquely suited to a grounded theory approach (Glaser & Strauss, 1967) my dissertation’s data analysis involved a constant interplay between data and emerging theory guided by constant comparative methodology (CCM) (Glaser, 1965). Although heavily influenced by Cohen and Crabtree’s (2006) protocol for grounded research (e.g., identification of a phenomenon of interest, identification of structural or process features of the phenomenon, etc.) the incorporation of CCM offers a detailed set of prescriptions that extend through the analysis of data (roughly where Cohen and Crabtree’s (2006)

guidelines end). In accordance with the CCM approach, my data collection and analysis were not as linear as the Cohen and Crabtree (2006) outline would suggest but instead unfolded through iterations of articulating research questions, deciding which data to collect, identifying and coding potential theoretical constructs, analyzing and culling these constructs and collecting new data to both compliment and challenge the existing data and emerging hypotheses. As a result of this process, which can include several iterations of comparison between ‘new’ and ‘old’ data, the initial research questions changed to accommodate themes that emerged throughout. The following section outlines the four comparative steps that this dissertation employed and uses Boeije’s (2002: 395) guidelines to highlight four attributes of this dissertation (“(1) the data or material involved and the overall analysis activities; (2) the aim; (3) the questions asked, and (4) the results that emerged, changed, and resulted from the process”).

### **Comparison Between Pilot Interviews**

As previously discussed, pilot interviews were conducted in the spring of 2010 after a conversation with a professor first identified the Internet’s influence on the category of travel agents as a potential phenomenon of interest to organizational scientists. The goals of these initial interviews were to identify theory and to formulate research questions that captured the essence of the interview data. As such, interviewees’ responses were compared to one another in Atlas.ti through open coding processes that labeled each text fragment (i.e., portions of the transcribed audio that were clearly communicating one coherent message) with potential theoretical categories. Paralleling Boeije’s (2002: 397) guidelines the questions explored at this initial stage in the CCM process included:



What codes describe the themes discussed in any particular interview?

What characteristics do fragments with the same codes have in common?

What is the core message of each interviewee?

Is the storyline consistent? Are there any expressions that are contradictory? How are all the fragments related?

In order to answer each of these questions I engaged in memo writing, in which I summarized the key takeaways from each interview, and discussed the emerging patterns in the data with academic colleagues. My initial impressions, resulting from these interviews, and the ensuing provisional codes, revolved around the prevalence of responses that detailed non-economic outcomes associated with the Internet and online agencies. For instance, when asked an open-ended question about the impact of the Internet not a single agent referred to the influence that the Internet had on the performance of their organization (e.g., revenues, operating expenses, etc.) rather each focused on changing perceptions of their category in the eyes of consumers (e.g., “because of the information at their fingertips consumers think they understand our job completely. I think that we have lost a bit of respect for how difficult our job can be”) airlines (e.g., “I think the airlines now view us as a pain, and we see them as not knowing anything”) and agents themselves (e.g., “we used to be the absolute “know-it-all” when it came to price, now someone can just go online and look it up”). In the aftermath of comparative analyses between these pilot interviews, iterations between the data and the literature resulted in provisional codes that primarily dealt with identity processes at the organizational and category level of analysis. Accordingly, my research question evolved from the more general “*What was the influence of Internet on travel agencies*” to the

more specific *“How are the meanings attached to categories of organizations maintained or changed when challenged by technological shifts and new forms of competition?”*

### **Comparison Between Semi-structured Interviews**

Following the completion of pilot interviews and the identification of organizational identities, technological change, categories and sensemaking as constructs of potential relevance I constructed an interview instrument designed to elicit a conceptualization of the phenomenon from persons employed as travel agents during the period of interest. In accordance with established protocol (e.g., Glaser & Straus’s (1967) suggestion that respondents be selected based upon their ability to speak to the phenomenon of interest), the selection of interviewees was guided by emerging patterns in the data, which suggested that travel agents were struggling to redefine their category’s meaning in light of new technology. As previously mentioned, agents were purposefully selected that had been employed in the category prior to the emergence of online agencies. The exact wording of the request for interviewees (distributed to ASTA members and through their “Linked-In” database) read:

“My name is Matt Metzger and I am a doctoral candidate at the University of Oregon. I am currently working on a dissertation that explores the influence of the Internet, and online travel sites, upon the travel agent profession. I am particularly interested in interviewing agents that have been in the profession since the early 1990s and have witnessed several decades of changes within the industry. If this describes you I would love discuss your perspective on where the profession has been, is, and is going.”

The aim of this phase was to develop additional codes that had not emerged in the pilot interviews and to begin to identify common responses to questions specifically designed to understanding if, how and why the Internet changed what it meant to be a

travel agent. The interview instrument (see the Appendix) was divided into roughly four different types of questions around the dimensions of: (1) beliefs about the meaning of the category prior to online competition, (2) the field's competitive dynamics prior to online competition, (3) the meaning of the category after online competition and (4) the field's competitive dynamics after online competition. Additional questions were included to uncover events that travel agents also believed influenced their category and to obtain their predications regarding the future of the category and their participation within it. After interviews were conducted, transcribed and uploaded into Atlas.ti they were coded and systematically compared to those that came before. Throughout this process, new codes emerged, patterns between codes became evident, and those that did not fit these emerging patterns were explained away or used to revise an emerging conceptual map of the data. Revisiting Boeije's (2002: 398) protocol these interview data were explored by asking the following questions:

Is interviewee A talking about the same phenomenon as B?

What do both interviewees tell us about the phenomenon?

What are the similarities and differences between interviews A, B, C ...?

What combinations of codes/concepts occur? What interpretations exist for this?

These interviews, and the associated comparative processes, generated a total of 170 codes, which were combined and reduced after several iterations to an initial set of 57 theoretically relevant codes that spoke directly to several dimensions of the dissertation's phenomenon of interest (Table 3 presents these codes and their subsequent refinement). These dimensions included: (1) objective descriptions of changes in the industry or larger institutional environment, (2) agents' interpretations of these changes

and their projected/remembered impact on the category and/or their organization, (3) activities that agents felt constituted appropriate actions for members of their category, (4) changing professional relationships and power dynamics within the organizational field, and (5) the changing composition of agencies that occupied different niches within the industry during this dissertation's period of interest.

The comparative processes between interviews not only provided a refined list of codes and categories that spoke directly to the emerging research questions, they also allowed the identification of more fine-grained temporal periods in the study's period of interest beyond "pre" and "post" Internet. Consistent with past organizational studies (Chiles, Meyer & Hench, 2004; Langley, 1999) the narratives contained within these interviews were used to construct a chronological display of important events and potential phases of theoretical interest within the category and its larger organizational field. These phases, from the perspective of agents, included a post-deregulation period of increased airline ticketing, a period defined by threatened revenue streams as airlines deployed successive reductions in commissions and when agents began to recognize the threats of online substitutes, and a period of retrenchment where agents virtually abandoned airline sales and attempted to redefine their organizational identities and the meaning attached to their category.

Resulting from these comparative processes between interviews were an emerging set of codes, categories and a belief that this dissertation's research question could not be sufficiently answered without considering discontinuous eras within the data that contain different processes of category and organizational identity change (Langley, 1999).

**Table 3:** The development of theoretical codes from interview data

<b>First Order Codes</b>				
Full Circle	Care giving	Freelance Work	Lay Offs	Promotion
On the Job Training	Chaos	Fulfilling Dreams	Less "Professional"	Protect Consumers from Suppliers
Paying for service vs. product	Close Storefront	Full Circle	Less Perks	Pseudo Agents
"So I sometimes, quite often take the identity of my client"	Closures	Full to part time	Lesser Skill	Real-time Feedback from Customers
(When): Major Change	Commissions	Gatekeeper	Liberation	Reduction of Revenue
(When): Ongoing Process	Complicated Trips	GDS	Licensing	Reduction of Staff
(When): Recurring Micro-level Incidents	Constriction	Gender Biases	Love-Hate	Reduction of Undesired Customers
(Who): Agents	Consumer Perceptions	Geographic Reach	Mutualism	Referrals
(Who): Customers	Convenience	Good for Agents	Navigate Rules	Repeat Customers
(Who): Suppliers	Corporate and Leisure	Group Tours	Negative Advertising	Resistance because of familiarity with GDS Systems
September 11th Terrorist Attacks	Cost Reductions	Gulf War	New Customers	Respect
Adaptive	Counseling	Heyday	New Talent	Retirees
Adversarial	Creativity	Hobby	Niche	Returning Customers
Agent's Role	Cruise	home-based	No Barriers to Entry	Revenue Decline
Agent's Value	Customer Service	Host Agency	Non-Agent Customers	Revenue Streams
Agent Consolidation	Customers did not have alternatives	Hotels	On the Job Training	Sales Person
Airline Consolidation	Customers think they know everything	Human Resources	Online Agency	Scared of the Internet
Airlines	Cut commissions strengthening agents	Hybrid models	Opportunity	Service-oriented
Airlines dominating time	Deregulation	In Case Something Goes Wrong	Order Takers	Similar Internet Influences
Airlines dominating training	Destination Promotion	Incentives	Other Vendors	Sloughing off of corporate agents
All Inclusive	Destination Specialist	Increase in Home-based	Overload	Speed of Process
Alternative Transportation	Disrespect	Increased Profits	Part-time Agents	State Regulations
Anti-identities	Don't Know That Agents Exist	Increased Specialization	Partnership	Survival
ASTA	Anymore	Information	Perks	Systemic Change
ATC appointments	Economy	Internet (con)	Personal Skills	Talent Shifting to Large Agencies
Awareness	Editor/Filterer	Internet (neutral)	Personalized	Technology (non-online)
Barriers to entry	Education	Internet (pro)	Post-Internet Role	Tool
BIGGER Trips	Educator	Internet cannot do what we can do	Power Shift	Training
Booking Agents	Efficiency	Intrinsic Rewards	Pre Internet Role	Travel Agent Magazine
Breadth of offerings	Elite Group	Knowledgeable Consumers	Predictions	Trust
Brick and Mortar	Emulate Online Agents	Knowledge Intensive	Press directing customers to book online	Valuation of products
"Brick and mortars have all shut down and consumers literally don't know that we exist"	False Information	Lack of Guidance from Leaders	Product Mix	Value Added
By Appointment	Family business	Lack of personal contact	Profession offered stability	Willingness to Pay
Bypassing	Fees	Lack of Uniform Training	Professionalism	Work from Home
	Fighting Wrong Battle			

**Table 3 (continued)**

<b><u>Refined 2nd Order Codes</u></b>	
Full Circle	Customers think they know everything
(When): Major Change	Editor/Filterer of Information
(When): Recurring Micro-level Incidents	Educator/Provider of Information
(Who): Agents	Efficiency
(Who): Customers	Family Owned Business
(Who): Suppliers	Human Resources
September 11th Terrorist Attacks	Hybrid Models
Adaptive	In Case Something Goes Wrong
Adversarial	Incentives
Agency Closures/ Layoffs	Internet (con)
Agent's Perceptions of Category Value	Internet (neutral)
Agent's Role	Internet (pro)
Agent's Value	Internet cannot do what we can do
Airline Consolidation/Deregulation	Niche
Airlines	Partnership
Airlines changing agents behaviors and routines	Personal Skills
Anti-identities	Personalized
ASTA	Post-Internet Role
Booking Agents/Sales People	Pre Internet Role
Brick and Mortar	Predictions
Business Model	Press Coverage
Bypassing	Product Mix
Close Storefront	Professionalism
Commissions	Pseudo Agents
Complicated Trips	Reduction of Undesired Customers
Consumer Awareness/Category Fuzziness	Repeat Customers
Consumer Perceptions/Category Valence	Revenue Decline
Counseling/Consultation	Technology (non-Internet)
	Tool

<b><u>3rd Order Codes and Aggregate Dimensions</u></b>	
Behaviors and Rules: Category	Behaviors and Rules: Organizational Field
Behaviors and Rules: Organizational Field	Category Clarity
Category Clarity	Category Valence
Category Valence	Commissions
Commissions	Fees
Identity Statement: Agents	Gender
Identity Statement: Stakeholders	GQ
Macro-Shifts: Socio-cultural	Identity Statement: Category
Macro-Shifts: Industry Shifts	Identity Statement: Organizational Field
Macro-Shifts: Regulatory	Macro-Shifts: Demographic
Macro-Shifts: Technological	Macro-Shifts: Industry
Role: Booking Agent	Macro-Shifts: Regulatory
Role: Editor	Macro-Shifts: Technological
Role: Educator	Theme: Booking Agent
Role: Facilitator	Theme: Editor
ART: Theme: Rescuer	Theme: Educator
ART: Who: Agents	Theme: Facilitator
ART: Who: Airlines	Theme: Rescuer
ART: Who: CRS Sellers	Who: Agents
ART: Who: Customers	Who: Airlines
ART: Who: Editors	Who: CRS Sellers
ART: Who: Other Suppliers	Who: Customers
ART: Who: Travel Writers	Who: Editors
ART: Who: Unknown	Who: Other Suppliers
Behaviors and Rules: Category	Who: Travel Writers
	Who: Unknown

The validity of working hypotheses regarding that mechanisms that changed the category in these different eras, however, remained tenuous as a result of their reliance on retrospective intra-category data (i.e., interpretations were informed almost solely on the accounts supplied by agents tasked with remembering events that often occurred several decades prior). As such, the following CCM process was employed to insure validity across multiple sources and time.

### **Comparison Between Member and External Stakeholder Discourse**

Triangulation, in its simplest form, is the incorporation of multiple independent data sources into qualitative analyses to insure that each agrees with a study's hypotheses (Miles & Huberman, 1994). There are multiple ways to go about this process (e.g., mixing methods, including different researchers in the analyses, etc. (Denzin, 1978)), however, given this dissertation's interest in understanding if and how interpretations of a category's meaning changed from different perspectives within an organizational field, different data sources were incorporated that captured additional stakeholders' discourse concerning the travel agent category throughout this dissertation's period of interest. Specifically, during this stage in the analysis I compared the data obtained from agents' retrospective accounts to real-time discourse from multiple external stakeholders captured within the archives of the Travel Agent Magazine (*TAM*). This trade journal provides a historic record of attempts at categorical sensemaking and categorical sensegiving between travel agents and individuals representing an array of external stakeholder groups (e.g., lawyers, consultants, suppliers, customers, etc.). Articles from this publication were digitized, merged into Atlas.ti, and compared and contrasted to the emerging codes, categories and temporal partitions.

In addition to validating the retrospective accounts provided by travel agents, these real-time data were used to construct a richer picture of the interactions between external stakeholders and members as they maintained or changed patterns of discourse within the *TAM* in response to environmental phenomena. In order to capture these changes within the discourse, the coding scheme that emerged from agents' interviews was applied to a random sample of *TAM* data (one issue randomly chosen from each of the seventeen years of data using Microsoft Excel's RANDBETWEEN function). Changes were made to the initial codes to accommodate discourse from multiple perspectives within the organization field and to incorporate the newly hypothesized temporal phases. Several iterations of comparing data from the agents' interviews to data emerging from the *TAM* produced a revised set of 51 theoretically relevant codes that spoke to an updated, albeit largely overlapping, set of phenomenological dimensions. These dimensions included: (1) the authorship of attempts to give sense to, or make sense of, changes to the meaning of the category, (2) the types of relevant changes to the industry or larger institutional environment highlighted within the attempts, (3) the activities that authors promoted as appropriate actions for agents, (4) the central, enduring and distinctive elements that authors promoted as fundamental to agencies'/agents' identities and (5) the changing professional relationships and power dynamics within the organizational field (Table 3 summarizes this reductive process).

Following the revision of the coding scheme to accommodate new patterns and perspectives that arose from comparisons between these data sources, the codes were applied to the entirety of the *TAM* data to explore changing relationships between the



patterns in, and between, the aforementioned dimensions. Guided by CCM and Boeije's (2002) techniques this coding allowed the examination of the following questions:

How do members and external stakeholders differ in their interpretation of different identity- or category-relevant phenomenon?

Can these differences co-exist or are there contradictions that threaten the organizations' identities and/or category's meaning?

Are interpretations consistent within groups of members and external stakeholders or do significant differences exist?

Do new types of external stakeholders enter into the *TAM* discourse during the course of this study? Do old external stakeholder groups drop out?

This step supported the previous insight that the data contained several eras, each of which contained different mechanisms responsible for incidences of incremental or radical change in the category's meaning that often were not shared by all members of the organizational field (i.e., changing meanings were accepted by some external stakeholder groups but not others). The confirmation of time's importance to the relationship between the codes and dimensions bolstered the previous speculation that a process approach was required to fully understand the data. As such, a temporal bracketing technique was employed to identify how patterns of sensemaking and sensegiving were changing in ways that were directly attributable to period-specific bouts of technological, regulatory, and/or socio-cultural discontinuities (Langley, 1999). As a result of the differences between, and within, discourse from different external stakeholder groups the research question changed from the past "*How are the identities of categories maintained or changed when challenged by technological shifts and new forms of competition*" to a refined version that fully incorporates the potential for different external stakeholder groups and individuals to alter or maintain a category's meaning. The dissertation's guiding research question, therefore, became "*how do*

*category members and external stakeholders reshape or maintain the meaning of an organizational category in conjunction with discontinuous and/or incremental environmental changes?”*

### **Comparison Between Trade Journal Discourse and Popular Media**

The final step in this study’s CCM approach incorporated additional sources of archival material (articles from the Wall Street Journal (*WSJ*), the Washington Post (*WP*) and the New York Times (*NYT*)) to further validate the insights obtained from the *TAM*. In addition, these sources of data represent the broadest measure of external stakeholder attention and legitimation in relation to the category of travel agents. Following the past analytical techniques of Navis and Glynn (2010) the goals of comparing discourse from the *TAM* to that within the mainstream media were to both validate an emerging timeline of events and to see if, and when, discursive attempts to reshape or maintain the meaning of the travel agent category took root among external stakeholders that may have not been represented within the *TAM*. It is, as will be explicated later, vital to take into account this industry-wide discourse since various external stakeholder groups may cease to engage a category’s trade journal but persist in attempts to manipulate the category’s meaning via alternate media. In order to accomplish these goals the articles that were published in the mainstream media were compared to those published concurrently in *TAM* and the following questions were asked:

Were the key events highlighted the same in all sources of discourse? If not, which received different emphasis in the data? What are the possible reasons for this?

Is the meaning of the category consistent across multiple sources of data?

Is the discourse from different external stakeholder groups consistent among the multiple sources of data?

This step largely supported the previously constructed timeline of relevant events but showed that external stakeholder groups differed in both their interpretation of these events and representativeness in different sources of media. Furthermore, the legitimacy of the category was threatened, and its meaning clearly shifted, in the mainstream media at different times than the discourse within the *TAM* alone would suggest.

### **LIMITATIONS AND THREATS TO VALIDITY**

Although the previous section provided several justifications for this dissertation's selection of a case study approach and context, several aspects of the data and methodology likely limit the applicability of the findings to a larger population of categories. First, the very attractiveness of this setting (i.e., travel agents as an "extreme situation" (Eisenhardt, 1989) where an unprecedented change to technology reset longstanding institutional arrangements and enabled the observation of processes and mechanisms that accompanied and/or influenced these changes) render the category of travel agents a poor proxy for other categories facing online substitution and/or other similar phases of meaning ambiguity. As will become apparent in Chapter IV, a series of socio-cultural, technological, and regulatory changes were all necessary precursors to the travel agents' loss of categorical meaning. The chance that this confluence of events could, or will, be repeated with another category of organizations is highly unlikely.

Additionally, because this dissertation incorporates data in the form of retrospective accounts from ASTA contacts (most of whom were still employed as agents at the time of their interview) the validity of this dissertation's findings are potentially

subject to a survivor bias, in which travel agents who successfully adapted to environmental changes are overrepresented in the sample. The aforementioned triangulation of these interviews with real-time discourse from the *TAM*, the popular media and other archival sources was instrumental in insuring the validity of these retrospective accounts.

Lastly, in a related point, this dissertation uses only discourse from a single trade journal, the *TAM*. As previously mentioned, interviewees uniformly indicated that this was their category's preeminent publication. There remains the possibility, however, that editors of the magazine influenced the selection of topics covered and the magazine is, therefore, not representative of the issues facing travel agents and the ways in which travel agents responded. Once again, I have attempted to mitigate these concerns by including multiple data sources. Although it does, appear that the 1997 acquisition of the *TAM* by Questex Media Group LLC coincided with a marked change in types of articles featured within the *TAM* (i.e., the magazine now features more articles that highlight destinations and/or products and fewer articles devoted to opinions and industry matters) there's no indication that this acquisition altered the relative content of the articles, which is a crucial component of this dissertation's results.

## **CHAPTER IV**

### **EMPIRICAL CONTEXT**

The previous chapter briefly outlined this study's methodology and highlighted characteristics of the category of U.S.-based travel agents that present a unique opportunity for scholars wishing to understand widespread meaning change in response to instances of radical and incremental environmental change. The following section provides a detailed account of socio-cultural, technological, and/or regulative changes that preceded, and sometimes accompanied, changing interpretations about the meaning of travel agencies. In order to connect a historic overview to this dissertation's guiding research question, (i.e., *how do category members and external stakeholders reshape or maintain the meaning of an organizational category in conjunction with discontinuous and/or incremental environmental changes?*"), the following section connects key events in the travel industry to an evolving set of dimensions that defined the category's meaning.

#### **CATEGORY DEFINITION**

Before proceeding, however, it is necessary that this study's category of interest, "independently owned full service agencies," be defined and differentiated from other types of travel agencies. Data from archival sources, primarily in the form of instructional texts, identify three unique types of travel agencies: the full service agency, the inplant agency and the subsidiary agency (Stevens, 1983). Among the three, the most obvious distinction exists between this study's category of interest and inplant agencies, which operate as functional-departments within larger organizations. Inplant agencies, therefore,

provide products associated with the booking of business-related travel and their purpose and practices revolve around the insurance of compliance with their corporate parent's travel protocol.

Independent full service agencies are also categorically distinct from subsidiary agencies, a designation that encompasses chain travel agencies owned by a few large, and often multi-national, sellers of leisure travel. Although branch offices of American Express Travel, Thomas Cook, and other "mega-agencies" offer products that directly compete with independently owned agencies, their practices, purpose and product mix are defined by a single multinational corporation and limit direct comparison with full service "independent" agencies. Furthermore, during this dissertation's period of interest "independently owned full service" travel agencies accounted for the overwhelming majority of businesses within this industry (see Figure 1, below).

Consequently, I do not explore the changing meanings associated with the categories of inplant or subsidiary agencies and instead focused solely on independent full service agencies defined by the ASTA as "travel professionals" that sell "tours, cruises, hotels, car rentals, etc." from at least one retail location or a home office.<sup>3</sup> As previously mentioned, the United States Department of Commerce's NAICS codes do not differentiate between these different travel agent categories (i.e., the code 561510 encompasses all establishments engaged in acting as agents in selling travel, tour, and accommodation services to the general public and commercial clients).<sup>4</sup> However, as this study will demonstrate, the Internet, and other environmental changes over the last

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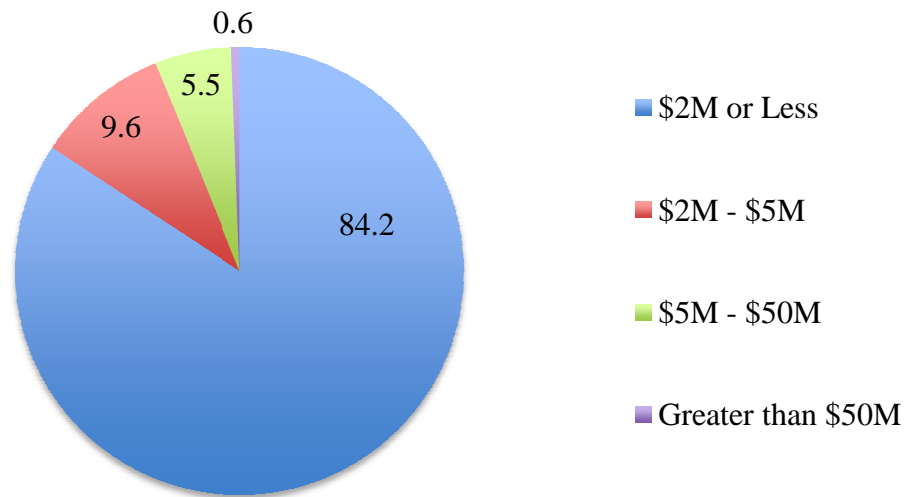
<sup>3</sup> <http://www.asta.org/About/index.cfm?navItemNumber=502>

<sup>4</sup> <http://www.census.gov/econ/industry/def/d561510.htm>

several decades, uniquely affected independent full service agencies in ways that call for a finer-grained approach to parsing categories than current government designations allow.

**Figure 1:** A breakdown of the makeup of travel agencies based upon annual sales volume<sup>5</sup>

**% of Total Agencies by 2001 Revenues**



The following section, therefore, focuses on key events that uniquely influenced the category of independent full service travel agents (henceforth referred to simply as travel agents or agents). This is not to say, however, that these events did not also change the meaning of inplant and subsidiary agencies but the data suggest that mechanisms for change and the outcome of these events were, in many cases, unique to the different agencies (e.g., one interviewee that worked as both an inplant and an independent agent at different points in her career noted “the Internet really didn’t change much for [inplant agents], it’s more-or-less just another tool for doing what [they’ve] always done”). To

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<sup>5</sup> Data obtained from Winstead et al.’s (2002) report to the United States Senate and President regarding the impact of the Internet on travel agencies.

highlight the environmental changes that most influenced the meaning of the travel agent category, the following section revisits the importance of the Airline Deregulation Act of 1978 before constructing a timeline that summarizes the key events that occurred during this study's period of interest (1994-2010). Events are only included in this timeline if multiple data sources (e.g., the *TAM*, interviews, the popular media, etc.) corroborate their importance for understanding changes to the meaning of the category. The aforementioned temporal bracketing technique heavily influenced the identification of the timeline's three unique periods (the period of regulation is presented to establish the category's historical context and I do not have real-time discourse from this time period), which are demarcated by environmental changes that significantly altered the social structure of agents' organizational field. As the ensuing temporal decomposition demonstrates, events that change perceptions agent category's products, purposes and practices in one period (oftentimes not shared among members and external stakeholder groups) alter the resources available for sensemaking and sensegiving in subsequent periods. I foreshadow the causes and outcomes of major changes to the meaning of the travel agent's organizational category in the following table (see Table 4) before detailing these changes in the subsequent section.



**Table 4:** Discontinuous eras in travel agents' history

<u>Period</u>	<u>Years</u>	<u>Notable Regulatory, Technological or Socio-Cultural Changes</u>	<u>Category Meaning</u>
Regulation	1938-1978	<ul style="list-style-type: none"> <li>• Civil Aeronautics Act</li> <li>• ATC Founding</li> <li>• Post-War Advances in Jet Travel</li> <li>• Post-War Economic Boom and Increased Demand for International Leisure Travel</li> <li>• CRS Systems Available to Agents</li> </ul>	<i>Relatively uncontested:</i> Airlines mount one attempt to reduce airline commissions (on transcontinental flights) in the early 1950s but withdraw in the face of antitrust suit
Deregulation	1978-1995	<ul style="list-style-type: none"> <li>• Airline Deregulation Act</li> <li>• ARC Founding</li> <li>• Increased Consumer Demand for Leisure Domestic Air Travel</li> <li>• Agents Increasingly Use CRS/GDS Systems to Book Air Travel</li> </ul>	<i>Indirectly contested:</i> New agencies and an increased emphasis on booking airline travel change external stakeholders expectations regarding the role of an agent
Commission Reductions	1995-2002	<ul style="list-style-type: none"> <li>• National Science Foundation Network Decommissioned and Internet Begins to Carry Commercial Traffic</li> <li>• First E-Tickets Issued</li> <li>• Travelocity Launches</li> <li>• September 11th Attacks</li> <li>• Commission Reductions and Cessation</li> </ul>	<i>Directly contested:</i> Online travel websites (assisted by airlines and travel critics) appropriate the term "travel agency" to define themselves and contrast their category with the products, practices, and purposes that unify the extant category of travel agents
Reevaluation	2002-2010	None Identified	<i>Relatively undefined:</i> Airlines cease the incentives that rewarded travel agents for selling their products and travel agents confront a lack of collective meaning

## CATEGORY ORIGINS AND GOVERNMENT REGULATION

As I mentioned in the previous section regarding this study's empirical settings, independent travel agencies came into existence in the United States more than a century ago, with American Express credited as first provider of publicly available travel services. Internationally, however, evidence suggests that various providers of travel preceded American Express for several millennia. Milne and Backhausen (2003: 88) trace the origins of today's travel agent to public employees in ancient Rome who "sold tickets for the use of chariots and roads and made out an *itinerarium*, the ancestor of the modern traveler's itinerary." Adams and Adams (2003), alternatively, highlight medieval entrepreneurs that organized pilgrimages for wealthy Europeans wishing to see the holy lands or ancient wonders of the Middle East.

Although data sources disagree on the first sale of leisure travel, Thomas Cook of London England is uniformly credited with establishing the first full-time travel agency. Cook, a Baptist missionary and printer, began organizing trips and conventions as a means to advocate temperance, a cause he championed throughout his life (Starchild, 2000). After more than a decade of organizing these trips, Cook gradually "realized that people were more attracted by travel at low prices than temperance" (Mile & Backhausen, 2003: 88). In 1851, a year after American Express began offering travel services to supplement express mail (their primary revenue source), Cook opened Thomas Cook and Son Travel, the first business dedicated solely to selling leisure travel.

As previously mentioned, the population of U.S.-based travel agents grew gradually for almost a century before entering into a period of unprecedented growth following World War II. Stevens (1983: 9) highlights the category's expansion noting,

“In 1945, at the end of World War II, there were 597 ATC-appointed travel agencies.<sup>6</sup> By 1950 the number was 1,949; and by 1960 3,939. At the end of 1973 the number of agencies was 10,002.”

The types of products and services sold by these early travel agents were, however, remarkably different from the types offered by agents in the last three decades. Adams and Adams (2003) highlight figures provided by the United States Tour Operators Association (USTOA) that show that in the late 1960s, 95 percent of American tourists that traveled with a passport did so for the first time. Furthermore, 80 percent of these American international travelers were destined for escorted bus and/or train tours of Western Europe. Several interviewees highlighted the 1969 film, “If It’s Tuesday, This Must Be Belgium” as an accurate, albeit comedic, portrayal of the “cattle-car” nature of these trips that often included a dozen countries in as many days.

During this period, the day-to-day practices of travel agents involved establishing relationships with their clients, matching clients with reputable tour operators, and seeking recompense in the event of complications. Although agents handled travel logistics to, and from, tour sites, data suggest that the regulations in place by the United States’ Civil Aeronautics Board (CAB) limited the time required for these tasks. Agents that booked airfare during the CAB’s existence navigated a nationalized, and fairly static, system of domestic and international routes, fares (adjusted twice per year based upon the price of fuel) and commission structure (changed only once during the CAB’s forty year existence). Interviewees that worked as agents during this period suggest that after

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<sup>6</sup> The ATC, or Air Traffic Conference, was a component of the United States Government’s Civil Aeronautics Board (est. 1938) that accredited travel agencies and regulated their ticketing transactions until the early 1980s.

establishing their clients' travel locations and dates, there were relatively few options in regards to air travel. In general, the booking of airfare was considered little more than an afterthought of an agent's standard practices. As one agent recalled:

“We spent our time planning for people going to Europe to take extended vacations and our job was to put together the little pieces. It was the relationships that we had with travel vendors that allowed us to put together vacation packages that were ultimately something more than individual travelers could do themselves...In those days, there were just three airfares. There was coach, first class and an excursion fare, which was basically just a round-trip fare out of the same city.”

In sum, categories of leisure travel agents originated in the United Kingdom in 1851 and shortly thereafter in the United States. Although this dissertation's primary source of data, the *TAM*, does not directly capture discourse within this category's early years (1851-1978) it is, nevertheless, essential to understand the social milieu that both shaped agents' (many the people I interviewed were actually employed as agents during the later part of this period) interpretations of later events and established the relationships between agents and their external stakeholders. Although airlines did, in fact, once try to petition the CAB to cap the commissions paid to travel agents at \$4 on transcontinental flights, this coordinated effort was “hurriedly abandoned when the ASTA threatened to file an antitrust suit against the airlines” (Stevens, 1983: 12).

In general then, agents during this period had an unprecedented amount of control in shaping and maintaining the products, practices, and purposes of their organizational category throughout this period of relative stability. Airlines, who would be the most influential external stakeholder in altering later the later dimensions of agents' category, were too small, disorganized, and beholden to federal guidelines to curtail the commissions paid to agents and/or substantively change other aspects of their supply-chain relationships. The demands of customers, though evolving, were fairly

homogenous since few Americans had traveled internationally and most relied upon agents as one of their few sources for information concerning, and the purchase of, international travel. An event loomed on the horizon, however, that would radically change agents' practices, their product mix, and the purpose that defined "what a travel agent is." That singular event was a regulatory change in the form of the Airline Deregulation Act of 1978 (Pub.L. 95-504).

## **PERIOD 1: DEREGULATION AND COMMISSION REDUCTIONS**

In January 1978 Senator Edward Kennedy (D-Mass.) initiated a hearing in the Senate regarding the United States Government's continued regulation of air travel. Supreme Court Justice Stephen Breyer, who at the time worked as an aide to Kennedy, recalls the various stakeholder groups that usually held opposing interests but, in this case, allied behind free market policies:

"The hearings brought together a Democratic senator and a Republican President in Gerald Ford. They created alliances among consumer groups, pro-competition business groups, economists, and regulatory reformers...Pressure from these broad alliances eventually brought change to the airline industry. President Jimmy Carter took up the theme and appointed as chairman of the Civil Aeronautics Board a Cornell economist, Alfred E. Kahn, [who] began to dismantle fare and route controls and [supported] deregulatory legislation, which, with the support of Kennedy and Senators Orin Hatch (R-Utah) and Strom Thurmond (R-S.C.) became law [by the end of] 1978."<sup>7</sup>

As a result of Kahn's internal dismantling of the CAB and the newly enacted legislation, airlines began altering their route structures, fees and the commissions offered to agents. In the decades that followed, agents witnessed the practice of booking airline

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<sup>7</sup> [airline-deregulation-revisitedbusinessweek-business-news-stock-market-and-financial-advice](#)

tickets transform from a routine and relatively static afterthought of leisure travel coordination to a “chaotic” (a word almost increasingly used by interviewees to describe the aftermath of deregulation), dynamic and extremely lucrative facet of their profession.

One interviewee who began working as an agent recounted this transition:

“I began working as an agent right on the cusp of deregulation, the industry at the time was still regulated, but deregulation had been signed and was going into law within a few months. So, I worked in an industry that was regulated but became deregulated [about six or seven months] after I started working... What ended up happening is that you had to be extremely nimble. The feeling at the time was “Okay, what we did last week we can’t do anymore.” We had to be able to change on a dime, to stay aware of what was changing and to do our ticketing differently.”

Stevens (1983: 40) highlights the rapid revision of airline routes in the aftermath of deregulation:

“USAir expanded its route system from that of a regional carrier concentrated in the northeast to include Florida and Arizona. United expanded into Texas and Arizona. Texas International stretched its route map into New England. Eastern began transcontinental services between New York and California. Braniff was very aggressive in expanding its routes and suffered from overexpansion, poor management decisions and a sagging economy. It went into bankruptcy in May, 1982- the first major U.S. carrier to fail after deregulation began.”

Braniff would be the first of many airlines that failed in an unregulated market where successes depended on the ability to compete effectively on price. Although the immediate effect of deregulation was to triple the number of passenger airlines, by the early nineties “132 U.S. carriers had disappeared from the skies either through consolidation or insolvency” (*TAM* 07/31/2000: Survival of the Fittest).

Airlines, newly enabled to compete directly on routes, began to aggressively court agents to maintain and/or acquire sales volume through increases in commissions (almost all airlines increased their commissions from five to ten percent following deregulation),

overrides (higher commissions granted to any agencies that achieved a predetermined sales volume) and/or contracts that uniquely specified rates, commissions and payments to agencies (primarily large volume and/or subsidiary agencies). Interviewees routinely referred to the early 1980s, in reference to the after-effects of deregulation, as their “heyday” and noted the potential profits to be made by savvy agents that altered their products accordingly:

“With the deregulation of the airlines we faced multitudes of fares, rules and regulations. All of this was incredibly confusing to the consumer. So, the travel agents ended up becoming the person that ended up interpreting all of those rules and regulations to the traveler. That information [became] our stock and trade.”

In addition to enjoying increased revenues, agents witnessed a relaxing, and gradual abolishment, of the accreditation process overseen by the ATC. One interviewee noted that, following 1978, agencies began to appear up on “every corner” and that “anyone that was honest, had money in the bank and got a bond would be approved by the ATC to be an agent.” Archival data support these assertions, showing that between 1978 and 1981 the number of ATC accredited agencies in the United States rose from 14,804 to 19,203, an increase of 30 percent over three years. Even more staggering, during this same period, the total revenues reported by these agencies increased from \$19.4 billion to \$31 billion, an increase of 60 percent over three years (Stevens, 1983).<sup>8</sup>

These unprecedented short-term earnings did not, however, come without long-term consequences for travel agents. As agents became increasingly reliant on airline tickets for their organization’s revenues (interviews and *TAM* data suggest that the average

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<sup>8</sup> During this same period the United States averaged a 2.88 percent GDP growth, Historically from 1947 until 2012 the GDP Growth Rate averaged 3.25 percent (<http://www.tradingeconomics.com/united-states/gdp-growth>)

agency generated 80 percent of their revenue from the sale of airlines tickets by 1995) a consolidating populations of airlines (and their affiliated organizations) began to exert additional controls over the agent's ticketing practices. For instance, many of the larger carriers began to implement computerized booking systems that allowed travel agents immediate information concerning, and the ability to directly purchase, tickets from the system's parent airline. Agents that wished to book trips for their clients were required, in most cases, to both learn how to operate a series of continually changing computer reservation systems (CRS) and/or Global Distribution Systems (GDS) (a GDS allowed agents access to multiple CRS networks) and to purchase access to these services, with prices for five year contracts (the norm) costing upwards of thirty thousand dollars.

Agents that chose not to subscribe to CRS or GDS systems were relegated to checking inventories and purchasing tickets using carriers phone reservation systems, which several interviewees noted declined in responsiveness and professionalism as airline's attempted to funnel more agents towards their CRS and GDS systems. One interviewee recalled the increasing influence that airlines exerted over agent's practices in the early 1980s:

“At that time, everything was done on GDS systems, which were the airline-owned reservation systems. Saber was one of the big ones and I think American Airlines had another one. We had *no choice* but to use these to book tickets and they were not easy to use. They were very complicated and the required a lot of training. We had some people who were trained on certain systems and they were the only ones that knew how to make reservations on those systems.”

In addition to navigating an increasingly complicated network of GDS and CRS systems, agents also needed to change their practices to comply with standards enacted by the newly formed Airline Reporting Corporation (the ARC). The ARC, founded in 1984,



remains a private airline-owned corporation organized in response to the decommissioning of the former government-controlled ATC system. In a deregulated industry, airlines achieved near autonomy to set procedures related to the distribution, reporting and remittance of airline tickets. One interviewee recounted becoming increasingly disenfranchised with the ARC system:

“The ARC became a clearinghouse for the airlines. They’ve designed a system that allows us to issue airline tickets and that facilitates the flow of money between us and them. After we book tickets, the airlines essentially have two years to fine you for anything they think you’ve done wrong, whether it’s calculations, not following their rules, or whatever.”

Fines continue to be only one potential penalty that the ARC can levy on agents that fail to comply with their practices. Travel agents that engage in extreme or repeat infractions risk a revocation of their ARC license and, effectively, lose the ability to directly issue air travel.

In addition to the increasing complexity of, and influence of airlines over, ticketing in a post-regulated industry, agents faced another challenge in the form of “ticket-mills.” Individuals, lured by the promise of high commissions and familiarization (FAM) trips (deeply discounted travel products offered solely to travel agents) began flooding the category with the aid of extra-category organizations that provided mail-ordered instructions for establishing an “agency.” In response to these “fake” agents, the International Airlines Travel Agent Network (IATAN), a non-profit organization managed by a cross-section of the travel industry, formed in 1986 and began extending membership only to qualifying travel agents (*TAM* 01/03/1994: Passports to Profits). Although many airlines and travel service providers voluntarily restricted FAM trips to only IATAN agents, most were reluctant to do so at the risk of reducing their sales

volumes. A federal antitrust lawsuit, brought against the IATAN organization in 1994 and later dismissed, provides evidence of the magnitude of this problem. In court documents, the plaintiff contends that only thirty percent of the total population of individuals calling themselves “travel agents” would be able to meet the relatively low IATAN standards, which state that legitimate travel agents should produce no less than \$4000 in annual sales and work at least 20 hours a week (*TAM* 03/21/1994: IATAN Eases Card Restrictions).

In addition to, and as a partial result of, the regulatory and technological changes during this time period, consumers began to increasingly rely upon agents to book domestic air travel, which was decidedly cheaper in a deregulated environment. Interviewees reflected on a pre-deregulatory era when upper-middle class business travelers primarily drove domestic air sales. In an unregulated environment, the relationship that Americans had with airline travel changed dramatically as ticket prices dropped and a cross-section of consumers saw domestic airline travel as an affordable alternative for leisure travel.

To summarize, the decade following deregulation was, on the whole, likely the most profitable period for the category of independent full service travel agencies. As airlines grappled for market share in an unregulated environment they increasingly relied upon agents as, as TWA’s former Vice President noted, their “outside sales force” (*TAM* 01/03/1994: On the Upbeat). Accompanying the increased profitability of airline tickets were new reservations systems (i.e., CRS and GDS systems) and reporting standards enacted by the airlines. Agents also faced increasing threats to the credibility of their profession from within their category as “fake” agents emerged to take advantage of

FAMs and other lucrative incentives offered by suppliers. Accompanying these trends were shifting consumer travel preferences, and a radical increase in volume, concerning travel by American consumers.

Overall, these data suggest that, because of the combined influence of the aforementioned environmental changes, a variety of members and external stakeholders no longer viewed agents as architects of an entire travel experience but began to myopically view travel agents simply as facilitators of the purchase of airline tickets. In his instructional guide to being a travel agent Steven's (1983: 6) advice exemplifies this shift. His section titled "What Is the Function of Travel Agents?" answers this question by noting that "without travel agents it would be practically impossible for the traveler or tourist to shop for the most convenient flights at the best prices." An interviewee summed up the shifting products, practices, and purposes that agents were expected to adopt over the course of this period as follows:

"Before 1995, before electronic tickets and before commissions were capped and then cut we had the keys to a mysterious castle that people couldn't quite understand. If you lived in Baltimore and walked into my office at twenty minutes to four in the afternoon and told me that you needed a flight that evening on British Airways to London you expected that I would be able to find you a ticket and get you to the Baltimore airport in time, even though British Airways didn't have an office in Baltimore."

Agents that existed long before deregulation noted that because of the financial gains to be made by booking airfare they too slowly adopted new practices and changed their product mix to align with the shifting demands of their suppliers and customers. One interviewee disdainfully recalled:

“As airline traffic became a huge part of our business the collaboration [between agents and the consumers] started to fade and we spent about ninety percent of our time doing airfares. It was no longer just three airfares [(first class, business and coach)], it was a zillion fares with all sorts of new competition. Nobody knew what was going on and we spent a huge amount of our time dealing with airfares... which used to be just a side issue and straightforward. It got to the point where [when someone came in to discuss a large vacation] I started to think “Oh my god, this family want to go to Ireland. I don’t have time to think about this!”

Agents would soon discover, however, that their status as unavoidable middlemen, and the revenues that accompanied this role, would soon be things of the past.

## **PERIOD 2: COMMISSION REDUCTIONS AND COMMISSION ELIMINATIONS**

“Airlines will lose as their costs soar out of sight  
Clients will lose as they keep dialing through the night  
We could handle a bullet but this warhead is too big to bite  
Will the last agency out please turn out the lights?”

*(TAM 2/20/1995: Wake-Up Call)*

“I’m not a doomsday person, but I’d have to say it’s bleak... on the other hand, most of us didn’t get into the business to be airline ticket takers, we got into this to be vacation specialists. So maybe in a way it’s good that this has forced us to go back to doing what we love.”

*(TAM 11/22/1999: Survival Tactics)*

The following section discusses a number of technological, socio-cultural and regulatory changes that affected the meaning and continued profitability of the travel agent category between the years of 1994 and 2003. No single change, however, influenced the category’s meaning and continued viability more than a series of commission cuts implemented by the airlines over an eight-year period.<sup>9</sup> On February 10<sup>th</sup>, 1995 Delta became the first airline to cap agent commissions at \$50 for round-trip domestic flights and \$25 for one-way trips. Within a week, American, Northwest, United,

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<sup>9</sup> The terrorist attacks of September 11<sup>th</sup> 2001 will be discussed but data suggest that this event had a fairly homogenous impact on the entire travel industry.

USAir, Continental, and TWA implemented identical policies. Most industry stakeholders expressed a sense of inevitability concerning the airlines' decisions. James Camissa, a Miami-based travel industry analyst, voices this sentiment in a *TAM* article published shortly after the airlines' announcements:

“I was surprised that other airlines didn't leave Delta stewing in its own juices for a while but the 'win' for all of them was so great- it's been demonstrated that they'll save about 500 million a year- that they decided to do it in one fell swoop. In spite of all the emotion out there, they understood that they had to reduce distribution costs. They had already dealt with labor costs and the next biggest expense was distribution- about 22 cents on every dollar they earn. In that context, people knew it was coming.” (*TAM* 02/20/1995: Airlines Quickly Match Delta Pay Cap)

Agents, however, were collectively outraged by the cuts, which threatened to curtail what had become, as one interviewee described, the “bread and butter” of their category. Agents' initial responses included a formal antitrust lawsuit filed by the American Society of Travel Agents against the nation's four largest carriers (settled out of court for \$86 million in 1996) but were primarily restricted to symbolic and/or rhetorical forms of protest. A *TAM* article detailed the emotional responses of several agents:

“Sue Nelson, president of All-Around Travel in Kansas City, Kan., held a symbolic airline ticket burning in her agency's parking lot. Another agent on a travel bulletin board on America Online outlined elaborate “guerrilla” ticketing strategies for getting 10 percent pay. New Jersey agents got a permit for a week of picketing in front of the Delta counter at Newark Airport.... Indeed, this week many agents looked at airlines as the enemy. At grass roots meetings around the country, in an outpouring of faxes and letters to Travel Agent, and on travel agent discussion boards on the on-line services, retailers talked about ways to sabotage what some see now as their “former” partners in travel. The informal agent grapevine was full of ideas, including flooding the airlines' 800 numbers, making phantom reservations and turning in ARC reports late.” (*TAM* 02/20/1995: Wake-Up Call)

In a survey, administered by the *TAM*, respondents described their immediate reactions to the news of the cuts as “deep-seated rage”, “shock”, “nausea” and “fear”. Many agents summarized their current feelings about the airlines as “a thirst for revenge” with one agent noting “I want to get back at those carriers that decided to cut my pay- I want blood!” (*TAM* 11/17/1997: Grappling with the Caps).

This outrage, though never fully abated, would ultimately have little financial impact on the seven airlines that first implemented the cuts. Agents, because of the airlines’ “fell swoop”, found it difficult to “book around” carriers that cut commissions while continuing to act in the best interests of their customers. Sheila Hyman, an agent and past president of ASTA’s Northern California Chapter, highlights agents’ inability to punitively bypass airlines, suggesting “agents still have to book Delta, for instance, if their clients are going to Atlanta or Tennessee. There is often no real choice.” (*TAM* 5/22/1995: Does TWA De-cap Deal Violate Antitrust Laws?). Furthermore, despite their collective ire, agents remained locked into long-term CRS and GDS contracts with the major airlines, with an estimated 90-95 percent of all agents reliant on these airline-owned reservation technologies (*TAM* 8/5/1996: Agents Say, “Why Buy?”). Almost three years after the first commission cuts an ASTA Agency Automation Report, which surveyed 577 ASTA agents, reported that 85 percent of agents remained tied to a five-year contract with at least one major airline. The report concluded:

“Many in the industry (including ASTA), are voicing their dissatisfaction, claiming that five-year contracts are too inflexible in an age of rapid industry change. In its report, ASTA argues that any additional changes in commission structures, segment booking rules or consumer travel habits have the potential to seriously threaten agency profitability that is now

bound by long-term CRS contracts.” (*TAM* 8/31/1998: The Future of Contracts)

Despite their protests, agents faced several more rounds of commission reductions. In 1997, the major airlines went beyond caps and reduced the percentage of commissions to 8 percent on domestic and, for the first time, international flights. By 1998, speculations concerning the eventual cessation of commissions were rampant among agents. In a *TAM* article, titled “Countdown to Zero?” (8/3/1998), various agents were asked the questions: “What if there were no commissions? What would agents do?” Responses painted a uniformly bleak picture for the organizational category in the event of further commission cuts. ASTA President, Mike Spinelli, channels this gloom and speculates “the entire landscape of agencies would be hit like a tornado by a commission-less environment... large agencies would have the cash reserves to weather the crises... but small agencies would not have the reserves, and up to 10,000 of them would fold.” Various industry stakeholders were asked in the *TAM* article if, and when, a zero-commission scenario might occur with their answers ranging from the optimistic “not in the foreseeable future” to the shortest estimate of “about 10 years.” In reality, at 2 p.m. on Thursday, March 14<sup>th</sup>, 2002 Delta issued a press release saying that, effective immediately, it would no longer be offering base commissions to agents that booked air travel. In a pattern that mirrored the airlines’ decisions to reduce commissions from 10 to 8 percent in 1995, the other major carriers matched Delta’s move within days.

Other substantive changes during this period, and directly related to commission cuts, were advancements in technologies that allowed airlines direct electronic access to consumers, effectively bypassing the need for agent intermediaries in most cases. Initially, agents almost uniformly discounted the potential impact of the Internet with one noting

“if 800 numbers didn’t kill us, the Internet certainly won’t” (*TAM* 4/10/1995: First to the ‘Net) and others pointing to the lack of information security as the technology’s fatal flaw. During the same time, however, the popular media were increasingly predicting the Internet’s potential impact on travel agents’ revenues. Articles from the popular press in the mid-1990s warned travel agents to “look out”<sup>10</sup> as the new technology rendered them “threatened intermediaries”<sup>11</sup> facing population-wide “elimination.”<sup>12</sup> In 1995, an Economist article succinctly titled “Death of a Salesman” predicted, “if travel agents fail to embrace new technology, the boat (booked on-line) could leave without them.”<sup>13</sup> It became increasingly clear that airlines saw the potential for the Internet to reduce “costs” from their distribution systems. Although Web-based bookings accounted for only 1 to 2 percent of bookings in 1997 (*TAM* 03/10/1997: Web Warnings), every major airline developed, and actively promoted, their own online storefronts with predictions that these sales channels would account for 10 percent of their revenue by the new millennium.

Combined with the aforementioned commission reductions, these “consumer only” websites launched by the airlines (United Airlines was the first to offer online booking service in 1995) and “online travel agencies,” which were in some cases partially owned by the airlines (e.g., Travelocity, the first major online travel agency launched in 1996

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<sup>10</sup> Lasky, M. S., McLaughlin, L., & al, e. (1996). Look out, travel agents--here comes Travelocity. *PC World*, 14(7), 84. Retrieved from EBSCOhost.

<sup>11</sup> Lewis, I., & Talalayevsky, A. (1997). Travel Agents: Threatened Intermediaries?. *Transportation Journal*, 36(3), 26-30. Retrieved from EBSCOhost.

<sup>12</sup> Javier, C. A. (2000). Travel agents face elimination. *BusinessWorld*. 9/15/2000, p33. Retrieved from *LexisNexus*.

<sup>13</sup> Unknown author. (1995). Death of a Salesman. *The Economist*. 9/23/1995. P54-55. Retrieved from EBSCOhost.



and was affiliated with American Airlines), led agents to acknowledge that their relationship with the airlines may have moved beyond repair. Mike Spinelli, a travel agent and past President of the ASTA, opened his keynote address at the 1997 World Travel Congress with the following remarks:

“The key problem before us is the strained relationship between airlines and travel agents, which has dipped to its lowest point in history. When I took office, I felt that the end of the [commission cap] lawsuits would mark the beginning of improved relationships with the airlines, but the fact is, it didn’t work out that way... the Iron Curtain may have come down but the Cold War didn’t end.” (*TAM* 09/15/1997: Spinelli Hardens ASTA Stance)

Within two weeks of Spinelli’s address, the airlines enacted the aforementioned 10 to 8 percent commission reduction on the sale of domestic and international airfares.

Although the commercialization of the Internet would ultimately influence (and continues to influence) an untold number of industries, it disproportionately altered the travel agency category for several reasons. First, airline travel was one of the earliest products available to consumers online. In 1996, while eBay was known as Auctionhouse.com, Amazon only sold books, and Facebook was almost a decade from existence, consumers could already research and purchase airline travel on Travelocity.com. Second, the volume of online travel grew incredibly fast and, to date, remains the largest category of online sales. Between 1997 and 1998, the percentage of travel companies (e.g., airlines, automobile rentals, hotels, etc.) equipped to receive online reservations grew from thirty-seven to seventy-five percent (Harrell Associates, 2002). This increase in the online supply of travel goods and services corresponded with rapid changes in the purchasing behaviors of consumers. In 1997, only one percent of US travel arrangements were made using the Internet. By 2000, these transactions

accounted for eleven percent of the total market, a percentage that translates into over twenty billion dollars in sales (Lang, 2000). Analysts now project (see Table 5, below) that during 2011 online travel transactions will total between one hundred and one hundred and twenty eight billion dollars in sales during 2011, a number that represents between forty and sixty percent of the total US travel market (Mintel, 2009).

**Table 5:** Mintel’s (2009) estimation of online travel growth

	2007	2008	2009	2010	2011
	US\$bn	US\$bn	US\$bn	US\$bn	US\$bn
<b>US:</b>					
<i>Forrester Research</i>	104	111	117	120	128
<i>PhoCusWright</i>	94	96	93	95	100
<i>eMarketer</i>	94	95	92	95	102

Third, and finally, airline tickets are, and continue to be, products ideally suited for online sales and distribution. Bloch and Segev (1997) highlight the low-level of asset specificity with air tickets (i.e., after deregulation consumers have an abundance of alternatives to travel between most cities), which render them commodities in the eyes of many consumers. A report by Harrell Associates (2002: 26) reflected that the sale of air travel was “uniquely suited for the Web” because “the products had few geographic boundaries, and, thanks to the widespread adoption of e-tickets, which airlines aggressively pushed, the airlines faced none of the logistical issues of online product retailers, such as shipping rates and variable tax collection schemes.”

Agents eventually embraced the Internet into their products and practices, however, their adoption of the technology was decidedly lagging when compared to their category’s external stakeholders. The ASTA’s Automation Survey, released annually for

several years, reveals that in 1997, 97 percent of agents still used a CRS, and not the Internet, to make their bookings. Many travel agents, recognizing the unavoidable impact of the Internet and its potential to reduce costs, closed their traditional “brick and mortar” locations, affiliated with a host agency and redesigned their business model by becoming “outside agents.” In these situations, outside agents could shed their ARC licenses (and accompanying costs and red tape) and instead work with their established clientele and referrals from a home, or temporarily leased, location. When these agents sold airfare, they communicated sales to their ARC licensed host agency, which received a commission from the airlines (in cases where these were negotiated separately because of their sales volume) and/or a fee from the agents. Interestingly, travel agents that redefined their products, practices, and purposes in this way reported feeling ostracized by their fellow travel agents and members of their professional association. Mimi Petit, after deciding to close her office and join an umbrella agency, noted that “agents everywhere recognize that they have to move beyond airlines sales, so why are they saying that I’m not a professional just because I no longer have an ARC number?” (*TAM*: 5/5/1997: The Benefits of Being Outside). One of these agents recalled the animosity that other agents directed at him:

“I’ve been called a fake and a joke, and a pseudo-agent- and I’m responsible for the demise of the whole industry today.” (*TAM* 05/11/1998: Home Court Advantage)

By the end of this time period agents had little choice but to move from “[previously seeing] the Internet as a threat” albeit “an incredible research and marketing tool” (*TAM* 1/12/1998: Survey Says) to acknowledging that they would no longer be able to compete for airline sales with online providers on the basis of price alone. One interviewee recalled, “We used to be able to get clients to come in and buy airfare by

[advertising] a low price in a newspaper. We don't compete on price anymore, in fact, we haven't been able to for years and years." Airlines also did little to dissuade travel agents that the Web-sales would ultimately bypass their role in the ticketing process. Whereas past airline spokespeople had vehemently denied these assertions (e.g., "This is nothing more than a business decision. This is not a bypass. It is target marketing. Look, agents do 85 percent of United's ticketing... United is protecting itself, trying to control its costs and targeting a market that doesn't normally walk into agencies anyway" (*TAM* 02/13/1995: United and Southwest) by the late 90's many of the airlines discussed the reduction of the agents' importance in airline booking with an "unusual candor":

"In a rare disclosure, American West's senior director of product distribution, William Spillman, outlined the difference in ticket costs, depending on the method used to book them. According to Spillman, a ticket purchased through travel agents costs \$23 to book, \$20 through an online travel service provider such as Preview Travel, \$13 from the airlines reservation system and only \$6 from the Internet directly.

Jim Young, director of distribution strategy at Continental Airlines also believes the system is changing and that agencies must change along with it. Young noted 'there's still an entitlement mentality to agency compensation, we want to help agents overcome that.'" (*TAM* 3/1/1999: Global Aviation Conference is Marked by Unusual Candor)

Agents also expressed a begrudging awareness that the Internet was increasingly circumventing their traditional role in the booking process. In a failed attempt to have the United States government intervene, a vice president of a travel agency consortium testified before a Senate Appropriations Transportation Subcommittee that "the airlines have tried to eliminate the travel agency ticket distribution network... for a very simple reason: to force customers to purchase tickets directly from the airlines" (*TAM* 05/11/1998: Agents Tell Congress). Agents also began to use the Internet, in tandem with

their CRS and/or GDS systems to research and book airfares. One agent, acknowledging that they'd used Priceline noted, "If an agent can't get the fare her client wants she should use [online travel sites] as a last resort. After all, *anything* is better than losing a customer" (*TAM* 05/11/1998: Name Your Price). The last, and most devastating event of this period was, however, still to come in the form of the terrorist attacks of September 11<sup>th</sup>, 2001.

Whereas the Internet and commission cuts slowly eroded agents' revenues, the coordinated attacks on September 11<sup>th</sup>, 2001 brought the category's sales to a screeching halt. One interviewee noted that "prior to September 11<sup>th</sup> the airlines reduced our commissions and that really hurt allot of us. We went from making fifty to a hundred dollars a ticket to requesting fees from customers who used to get this service for free. Then when September 11<sup>th</sup> happened, people just stopped traveling for a year. They eventually came back but by that point a lot of agencies had already closed."

In the initial aftermath of the attacks there were countless reported instance of agents and airlines coming together to assist stranded passengers or individuals seeking information about their loved-ones. For a brief time there was a flurry of optimism among agents that airlines might reevaluate their relationship and to reinstate commissions. In December of 2001 the ASTA's president touted the efforts of agent to provide a "reassuring voice to an apprehensive public" and further explained that "we have never condemned the airlines as a supplier for trying to make their operations efficient, and no one expects commissions to return to previous levels. However, agents are no longer the patsy and should the airlines not recognize that they are in for some hard times." (*TAM* 12/05/2001: Unlimited Opportunity). This optimism, however, proved

short-lived with Delta and most of the other major airlines implementing another round of commission reductions within three months of the articles publication.

To summarize, this period is bounded on one side by the airlines' decisions to cap commissions and on the other side by their later decision to eliminate commissions altogether. In the interim, airlines restructured and cut commissions with such frequency that for several years the *TAM* published a weekly column that attempted to simplify this complicated landscape by listing the different commission policies of each airline. In addition, agents faced increased competition from the online sale of airfare and an almost complete cessation of demand for leisure travel following the September 11<sup>th</sup> attacks. In response to these events agencies closed en masse. Even prior to the September 11<sup>th</sup> attacks, the continued viability of the travel agent category was in doubt as a Bear Sterns report on the industry noted:

“lower commissions have placed the financial viability of the traditional agent at risk. In fact, some question whether travel agents as we know are going the way of the buggy whip maker. Added Bear Stern's leisure travel analyst Jason Ader “If I were a travel agent, I would be very worried right now, their commission fees have already been diminished, and now the Internet is threatening to steal their customers.” (*TAM* 4/24/2000: Even as Online Growth Slows)

Agents that remained changed their practices in several ways to survive this multi-pronged onslaught. Many aligned with umbrella organizations that both handled their airfare transactions and freed the agents from the overhead costs with CRS contracts, and in many cases, retail locations. Others, struggling to replace the commissions that once comprised a majority of their revenues, advocated fellow agents to sell a variety of ancillary products and/or services. Following the initial commission cuts one agent touted “I'll do almost anything for a fee as long as its legal- from ordering flowers to planning

parties, to getting price quotes for restringing pearls.” (*TAM* 9/18/1995: I Will Survive). Others went even further, suggesting that agencies needed to “hire salespeople, not travel people” and transform their store into “boutiques” for travel merchandise “including travel alarm clocks, passport holders, money belts, motion sickness acupressure bands and brightly colored luggage markers” (*TAM* 4/6/1998: Merchandise Mart). The majority of those that remained as “traditional” agencies began charging fees to clients to offset the losses associated with commission cuts. One interviewee recalled the difficulties with implementing fees:

“Before 9-11 the airlines started reducing our commissions from 10 percent to 8 percent. That’s when a lot of agencies started dropping out. I started implementing fees on a very limited basis at that time. Then the agencies cut our commissions to 5 percent and we could see the handwriting on the wall. So we implemented service fees across the board. No more of this “no charging for services,” we had to really backtrack on that... This was a big decision, this was a hard decision but it’s one we had to make when they eliminated our commissions.”

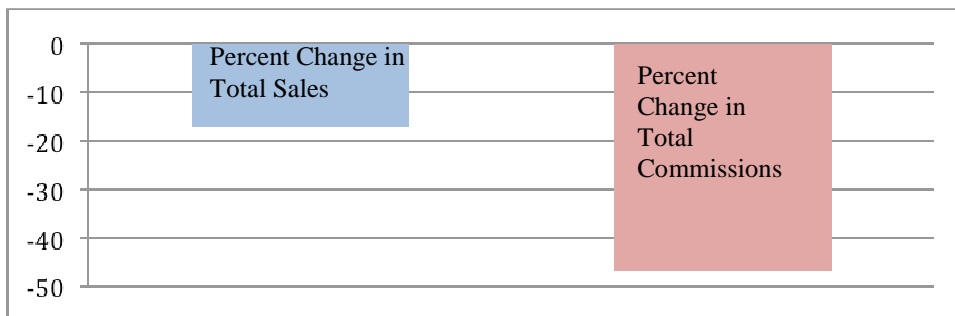
Another recounted:

“I don’t do anything for free anymore. There’s a fee for me to do business with you. You’re going to pay me for my time in some fashion. I won’t be as highly compensated as an attorney but there will be a fee to do business with me. I don’t think that agents that didn’t implement fees exist anymore. In other words, there’s no way to make money. So, our biggest challenge was [after the airlines reduced commissions] we had to start charging for our services. That was incredibly tough and involved changing the consumer’s mindset. We had always worked for free, it was a part of our pitch. You used an agent and it cost you nothing at all because I made my money from the airlines, the cruise lines, whoever. Now we could no longer say this and were charging consumers for services that they used to get for free. So that was the biggest hurdle to overcome.”

A TAM article (4/22/2002), titled “Back to the Future: A Completely Fee-Based Compensation isn’t Exactly a New Idea for Agents” highlights the uncertainty about the consumer’s willingness to pay agents for their services. That article’s author attempts to comfort readers by noting “prior to 1935, agents were only paid nominal commissions, if any. Railroads, for example, paid no commissions on point-to-point service; hotels and resorts seldom paid commissions; and shipping lines, equivalent to the airlines in those days, paid a maximum of 7 percent on select trans-oceanic sailings. Consequentially, the primary source of income for agents was service fees.” The article concludes by encouraging travel agents to consider fees but only if they can “effectively communicate the value that they are adding.” This was, unfortunately, a question that travel agents repeatedly struggled with over the next decade, as the continued relevance of their category remained a topic of debate.

This period ended with a travel landscape, and a travel agent’s fit therein, that was drastically different from the preceding period. The following (see Figure 2, below) summarizes decline in sales and commissions that travel agents faced during the last year of this period.

**Figure 2:** Decline in travel agents’ sales and commissions from airfares between the second quarter of 2001 and 2002





By the end of this period, the volume of airline tickets sold by travel agents plummeted and the small-scale agencies (i.e., those that generate less than \$5 million of revenues per year) that constituted the bulk of the categories members declined from approximately 22,207 agencies in 1995 (with a combined \$20.3 billion in total airline ticket sales) to 15,436 agencies in 2002 (with a combined \$6.3 billion in total airline ticket sales) (Winstead et al., 2002).

### **PERIOD 3: COMMISSION ELIMINATIONS AND CATEGORY REEVALUATION**

To briefly recap, by the beginning of 2002 the category of travel agents was completely unmoored from the practices, products, and purposes that unified it only a decade prior. Travel agents, once the recipients of lucrative commissions from airlines, were now without commonalities to unify their category. Further compounding the impact of commission reductions was the downturn in the demand (or as many travel agents describe a “virtual cessation”) that followed the September 11<sup>th</sup> terrorist attacks and the airlines increasing use of the Internet to sell their products directly to consumers. According to ASTA testimony at a Congressional hearing, these three factors resulted in revenue losses for travel agents that totaled approximately \$4 billion in the year 2001 alone, which forced as many as a third of all agencies into closure (*TAM 10/15/2001: Agents Lobby Capitol Hill for Relief*).

Interestingly, with the exception of the 2003 Iraq War and the occasional natural disaster (e.g., the erupting Icelandic volcano that temporarily rerouted all European air traffic in 2010) interviewees mentioned almost no events during this period as those “that significantly changed their profession.” Agents, however, almost uniformly indicated that

by the later part of this period their products, practices, and purposes had returned to a facsimile of those that defined the category prior to deregulation.

To understand how, and why, agents reinvigorated attributes from their past category, it is of paramount importance to examine the impact of travel agents' decisions to adopt the practice of charging service fees in order to offset revenues lost from commission reductions. Fees, in addition to constituting a new and important source of revenues for travel agents, forced members to justify their category's continued value to consumers, other external stakeholders, and potentially more importantly, to themselves.

One travel agent recalled:

“Brick and mortar agents that didn't start charging fees for their services and didn't have the mindset that their time and expertise was worth something are no longer in the travel business. I had a lot of former clients just flat out refuse to pay fees and my response was, “I am not a [charity]. I am one hundred percent in this business to make money. And if it's a struggle for you to pay me or we always have this conversation, you need to find somebody else to do business with.” And I had no qualms about that.”

Coinciding with the implementation of fees was an emerging recognition that travel agents needed to improve their comprehension and utilization of the Internet in order to better served consumers. Although just years prior the ASTA's past president, Mike Spinelli issued the decree “Internet Schmineternet”<sup>14</sup> (along with matching bumper sticker) the ASTA's new administration made a marked point to encouraged agents to learn about the Internet and to incorporate it into their daily practices, and noted with a tone of urgency that:

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<sup>14</sup> Although many agents took this statement as a decree to shun technological trends (one interviewee was quite emotional about what she considered a “lack of vision” from the ASTA) Mike Spinelli, in an interview for this dissertation, suggest that his intention was for agents to focus on ways to uniquely add value to Internet services and not to shun the Internet altogether.

“The million-dollar question is, are we adapting to change or holding onto the past... We [as a profession] have been afraid of the Internet for a long time. But now we need to embrace it. If we are not part of the trend, we will not be part of the travel industry in the future” (*TAM* 10/27/2003: *ASTA Congress Sounds Optimistic*).

Despite collectively embracing Internet technologies, the number of travel agencies continued to decline throughout this period with mid-sized travel agencies (\$2-5 million in annual revenue) closing at a much higher rate than their smaller and larger counterparts.<sup>15</sup> When asked about the reason for these disproportionate closures, agents suggested that these mid-sized businesses had larger overheads than their smaller counterparts but weren’t large enough to offset these costs by negotiating override contracts with the airlines directly. Additionally, these mid-sized agencies were the most susceptible to changing buying behaviors from consumers who began to rely on travel agents less for “routine” travel (i.e., the booking of point-to-point domestic airfares) and more for specialty vacations (*TAM* 05/10/2010: *Agents See Savvy Clients*). An interview confirmed this trend with the agent noting that she primarily “deals with people who are making travel and vacation plans that are outside of their comfort range... this could be simply flying to Hawaii for one person or a week long sub-Saharan safari for another.”

Over time, agents reshaped both the products/services mix and their business practices for interacting with the consumers. One agent noted, “There are still some products that pay a commission [e.g., cruises, escorted tours, etc.] and when there aren’t, I have no problem charging for my services. I am a professional and if a client comes to me, they should expect to pay me for my training and experience. Sometimes that means a commission, sometimes it means a fee” (*TAM* 05/10/2010: *Agents Divided*). Others

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<sup>15</sup> <http://asta.files.cms-plus.com/pdf/ASTAAgencyProfile.pdf>

mentioned their increased reliance on travel insurance as a revenue stream. Contrary to “the days when agents were deterred from discussing insurance because it brought up the negative scenarios that might occur while traveling” (*TAM* 01/30/2006: Cover Your Clients) agents now use potential travel complications to explain their role to the consumer:

“Travel agents are emerging as heroes to many travelers during the volcanic ash crisis that is only now coming to a costly end. As the blame game begins, agents appear to have proven their value as the public reached out for help.... In fact, there’s your tip. The next time someone asks how you compare to an online service, ask them who they’d like to call on when they’re stranded far away from home with no relief in sight—you or the Internet?” (*TAM* 05/10/2010: The Internet vs. the Volcano).

Although travel agents failed to identify any notable regulatory, technological, or socio-cultural changes during this period, the products, practices, and purpose of the category deviated radically from what they had been just a decade prior. Travel agents now generate some commissions from the sale of cruises, tours and/or travel insurance but increasingly rely upon fees for the bulk of their revenues. Today there are fewer travel agencies than in the late 1990s but recent reports seem to suggest that the category’s membership is stabilizing and/or more profitable than years past.<sup>16</sup>

To summarize, the travel agent category experienced a variety of significant socio-cultural, technological, and regulative changes over the last several decades. Although many of these changes rapidly or gradually changed the products, practices, and shared purpose dimensions of the category, few seemed to directly challenge its continued existence until the later part of this study’s periods of interest (i.e., 2002-2010),

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<sup>16</sup> <http://asta.files.cms-plus.com/pdf/ASTAAgencyProfile.pdf>

which was years and/or decades removed from environmental changes that were necessary predecessors to these category challenges. Throughout this later period, travel agents witnessed a near-continual decline of their population and revenues. The following section takes a detailed look at exactly how these early environmental changes manifested as a changed meaning for the category of travel agents.

## **CHAPTER V**

### **RESULTS**

To briefly revisit, the goal of this dissertation is to understand if, and how, category members and external stakeholders reshape or maintain the meaning of an organizational category in response to environmental changes. To date, the majority of the organizational literature has focused on understanding intra-categorical attempts to change or maintain the meanings associated with a collective of organizations (e.g., Jensen, 2010; Navis & Glynn, 2010; Negro et al., 2011). Instead I find that external stakeholders influence category meanings to a greater degree than previous research indicates. In addition, I find that mature categories, oftentimes considered to be “taken-for-granted” until threatened by a radical environmental change, are actually continually shifting as members modify the type and frequency of roles they enact to align their organization with incremental changes to their local context.

In the following section, I first interview data to demonstrate that five distinct roles existed within the travel agents’ category over this dissertation’s period of interest. Afterwards, I incorporate discourse from the *TAM* that show the prevalence of these roles fluctuated over time as various environmental changes influenced the practices, products, and/or purposes that unified members. I then explain the mechanism responsible for these changes, highlighting three processes that are generalizable to other organizational categories.

#### **CATEGORY ROLES**

Consistent with recent research in the organizational sciences (e.g., Jones et al., 2011; Rao et al., 2003) this dissertation’s data suggest that although “travel agents” were

a recognizable organizational category for over a century, the products, practices, and purposes that delineate their boundaries changed considerably over time. This change was not, however, completely explained by the current organizational research, which focuses on members' and external stakeholders' attempts to purposefully influence the meaning of an organizational category in the aftermath of discontinuous environmental changes. Instead, my findings indicate that multiple roles coexisted within the travel agent category that constituted triggers to, and pathways for, category-wide change that were less purposeful and more incremental than the mechanisms suggested by previous theorizing.

Roles, in the social sciences, have been defined as patterns or sets of behaviors that individuals are expected to replicate given their position within a social system (Biddle, 1979; 1986). Roles are not, therefore, affixed to an individual nor are they singular occurrences. In the context of organizational categories, roles constitute replicable sets of organizing principles that both reflect and produce the category's distinct types of products, practices, and purposes. As they reoccur, the performance of these roles clarifies and manifests the category's meaning (Kennedy, 2008). As discussed in the methods section, I iterated between the retrospective interview data and real-time *TAM* data. As a result of this process it became clear that the category of travel agents was not, nor had it ever been, defined by a homogenous set of products, practices, and purposes. The interview and *TAM* data overwhelmingly suggest that agents enacted different roles at various times in their day-to-day routines and with varying frequencies depending on the localized demands of external stakeholders. Changes in the frequencies of these substantively different roles enabled a gradual change of the constitutive

properties of the category while not violating the “fuzzy” definition held by travel agents and external stakeholders (Porac, et al., 1995; Hannan, et al., 2010).

For example, many agents, when asked to describe a “day in the life of an average agent in the 1980s or 1990s,” indicated that their daily routines throughout this period involved two distinct roles. One of these roles, which I label as an “educator,” entailed providing customers with time-intensive counseling about potential destinations and travel logistics. Another, that I label “booking agent,” required a very different skill set and included back-office transactions between agents and the travel providers (in most instances airlines) that demanded compliance with suppliers’ reporting standards and their firm-specific booking systems. According to agents, both roles were integral to their category’s overall meaning even though each encompassed different, and sometimes conflicting, expectations about the products, practices, and purposes that travel agents were expected to demonstrate. A content analysis of interview data indicated that five distinct roles were pervasive components of the travel agent category between the years of 1994 and 2010. These roles were subsequently confirmed in follow-up interviews with travel agents who confirmed the existence and importance of these roles and could not identify additional roles that should be considered. In the following section I detail these roles and provide data from interviews that highlight the products, practices, and purposes uniquely associated with each.

### **Booking Agent Role**

Within the travel agent category, the “booking agent” role includes routinized behaviors associated with the booking of airline tickets for clients. As illustrated in



Chapter IV, airline commissions comprised the bulk of agents' revenues in an unregulated environment and agents began increasingly adopting a "booking agent" role in response to a growing consumer demand for airline travel (primarily because of lowered fares) and lucrative supplier commissions. One interviewee recalled that airline tickets became the principal *products* for agents in the decades after deregulation:

"In the 1980s our job was primarily to provide airline information -- the schedules, fares, and ticketing. It got to a point where eighty percent of our revenues came from airline tickets. The reality was that these sales became the easy road to grow a travel business."

Another highlighted the pervasiveness of the "booking agent" role in the early 1990s, noting that "booking agent" *practices* became so ubiquitous that they even began to dominate the training of new travel agents:

"I went to a travel school where we were primarily taught how to use GDS systems to make airline reservations. Our class touched a little bit maybe on the planning part of [being a travel agent] but the majority of instruction focused on booking airline tickets. We still had to learn how to hand-write tickets but primarily used the [airlines'] computers that we called "blue boxes."

Collectively, interviewees suggested the overarching *purpose* for agents enacting a "booking agent" role is to intermediate transactions between customers and the airlines. As a result of their reliance on the "booking agent" role, interviewees communicated a perceived loss of autonomy as they changed their routines to comply with ARC reporting standards and CRS/GDS reservation protocols. One interviewee shared her belief that her profession became "frontline airlines employees" throughout the 1980s and 1990s:

"We started booking so many tickets that airline employees and travel agents started to speak the same language and there ceased to be any cut-and-dry differentiation between our professions."

In sum, agents enact the “booking agent” role when they encounter clients that need to purchase routine domestic airfare and the activities involved with fulfilling this role are largely determined by the requirements of the airlines and the demands of consumers for low-cost airfare.

### **Educator Role**

The “educator” role extends beyond the booking of everyday air travel and instead expresses the belief that an agent’s *purpose* is to serve as a trusted and knowledgeable professional who provides unbiased and valuable information to consumers considering non-routine travel. The *practices* associated with the educator role, therefore, pertain to the dissemination of information to clients, who are otherwise unable and/or unwilling to acquire this information. One agent recounted how her higher-education background, which was not travel related, allowed her to act as an “educator”:

“I was a political science and history major in college and because of this I knew my clients needed more than to just get to a place. They needed some background about where they were going and they needed some history. I added value by eliciting what my customer’s frame of reference, background and expectations about a trip were and then providing the appropriate destination information.”

Another recalled thinking the *practices* associated with the “educator” role legitimized their organizational category:

“I keep stressing the importance of agent’s as educators because that’s what established the professionalism [of our category]. We don’t have accreditation standards so our ability to use our experiences to teach consumers about destinations and for others to hear about this is necessary to differentiate us from someone who simply sells airline tickets.”

Reflecting on the travel industry in the 1960s and 1970s, when the majority of U.S. travelers used travel agents to book escorted tours for their first foray abroad; agents were once the most reliable and up-to-date source for travel information for the majority of Americans. Because of these historical origins, many interviewees suggested that first-hand information remains the *product* that most differentiates travel agents from other organizational categories. One interviewee recounted entering the profession and feeling that fellow agents were neglecting their historical roles as “educators,” noting:

“By the time I entered the profession in the 1980s it had gotten to the point where I said “I am not a travel agent.” As far as I was concerned, what I hoped to do and what I came to do had nothing to do with the industry at that point. They were basically booking agents and by and large Americans did not travel that much, Americans didn’t read as much, the sophistication level and the general knowledge were not there. Agents were not focused on helping client learn about different countries ... they figured once [their clients] were there they would just sort of meander around and eat pizza and gelato.

It was so superficial and, to me, it was never enough personally or professionally. I felt that I had to bring an educational role that would introduce people to the cultures of the countries. My clients would often tell me, “you know we had never had anybody that had explained as much” and I did more than explain, I made them do homework, I gave them reading lists, I was pretty tough.”

In sum, agents enact the “educator” role when they represent the primary source of information for clients looking to purchase “out-of-the-norm” travel and engage in activities to obtain privileged information about travel destinations (e.g., familiarization trips, travel conferences, etc.) and to disseminate this information to their customers.

### **Facilitator Role**

The “facilitator” role encompasses patterns of behaviors that oftentimes directly contrast with the practices, products, and purpose of agents acting as “booking agents.”

Instead of focusing on domestic airline tickets as their *products*, travel agents that act as “facilitators” coordinate “complicated” travel logistics and/or organize multiple aspects of trips that are “out-of-the-norm” for a given consumer. One agent explained that a travel agent’s ability to build multifaceted travel itineraries differentiates his profession from airline employees or other travel suppliers:

“Even though cruise companies and airlines have their own travel counselors, they still handle a very limited aspect of consumers’ vacations. Travel agents, however, manage a vacation from start to finish. For example, I provided my services to a group of five travelers that went to South America a week ago. I not only booked their tickets but I also made sure that they had their passports set up, were able to combine their mileage with cash to get business-class upgrades, facilitated credit card transactions with a variety of reputable local tour operators and made sure they didn’t need a visa or anything else. An airline, or cruise company, travel counselor wouldn’t have done half of that stuff and ultimately would’ve sold them things that might have been best for their company, but not necessarily for the clients.”

In addition to providing different *products* from “booking agents,” travel agents indicated that their *practices* differ substantially when acting as a “facilitator.” One interviewee noted that instead of striving to efficiently and effectively selling low-cost airline tickets, their work as a “facilitator” is driven by efforts to learn about, and navigate, a complicated web of travel suppliers and government regulations:

“I’ll generally only sell point-to-point travel to places like Chicago, San Francisco or New York to repeat customers. Typically, though, these sales are part of package that includes theater tickets and other city-specific experiences. The real way that I add value is by remaining up to date on visa and passport requirements and staying on top of other types of information regarding complicated or international travel.”

Overall, the *purpose* associated with this role is fundamentally different than that of a “booking agent.” Instead of interviewees feeling like they were a “frontline airline employees” (as mentioned in regards to their “booking agent” role), travel agents

explained that their “facilitator” role is driven by a desire to plan, and sometimes aid in the execution of, every facet of non-routine travel. One interviewee channeled this heightened involvement and noted that when acting as a “facilitator” she expects to:

“...feel as if I’m a personal concierge to my clients because I’m involved with every aspect of their trip. I make special requests for their air travel, I help them navigate unfamiliar airports, I arrange ground transportation and I stay involved throughout the process. In fact, I think of myself as their travel companion, I try to influence every detail of their trip without ever being there.”

In sum, the “facilitator” role encompasses a pattern of behaviors that agents enact when coordinating comprehensive and oftentimes complex travel logistics for their customers. This role differs from the “booking agent” and “educator” roles by extending an agent’s services to the entirety of a consumer’s travel and not simply focusing on the provision of transportation and/or information prior to their departure. Thus, while both the “facilitator” and the “educator” roles involve providing complex information regarding cultural, geographic, and social aspects of a destination, the “facilitator” role involves a unique emphasis on complex logistical integration.

### **Editor Role**

Depending on the circumstance, the role of an “editor” functions as either a substitute for, or a modification on agents’ roles as “educators.” Although I detail the relationship between these two roles in the following section, it should be noted that while these roles fulfill a similar purpose, each are associated with distinct products and practices. The following agent’s response indicates how the Internet was responsible for rendering the “educator” role obsolete, and how the “editor” role’s more collaborative *purpose* emerged in its place:

“Before the Internet, we were the only real source of travel information besides an airline that would only give you details about their flights. With the Internet, people began to go online to get information and over time it got out of control. In my opinion, people nowadays are overloaded when they go online to learn about travel because there’s so much information on the Internet. So customers no longer just need information, they need agents to filter through the noise and to help them make decisions.

I first started to notice this when I began getting calls from honeymooners who had all the expertise needed to book their travel online but were one hundred percent confused when planning bigger trips. [After encountering a few of these clients] I said “Aha! I’ve found my niche.” That’s when my post-Internet role started to evolve. I began to think of myself as almost like a magazine *editor* who knew all of the information on the Internet but also knew what elements matter, how you put these choices together, how you sequencing them, [etc.]. That type of customization was something consumers could not do on their own and something the Internet couldn’t do for them.”

An agent’s *purpose*, then, continues to focus on the provision of unbiased and valuable information for consumers. Providing this information, however, requires a number of considerable changes to how agents go about providing this information. Instead of agents’ *products* being information that they alone possessed (either through personal experience or other exclusive means) the Internet’s emergence made travel information abundantly available to consumers. One agent reflected on this change and noted that agents’ *products* had to evolve from the information itself to reducing an overabundance of information to a level that was useful to consumers:

“As the airlines advocated the Internet, travel agents were no longer the sole source of information for our consumers. So we lost that aspect of our profession to online agencies like Travelocity and Expedia or to other vendors that could directly get their information in front of the clients. So [our role as an “educator”] went away, but there are still less-direct ways that we provide information to consumers. If a consumer goes online and searches for a cruise they’ll get thirty different companies each with a variety of cruise options. It’s almost impossible for consumers to make decisions with all of that information. So now, instead of distributing information, we provide our customers a sense of stability and a means to get to only the information they really need.”

In this new travel landscape, agents' *practices* also evolved to remain competitive. However, as noted in the historical context section, agents were decidedly slow in embracing the Internet and the online practices that proved vital to their new role as "editors":

"I now have clients that are the children of the people I first served when I started my business. I recently asked a few of them why they wanted me to plan their honeymoon instead of doing it themselves since it seems like their generation was born with computers in their hands. They told me there was just too much information out there and that given the importance of their honeymoon they were afraid they'd make a wrong decision without my help. So the Internet's become a really important aid in our day-to-day efforts to get our clients information. It's our job now to take that online information and match it with what we know about the clients and the location to craft a complete trip."

In sum, the role of an "editor" goes beyond simply disseminating information and involves a more collaborative set of behaviors to filter out erroneous and/or extraneous information and customize pertinent information (often obtained via the Internet) to individual consumers.

### **Rescuer Role**

The last role identified within the travel agents' category is that of a "rescuer," which encompasses behaviors associated with the communication and mitigation of potential travel complications. A tangible *product* associated with this role is travel insurance, which as mentioned in Chapter IV, became an increasingly important source of revenues for travel agents in the aftermath of commission reductions. In addition to selling insurance policies, travel agents indicated that consumers increasingly pay for their services because they function as a direct and knowledgeable contact in case of unforeseen travel emergencies. One interviewee recounted how both the tangible (i.e.,

insurance policies) and intangible services associated with their “rescuer” role constitute a vital part of her business:

“I have new clients come in all the time that referred by a friend or relative who told them ‘if you’re going to travel abroad you need to go to ABC Travel and talk to [Sue] because she knows her shit. I was traveling with a bunch of people and our trip got all screwed up. Not only did she convince me to buy travel insurance, which I wasn’t crazy about it at the time, she was there working the phones when I needed her. All and all she saved me a ton of money.”

The *practices* of this role are also unique, as travel agents frequently counsel their clients beforehand to avoid complications and occasionally get involved during their clients’ travel to extricate them from travel complications or to seek recompense for their losses:

“I’m not as important for those less complex point-to-point [trips]... but oftentimes when my clients are stranded and need help, they call or send an email from Ireland or wherever and I get on the phone with the airlines to get them home. I just had some clients stuck in China and the airline was willing to work with me because I was the agent that booked their travel. Got them what they needed and the least amount of penalty that I could possibly get. So they got home safe and sound from China.”

One agent’s explanation of how he still added value in a post-Internet era succinctly summarized the *purpose* of travel agents’ “rescuer” role:

“Because of the changes made by suppliers we’re one of the few ‘hands-on’ professions in our industry. If someone says to me ‘you can’t compete with the Internet,’ I say ‘no, the Internet can’t compete with me.’ That’s the reality. I’ve evolved to serve as a form of insurance, most of the time you don’t think about me or need me but if something does go wrong you can rest assured that I’ll get it fixed.”

In sum, agents fulfill a “rescuer” role as they counsel their clients before embarking for their travel and assist clients that experience travel complications despite their travel agent’s best efforts. Travel insurance is an important *product* that agents provide in this



role, but interviewees indicated that their ability to leverage industry contacts to assist clients whose travel plans go awry is an equally important component of this role.

In conclusion, I contend that five distinct roles existed within the travel agent category between the years 1994 and 2010. Interviewees indicated that they were expected to alternate between the “booking agent,” “educator,” “editor,” “facilitator” and “rescuer” roles at different times, and with different frequencies, while employed as members of the category. As summarized in the following table (see Table 6, below), a unique set of products, practices, and purposes accompany each of these roles.

**Table 6:** A summary of travel agents’ roles between 1994 and 2010

<b><u>Role</u></b>	<b><u>Product(s)</u></b>	<b><u>Practice(s)</u></b>	<b><u>Purpose(s)</u></b>
Booking Agent	airline tickets	selling, distributing, and reporting the sale of airline tickets	intermediating exchanges between airlines and consumers
Educator	first-hand information	gathering and disseminating destination and logistics information	providing unbiased and valuable information to consumers
Facilitator	assistance with complicated travel logistics	continual involvement with logistics (e.g., passports, visas, etc.) before and during consumers' travel	draw upon industry experience to assist consumers coordinating non-routine travel
Editor	refined second hand information	drawing upon first hand information and industry experience to identify valuable travel information on the Internet and to package this information for clients	collaborating with consumers to discover unbiased and valuable information
Rescuer	travel insurance and assistance	counseling clients before travel and aiding them if complications arise	offering "hands on" professional guidance to avoid and respond to travel complications

Consequently, an agent's ability to accomplish one role has no direct bearing on their success with another (e.g., although the "educator" and "editor" roles fulfill a similar purpose, their practices and products are so distinct that many agents failed to utilize the Internet in a way that responded to market pressures that they shift from an "educator" to an "editor"). In the next section, I introduce data from the *TAM* that illustrates a temporal dimension to travel agents' roles and demonstrates that fluctuations among these roles can ultimately account for category-wide changes.

## **ROLE DYNAMISM**

Organizational research demonstrates that roles change within organizations and, in fact, often must evolve to align an organization's strategy with changes in its competitive environment (Bradford, 1995). As mentioned above, roles are neither specific to an individual nor are they static in their enactment frequency. Instead, individuals continually influence the prevalence and performance of different roles through processes of social comparison (i.e., observing roles displayed by their peers) and/or contextualized attempts to satisfy the demands of their external stakeholders (Summers, Humphrey & Ferris, 2011). In this section, I introduce a temporal dimension to roles that inhabit an organizational category and demonstrate that the frequency of travel agents' enactments of specific roles changed substantially throughout this dissertation's period of interest. In doing so, I lay the groundwork for the following section, which details mechanisms responsible for these for these shifting roles and alterations to a category's meaning.

After my content analysis of the interviews revealed evidence that travel agents perceived distinctly different roles within their category, I undertook further analysis to

determine if the prevalence of these roles changed over time. To do this, I tracked real-time changes in the travel agents' discourse by analyzing data from the *TAM*. Using *TAM* articles as my unit of analysis, I content-analyzed every article published between January 1994 and December 2010 that was determined to have category relevant content (approximately 5000 articles). Each article where the text was judged to have promoted, admonished, or objectively communicated facets of the profession that clearly aligned with one of the travel agents' five roles was coded for that role. In cases where an article was found to contain multiple roles more than one code was applied.

As a result, articles coded for "booking agent" were those that included discussions about researching and/or reserving transportation for clients, tips on maximizing the efficiency and effectiveness of airline supplied GDS and/or CRS contracts and/or usage, and conversations that focused on commission cuts by the airlines and the continued significance of agents in the booking process. Articles coded for "educator" were those that included discussions about agents using first-hand experiences and/or secondary research to provide information to customers. Alternatively, articles coded for "editor" included only those that explicitly discussed the Internet and collaborations between agents and consumers in the collection of travel information. Articles coded as "rescuer" included those that contained discussions concerning the mitigation of crises prior to travel (e.g., by selling travel insurance, by researching destination-specific threats), during travel (e.g., communicating with supply-chain partners to reconcile challenges), and/or after travel (e.g., seeking compensation for their clients' travel difficulties). Lastly, articles coded for "facilitator" were those that included discussions explicitly focused on a travel agent's role in coordinating the multifaceted

logistics of complex travel itineraries. The following figure (see Figure 3) highlights each of these five distinct roles (e.g., rescuer, facilitator, etc.) and their changing frequency within *TAM* discourse.

The next section will address incremental and discontinuous regulatory, technological, and socio-cultural environmental changes and analyze connections between these environmental changes and the frequencies of roles within the *TAM* discourse. The first part of this discussion revisits the conditions that influenced travel agents' reliance upon the "booking agent" role and the cessation of this role's dominance following the discontinuation of airline commissions in 2002. The later part of this discussion explores the contextual conditions that accompanied the aftermath of commission eliminations and the emergence of the "rescuer," "facilitator," and "editor" roles as prominent themes within the *TAM*. After contextualizing these changing patterns of roles, I detail how members and external stakeholders influenced these roles and subsequently impacted the entirety of the travel agent category's meaning.

**Figure 3:** Competing roles within the TAM discourse (1994-2010)



## **Dominance and Decline of the Booking Agent Role**

The “booking agent” role dominated the discourse in the *TAM* during the later years of Period 1 (i.e., from the Airline Deregulation Act of 1978 to the beginning of commission reductions from airlines in 1995) and remained predominant in the category’s discourse until the ultimate cessation of commissions in 2002 (the end of Period 2). During these years, the discourse within the *TAM* overwhelmingly suggests that travel agents recognized their over-reliance on a “booking agent” role but were either complicit because of lucrative commissions and/or struggled to identify alternative roles that consumers valued. In an article with “booking agent” content, a travel agent recounted that category members acknowledged that airlines controlled too many aspects of their profession but were relatively unmotivated to change this dynamic:

“I never forgot [a past president of the ASTA telling us back in the 1980s] that we’d become too dependent on airlines. However, nobody listened because commissions were so high after deregulation and making money from the airlines was easy. [By the early 1990s], we recognized that we had to do something to change.” (*TAM* 9/2/1996: There’s Life in Leisure)

Discussions about travel agents’ overreliance on airline revenues and their “booking agent” role became increasingly prevalent the *TAM* data after the airlines initiated commission reductions and customers began purchasing an increasing amount of airline tickets online. However, the *TAM* and interview data indicate a dearth of viable alternatives to the “booking agent” role in the immediate aftermath these changes. As airlines reduced and eliminated commissions, the content within *TAM* discourse concerning the “booking agent” role shifted from expressing a sense of denial about the influence of the Internet (e.g., travel agents downplayed the Internet’s threat to this role because of lax information security and/or consumer preferences for paper ticketing), to

touting the superiority of travel agents over the Internet (e.g., as the Internet continued to usurp airline sales an increasing number of articles touted travel agents' continued abilities to procure the lowest fares) to an eventual acceptance that the "booking agent" role would soon cease to be an integral part of their profession. One agent's reaction to their airlines' cessation of the commissions was particularly illustrative of the "booking agent" role's elimination from the category's discourse:

"However you choose to respond to zero commissions, it is critical that you demonstrate to your local community that this latest blow does not signal the end of agents. Indeed, we may finally be freed from the yoke that ties us to airlines and we may have finally arrived at the point where [the airlines] can threaten us no longer." (*TAM* 3/25/2002: Zero Pay)

Changes in the frequency of the "educator" role deserve a brief mention before examining the emergence of new roles in the aftermath of airline commission cessations. The role of an "educator" existed concurrently with that of "booking agent" and, to a limited degree, persisted after the "booking agent" role was no longer a component of the discourse within the *TAM*. Although the "educator" role never dominated the category's discourse (e.g., attaining a maximum of 24 percent of the magazine's coverage in 2000) articles that promoted and/or questioned the relevance of agents as disseminators of information remained present throughout the fifteen years of *TAM* data (the longest of any role). This role became especially prevalent in the *TAM* as travel agents struggled to make sense of their continued relevance in the face of commission cuts and a recognition that the Internet might usurp their "booking agent" role. An excerpt from *TAM* offers an example of discourse regarding this "educator" role:

"While travel agents face increased competition from the Internet - with Americans' preference for making reservations on the Web up 19 percent - most U.S. travelers continue to indicate that travel agents remain better

sources of travel information than the Internet.” (*TAM* 01/12/1998: Survey Says)

As travel agents lessened their resistance to the Internet as a source of travel information the “editor” role began to coincide with, and gradually supplanted, the “educator” role. However, for much of the 1990s and well into the 2000s, a common theme within *TAM* data was that an agent’s role was to disseminate personally obtained information (i.e., not information that was obtained through the Internet or other secondary sources) regarding destinations and logistics. The following section further details the “editor” role and looks at its, the “rescuer” role’s, and the “facilitator” role’s emergence and persistence in the travel agents’ discourse.

### **Emergence of the Rescuer, Editor, and Facilitator Roles**

Although the roles of “rescuer,” “editor” and “facilitator” rose to prominence when the cessation of the “booking agent” role left a void in the category’s discourse, occurrences of each can be found prior to the elimination of airline commissions in 2002. For example, in February of 2004 an article captures the “rescuer” role as it details the efforts of travel agents attempting to rescue travelers stranded when their charter operator declared bankruptcy and suddenly ceased operations. It goes on to advise travel agents that their role is to both remember, and to advise clients, that when it comes to travel “an ounce of prevention is worth a pound of cure” (*TAM* 02/14/1994: Wont Get Fooled Again?). Although this article represents just one example of the many occurrences of the “rescuer” role prior to 2001, the terrorist attacks of September 11th permanently increased the incidence of this role in the *TAM* discourse. Interviewees and *TAM* data confirm that this role remains an integral part of the travel agents’ profession in what



travel agents and many consumers perceive to be an increasingly complicated travel landscape.

Similarly, the "editor" role first appeared in this dissertation's *TAM* data in an article published in March of 2004 as an airline executive predicted that the future role of travel agents would "be to form partnerships with consumers in which they convert data [from the Internet] into information to be used as knowledge" (*TAM* 03/21/1994: Working Knowledge). For almost a decade, this advice seemed to pass unnoticed as agents consistently gave precedence to the "educator" role in their discourse. By the early 2000s, however, travelers had embraced the Internet as a source of information and agents began to publicly communicate a collective need to incorporate the technology into their category's products and practices. One agent's comments at an annual gathering of travel professions captured this shift in their profession's discourse:

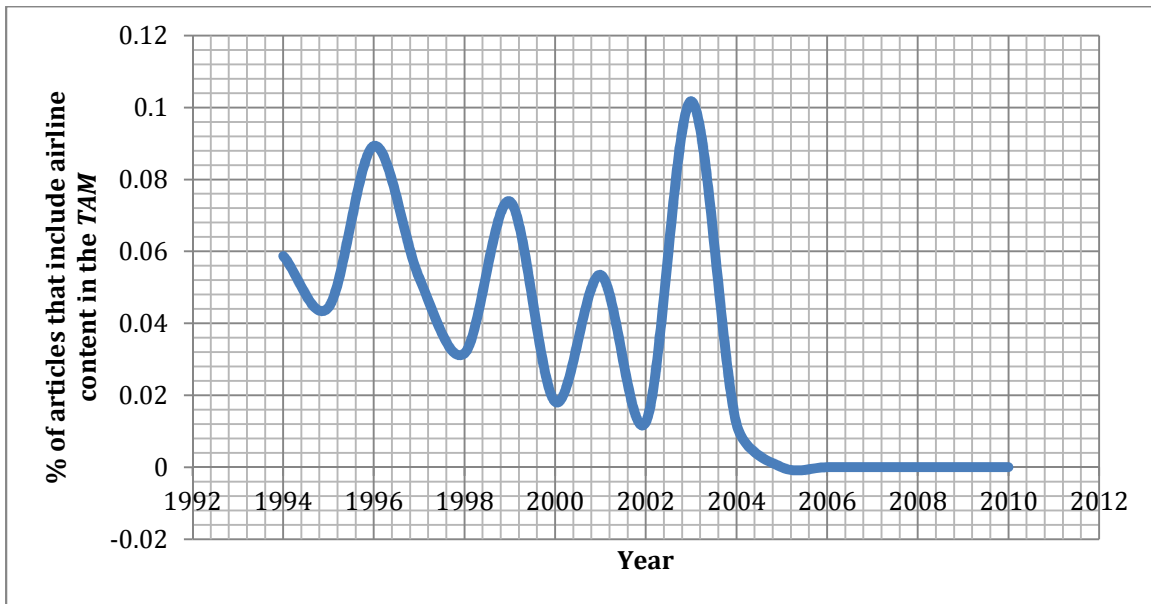
"How travel agents use the Internet is as important as the Internet itself. We need to use the information on the Internet in a way that accommodates each consumer's individual needs. To do this, we have got to recognize that our role is to be information curators who work with their clients to develop personalized content and to build informed consumers." (*TAM* 05/26/2003: The Next Generation Agency)

The increase in this role's occurrence also coincided with a shift in tone from the ASTA's administration. In their 2003 annual convention, a past ASTA president noted that although agents "had been afraid of the Internet for a long time," their continued participation in the travel industry depended upon their ability to "embrace" the technology and to incorporate it in their day-to-day practices (*TAM* 10/27/2003: ASTA Congress Sounds Optimistic).

Although the role of the “facilitator” doesn’t appear in the TAM data until 1997 (when an article fairly accurately predicted that even though clients might abandon travel agents for “simple bookings” they would likely still rely on agents for “complicated itineraries” (*TAM* 03/10/1997: Web Warnings)), its increasing occurrence in 2003 was most likely occasioned by the cessation of commissions. As the elimination of commissions went from a possibility (discounted by many agents) to a reality, *TAM* articles increasingly prompted agents to “connect [consumers] with enriching and one-of-a-kind experiences” instead of simply “booking routine and/or non-complicated travel” (*TAM* 04/27/2009: Themed Cruises). One interviewee indicated that accepting his new role as a “facilitator” brought about a personal revelation regarding the dwindling importance of his “booking agent” past. He noted that while airlines were “once kings of the industry,” by the mid-2000’s “I now view them as just another component of my job... a bus that flies in the sky.”

Indeed, not only did references to the “booking agent” role disappear from the *TAM* data after 2008, airlines had already ceased contributing to the *TAM* discourse years before. The following figure (see Figure 4, below) demonstrates that although airlines contributed content (either through authorship or by being cited) to a sizable percentage of *TAM* articles between 1994 and 2004 (contributing to over 10% of articles in 2003), after 2005 this entire group of external stakeholders ceased to be included within the *TAM* data. To supplant the “booking agent” role, three other roles assumed prominence in *TAM*.

**Figure 4:** The percentage of *TAM* discourse contributed by airline representatives



The role of “editor” seems to have directly replaced travel agents’ prior roles as “educators” with travel agents almost uniformly indicating that they now use the Internet to collaborate with their clients about information required for travel planning. The “rescuer” role peaked in the immediate aftermath of the September 11<sup>th</sup> terrorist attacks, but continues to be an integral component of the category’s discourse with no signs of abatement. Lastly, the increased incidence of the “facilitator” role seems to be the most directly attributable to cessation of commissions, as travel agents, no longer “yoked” to the airlines for their revenues, recognized their renewed importance in the “facilitation” of non-routine and/or complex travel.

In sum, interview and *TAM* data suggest that the organizational category of travel agents was, and remains, a single label that encompasses a multitude of roles (Jones et al., 2011). The dynamism of these roles within the *TAM* discourse over this dissertation’s period of interest (subsequently confirmed by follow-up interviews with travel agents)

illuminates a current theoretical gap in the category literature. While past research conceptualizes mature organizational categories as static with infrequent changes attributable to discontinuous environmental shocks, my data suggest that categories may instead contain multiple, and sometimes conflicting, roles that slowly shift over time even when their category's label remains unchanged. To explain how these roles changed within the travel agent category, even when its unchanging label seemed to indicate stability, I propose three generalizable mechanisms that explain: a) external stakeholders' ability to promote roles among organizational category members b) external stakeholders' ability to invalidate roles among organizational category members and c) members' ability to recreate roles in the aftermath of a collective meanings void. Although these mechanisms occur with less immediacy than those that follow environmental discontinuities, each have the potential to impact the meaning of an organizational category with an equal or greater severity.

### **CHANGE MECHANISMS**

A key contribution of this dissertation is to break from the conventional practice of treating organizational categories as little more than collections of firms that produce a substitutable array of products and/or services. Instead, I discovered that products, purposes, and practices each influenced the boundaries of the travel agent category and each were needed to completely understand its change. With the above findings concerning roles, I demonstrate an additional layer of nuance that scholars should consider in order to fully understand the heterogeneity of organizational categories. Within the travel agent category, five distinct roles, each associated with unique products, practices, and purposes, existed over this dissertation's period of interest. My longitudinal

analysis not only confirmed the existence of these disparate roles within the travel agents' discourse but also demonstrates that the frequency of the roles changed over time.

I now turn my attention to introducing and developing mechanisms that incorporate human agency and explain how three empirically relevant groups (incumbent members, new members, and external stakeholders) influenced the frequency of intra-category roles and, in doing so, altered the meaning assigned to the organizational category. I present each mechanism (role imposition, role extraction, and role re-creation) separately before describing their overall impact on the travel agent category.

### **Role Imposition**

The passage of the U.S. Airline Deregulation Act and subsequent consolidation by the major airlines created an environment where airlines achieved an unprecedented ability to influence the content and prevalence of travel agents' roles. In addition to offering lucrative inducements for travel agents that successfully enacted the "booking agent" role, the multi-year GDS/CRS contracts and the potential for the ARC to penalize travel agents that didn't comply with airlines' expectations effectively institutionalized the "booking agent" role in a way that was unprecedented in the category's history. Three distinct groups ultimately influenced the ability of airlines to impose the "booking agent" role on the category of travel agents: a) external stakeholders (airline employees and consumers), b) incumbent members (travel agents that existed prior to deregulation), and c) new members (travel agents that formed after deregulation).

Airline employees were perhaps the most concentrated source of influence in imposing the role of "booking agent" on the category of travel agents. Their efforts,

however, were successful only because consumers treated airline tickets as commodities (Bloch & Segev, 1997) based most of their purchasing decisions solely on price. One interviewee, who began working in the industry in the early 1970s, recalled his surprise at consumers' price sensitivity in the aftermath of deregulation:

“When the industry was deregulated I worked at an agency in Phoenix that was large and well respected. So my initial belief was that deregulation wouldn't impact us too much. It only took a few years before we found ourselves in a situation where consumers would go down the street to an agency they'd never heard of if it meant them saving a dollar on their airline tickets.”

In interviews, travel agents uniformly indicated that in the years following deregulation the more time they spent perfecting and performing their role as “booking agent” and focusing on the dissemination of cheap airline tickets the more the airlines and consumers rewarded their efforts. Interviewees recalled how airlines “sucked up” to them and how customers, baffled by frequently changing route schedules, would come into to a travel agency and “look at us like we were heroes when we booked their airline tickets because it was like we understood this alien world.”

It was, therefore, in the best short-term interests of incumbent members to embrace their role as a “booking agent” at the expense of their role as an “educator” and other roles that interviewees suggested were prevalent prior to this era. Recall also that a component of deregulation was the relaxation and gradual cessation of the government's (ATC) travel agency accreditation procedures. Because of these changes, interviewees indicated that new entrants began to appear on “every corner” and that “anyone that was honest, had money in the bank and got a bond would be approved by the ATC to be a travel agent.” New members, lured by the rewards associated with the “booking agent”

role flooded the travel agent category and the category's membership increasing by 30 percent between the years 1978 and 1981 alone (Stevens, 1983).

Over the next decade, the airlines' employees and consumers effectively imposed this entirely new role on the travel agent category, whose members had historically viewed the activities associated with booking airline tickets as an "afterthought" appended to their more holistic interactions with consumers. Incumbent travel agents were complicit in allowing these external stakeholders to alter their roles, with members adapting individually in response to changing consumer demands and collectively accepting institutionalized role requirements that airlines developed (either through their CRS/GDS requirements or with the ARC guidelines). One interviewee, who had been a travel agent since 1970 recalled:

"Before deregulation the amount of time we spent dealing with airline tickets was pretty inconsequential. I mean, I could write an airline ticket in about two minutes flat and if I spent an hour of day dealing with airline tickets that was an abnormal day. After deregulation, I began to spend the majority of my time, every day, dealing with people who would shop around for cheap fares, researching these fares for them, booking fares and handwriting tickets."

New members also hastened the dominance of the "booking agent" logic as they established new businesses within the organizational category that were unencumbered by past customer relationships and/or routines that were typical of the category's past. Incumbent members attempted to stem this inflow of new entrants, who were lured to the category primarily because of the ease in which they could profit from ticket selling and/or to take advantage of lucrative incentives offered by travel suppliers (e.g., the IATAN card was developed in an attempt to restrict supplier incentives to only "professional" agencies). However, the airlines' (and other suppliers') compliance with

these efforts was voluntary and interviewees indicate that suppliers largely ignored the IATAN designation in favor of increasing sales regardless of their origins.

By the 1990s, this combination of factors had successfully imposed a new role on travel agents that was fundamentally different (i.e., their products, practices, purposes were completely altered) than roles they had enacted for decades before. Although deregulation represents an important catalyst for this mechanism, it is important to recognize that it took decades of incremental role changes influenced by incumbents, new members, and external stakeholders to fully realize the totality of the changes to the category's meaning. The following section introduces an additional mechanism, role extraction, that explains the ability of airlines to sever the "booking agent" role from the category of travel agents and introduces a new class of external stakeholders, the online agencies, as integral to this process.

### **Role Extraction**

By the mid-1990s travel agents began to recognize that airlines were seeking to disintermediate their role in the airline booking process. It took, however, the emergence of another group of external stakeholders, the online travel agents, and the commercialization of a new technology for the successful extraction of the "booking agent" role from the travel agent category. Although airlines had achieved a limited amount of success in encouraging repeat and/or corporate clientele to use their reservation systems with the introduction of "1-800" numbers and frequent flier programs, interviewees suggest the Internet facilitated a rapid and complete extraction of the "booking agent" role from their profession. One agent recalled the rapid "deterioration of the relationship between travel agents and airlines that began in 1995":



“We got absolutely creamed when the airlines began to reroute clients through their own websites or through online agencies. In a way, I don’t blame them for that. I mean, they invested so much money into these sites that it was almost inevitable that they would prefer that clients use them instead of going through travel agents. What really disappointed me was how quickly our relationship with airline employees deteriorated. It went from collaboration to feeling like every time I called the airlines their employees had a chip on their shoulder because their bosses told them to treat us like the competition. Maybe I’m being paranoid but the feeling that I got was that they became purposefully unhelpful because they wanted everybody to book online.”

Airlines both developed their own websites and partnered with fledgling online agencies (e.g., Travelocity, Expedia, etc.) to facilitate direct transactions with clients and, thus, render obsolete travel agents’ role as “booking agent.” For these external stakeholders, bypassing travel agents was an issue of economics, with the senior director of American West explaining that “tickets booked through travel agents cost \$23, \$20 through an [online agency], \$13 from an airline’s [phone] reservation system, and only \$6 from [an airline’s online booking system].” (*TAM* 3/1/1999: Global Aviation Conference Marked by Unusual Candor). One interviewee noted that the roots of this disintermediation could be traced to the fact that the travel agents and the airlines had historically viewed their relationship differently:

“We (travel agents) always thought of ourselves as equal partners in this relationship. By the late 1980s, it felt as if airlines began to view us with utter disdain. In addition to cutting our commissions, their employees would talk to us on the phone with contempt in their voice and a total lack of respect. Here I am calling to help a passenger with a question and I had to deal with that every time. In my opinion, all of this stemmed from the fact that airlines viewed us as a cost and not as a source of sales. Which was funny because I don’t remember them ever paying my rent, or my employees’ benefits, or anything unless we made a sale.”

In order for this role extraction to succeed, consumers had to be receptive to the efforts of airlines and online agencies, and change their purchasing behaviors accordingly.

One interviewee recalled how travel writers hastened this exodus, which occurred faster than almost anyone predicted:

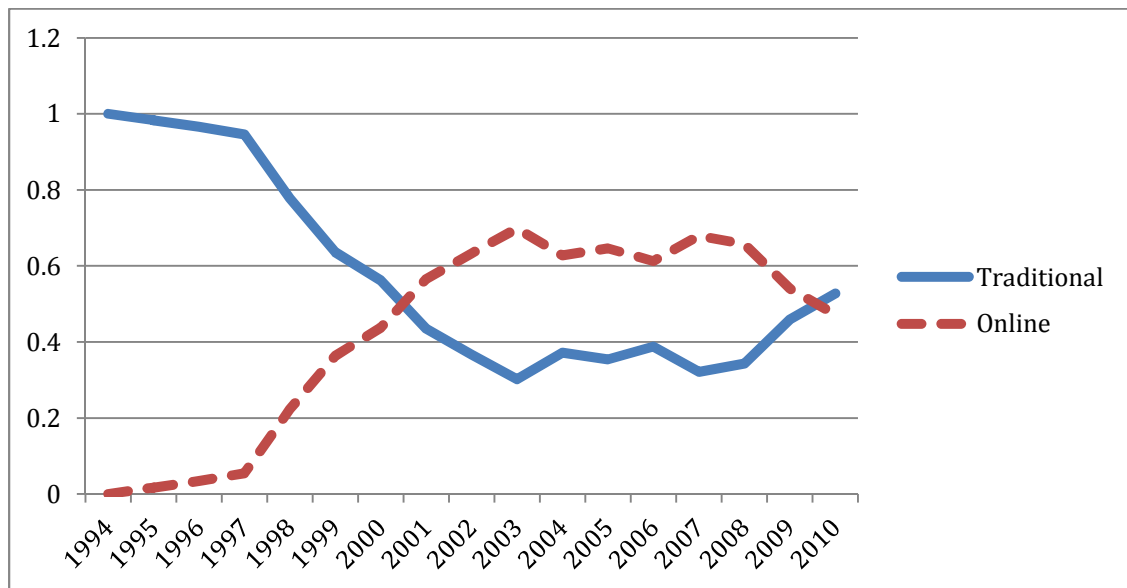
“If you picked up any newspaper during this time you’d read about travel writers telling consumers ‘do it yourself on the web!’ And this resonated with consumers who loved the idea of planning their own travel even if they really didn’t know what they were doing.”

Discourse concerning the “booking agent” role, however, did not immediately decline in response to these changing purchasing patterns and the declining commissions from airlines. Instead, travel agents engaged in several years of unsuccessful attempts to compete with new online alternatives to their “booking agent” role. Travel agents attempted to increase their effectiveness in the provision of low-cost airfare but declining airline commissions meant that they increasingly had to implement fees to offset these losses. The final cessation of airline commissions in 2002, combined with the airline’s successful deployment of “web fares” and frequent flier incentives, marked the beginning of a rapid and continuing decline of the “booking agent” role within the travel agent category. Airlines had seemingly accomplished their longstanding goal of gaining direct access to consumers and, in doing so, had extracted the role of the “booking agent” from travel agents, who no longer had consumers demanding, or suppliers willing to pay for, a role that less had once dominated their collective discourse and practice.

Perhaps even more alarming for the continued existence of the travel agent category were changes in the popular media, considered the broadest measure of audiences’ interpretation regarding an organizational category’s meaning (Navis & Glynn, 2010). Between 1994 and 2003, these sources increasingly applied the label “travel agent” to online organizations that bore little resemblance to the “brick and mortar” members

that had historically represented the category. Examining the entirety of New York Times (NYT), the Wall Street Journal (WSJ), and the Washington Post (WP) publications between the years 1994 and 2010 for articles that contained the terms “travel agent,” “travel agency” and/or “travel agencies” (7097 articles) demonstrates a pronounced change in the use of these labels. As the following figure demonstrates, (see Figure 5) the use of the above iterations of the “travel agent” labels were being used to describe online organizations (e.g., Expedia, Priceline, Orbitz, etc.) with more than twice the frequency that they were being used to describe traditional members.

**Figure 5:** The relative percentage of discourse from popular media sources that used the label “travel agent” to refer to traditional vs. online agencies between 1994 and 2010



The data indicate, that by the early 2000s the airlines had successfully extracted the “booking agent” role from the travel agents after new technologies, new external stakeholders, and a willingness of consumers to change their purchasing behaviors facilitated the disintermediation of travel agencies. Agents, who had become almost

completely dependent on their “booking agent” role (and the associated revenues), waged a spirited but short-lived campaign to outcompete airlines and their online substitutes, but ultimately could not compete with airlines and online travel agencies on cost. By 2003, it seemed that airlines had not only successfully extracted this role from the category of travel agents but, with no clearly articulated roles populating the travel agent category, might also enable online affiliates to completely co-opt the category’s meaning. The figure above, however, demonstrates an interesting reversal that began shortly after this role extraction and continued until 2010 when the labels of “travel agent,” “travel agency,” and “travel agencies” were once again used more often to describe traditional “brick and mortar” firms than their online substitutes. The following section introduces a final mechanism, role re-creation, which explains how travel agents were able to reconstruct the roles that preceded the “booking agent” era and to breathe new life into their organizational category.

### **Role Re-Creation**

After the cessation of commissions and the extraction of the “booking agent” role from the travel agents’ category, airlines had no further direct involvement with the agents’ roles thenceforth. To explain role re-creation, then, I focus solely on the actions of travel agents in the absence of a “booking agent” role. In order to fully understand this mechanism it is necessary to first examine the changing member demographics that accompanied commission reductions and proceeded until their elimination. Recall that organizational category of travel agents experienced an unprecedented amount of membership growth after the introduction of the lucrative “booking agent” role (circa late

1970s and early 1908s). The outflow of members from the organizational category that accompanied the extraction of the “booking agent” role was equally without precedent.

By 2010, the end of this dissertation’s period of interest, the membership of the travel agent category had been reduced to half of its peak in 1999 and three quarters of what it had been after the elimination of commissions in 2002.<sup>17</sup> A detailed look at the ASTA’s membership statistics demonstrates some interesting patterns in regards to the types of travel agencies that were likely to close during this period. Newer members (i.e., those that established their organizations well after deregulation) experienced closures that far out surpassed incumbent agencies. These closures were so disproportionate that by 2010 the professional association failed to record a single member under the age of 25, with only 3 percent of their members between the ages of 25 and 34.<sup>18</sup> According to one interviewee, younger agencies closed more frequently because they entered the industry at a time when success meant being a compliant “order takers” and these travel agents had never been required to assist their customers with detailed trip logistics or to help them out of a bad situation. In other words, agents that entered the category during the era dominated by the “booking agent” role lacked a repertoire of past roles (and the accompanying knowledge of other products, practices, or purposes) to draw from when attempting to substantiate their value absent their necessity in the airline booking process. As a result, by 2010 the average travel agent member was 55 years old and had established his or her agency prior to 1987 (see Table 7, below).

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<sup>17</sup> [http://media.cleveland.com/pdgraphics\\_impact/photo/18fgtraveljpg-7e4c72da16f096b3.jpg](http://media.cleveland.com/pdgraphics_impact/photo/18fgtraveljpg-7e4c72da16f096b3.jpg)

<sup>18</sup> <http://www.travelmarketreport.com/content/publiccontent.aspx?pageID=1364&articleID=5134&LP=1>

**Table 7:** Founding dates of ASTA agencies circa 2010<sup>19</sup>

<b>Agency Founding Date</b>	<b>Percent of ASTA Population</b>
1970 and earlier	15%
1971-1980	19%
1981-1990	27%
1991-2000	21%
2001-2010	17%

This demographic information is imperative to the mechanisms of role recreation for two reasons. First, because intra-category discourse offered no clear path for agents to redefine themselves during the cessation of the “booking agent” role, my data suggest that older agents looked towards their past roles (and oftentimes the roles modeled by co-workers that preceded their arrival) to establish a “new” set of products, practices, and purposes. One agent, who inherited her business from her parents in the 1970s, recalled:

“I’m not sure that I see a huge difference between how I saw myself in the 1970s and how I see myself now. It’s been kind of like a bell curve. At the very beginning the experience was very collaborative [but then] the airline traffic became a huge part of our business and collaboration [with consumers] started to fade away. We spent about ninety percent of our time doing airfares, which changed so quickly that nobody knew what was going on. Then with the Internet, people started to drift off and book their own tickets online. Now those [consumers] that miss the collaborative experience are starting to come back and because ticketing is simpler I’m able to spend more time with them. Again, bell curve from collaboration to a big spike of airfares and now its narrowed down again and come back to the collaborative.”

Thus, while the resources that underpin the new roles of “editor,” “facilitator,” and “rescuer” in many cases didn’t exist prior to deregulation (e.g., travel insurance was not a widespread option for agents enacting a “rescuer” role in the 1970s), the agents I interviewed almost uniformly indicate that these roles emerged as incumbent agents

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<sup>19</sup> <http://asta.files.cms-plus.com/pdf/ASTAAgencyProfile.pdf>

bricolaged old roles in efforts to stay solvent following the extraction of the “booking agent” role.

The second reason that these demographic changes are instrumental to role recreation is that reductions in membership allowed traditional agents to clearly and uniformly communicate their new roles to external stakeholders. One agent described the category’s ability to convey a renewed sense of shared purpose as “balancing act” and noted:

“Up until 1995, the airlines did a very good job of defining [our category] and turning us into a joke. When they abandoned us, those of us who’d been around a while were the ones responsible for redefining what we would be going forward. To get consumers to understand this, we had to get rid of the agents that were just in business to sell tickets. However, [we couldn’t lose too many members] or customers wouldn’t know we exist anymore. Unfortunately this seems to be where we are now. Too many brick and mortars shut down and now a lot of people don’t know we’re still here.

Thus, recreated roles are only beneficial to the travel agent category to the extent that consumers and other external stakeholders become aware of these new roles and attach value to them.

In sum, role recreation is a mechanism that travel agents alone influenced. Incumbent members (i.e., those founded before or shortly after deregulation) were primarily responsible for the ascendance and stabilization of the “facilitator,” “rescuer,” and “editor” roles, which now dominate the category’s discourse. In order for these recreated roles to benefit the category, however, travel agents need to be able to consistently communicate these roles among themselves and validate them to broader audiences. The reduction of travel agents that relied completely on “booking agent” revenues seems to be assisting travel agents in this task. However, interviewees suggest

that they are now concerned about the lack of new employees entering the travel agency profession. With most of the category's members past the age of retirement, the ongoing concern is that the travel agents' roles will have been recreated, only to slowly extinguish as membership continues to decline past the threshold needed for external stakeholder recognition.



## CHAPTER VI

### DISCUSSION

In this dissertation, I propose that roles represent an unexplored facet of organizational categories that may explain how category members and external stakeholders influence the meanings of organizational categories in conjunction with incremental and radical environmental changes. An in-depth and longitudinal analysis was required to capture the slowly evolving changes that occurred in both the meaning of the travel agents' organizational category and in its broader contextual landscape. Accordingly, I utilized a grounded theory approach that built theory from data derived from real-time, archival, and retrospective sources of data. This analysis revealed how established categories, whose consistent labels are often thought to denote stability, can be continuously revised through the changing composition of intra-category roles.

I urge other scholars to adopt a somewhat broader and multi-dimensional definition of organizational categories. *Products* are an important, but not preeminent, characteristic of organizations that external stakeholders and members use to assign meanings to organizational collectives. The tripartite definition that I advance and that my data support incorporates the additional dimensions of *practices* and *purposes* and more accurately accounts for the content of organizational categories and the mechanisms responsible for their change. With this enhanced understanding of the construct, I was able to discern than the meaning assigned to the category of travel agents resided in, and changed through, the enactments of different roles. This analysis produced three mechanisms (role imposition, role extraction, and role re-creation) that explain how category members and external stakeholders influence the category-wide frequency of

roles in ways that can alter or maintain the meaning assigned to an organizational category.

In the following section, I explore the methodological contributions of this approach to understanding processes at the category level of analysis and particularly emphasize the importance of incorporating multiple sources of longitudinal data. Next, I revisit the definition of organizational categories that was developed in this dissertation's literature review and explore the potential contribution of this definition in light of findings that suggest that products, practices, and purposes may have, in fact, been communicated and altered through the enactment of category-wide roles. I then proceed to explore the conceptual contributions made by this research and suggest that scholars explore the interplay between organizational identities and category-level meanings as an area of future research. I conclude by discussing the limitations of this study and suggest that scholars should consider a category's primary sector (i.e., manufacturing, cultural, and/or service-based), the types of environmental changes confronted (i.e., technical, socio-cultural, and/or regulatory), and the severity of such change (i.e., discontinuous vs. incremental) when analyzing instances of category-wide change.

## **METHODOLOGICAL CONTRIBUTIONS**

A longitudinal case study methodological approach has become a common, albeit not universal, choice for empirical work in the burgeoning literature on organizational categories. As Negro and colleagues (2010: 22) highlight, however, theoretical work has “progressed more quickly than empirical work” and many empirical studies continue to rely solely on archival data sources that “only indirectly measure the perceptions of

audience members [regarding organizational categories].” There remain, then, challenges that confront organizational scholars. I have attempted to address them by selecting methods that rely on: (1) longitudinal data, (2) the interpretation of members’ and external stakeholders’ discourse, and (3) a mixed methods approach to collection and analysis of quantitative and qualitative data. In the following section, I address each of these methodological decisions, and comment on the advantages that these techniques confer on empirical examinations of category-level phenomena, and the potential limitations of each technique.

### **Longitudinal vs. Cross-Sectional Analyses**

The decisions regarding whether to employ a longitudinal approach and the time frame for data collection and analysis had perhaps the largest influence on this study’s ability to capture and draw inferences from the changing meanings assigned to an organizational category. Relying upon a cross-sectional analysis in this context would have obscured the evolution of intra-category roles that ultimately accounted for systemic changes. In other words, the genesis of change for the organizational category of travel agents was not directly attributable to a profusion of new individual and/or firm-level characteristics that would have been the focus of a cross-sectional analysis. Instead, category-wide changes resulted from members altering their roles in an effort to appease external stakeholders. Most changes observed within the category arose from temporal shifts in the frequency and intensity with which participants enacted these roles.

In addition, my data suggest that category-level changes are non-linear and that different audiences assign dissimilar meanings and/or values to individual and/or firm-

level characteristics. Recall that, following a collective recognition that the Internet constituted a direct source of competition to the “booking agent” role, the discourse of the category’s members and stakeholders demonstrated substantial divergence. In the *TAM*, the majority of intra-category discourse continued to promote travel agents as superior vehicles for assessing customers’ needs and selling suitable tickets for air travel. During this same time period, however, discourse in the popular media from both category members and external stakeholders (e.g., travel authors, customers, airlines, etc.) increasingly discounted the importance of travel agents in booking airline tickets and advocated the disintermediation of travel agents from this process. Cross-sectional analyses must therefore contend with identifying the individual and/or firm-level attributes that influence category boundaries while also accounting for the disparate meanings and values that different audiences assign to these attributes.

Recent attempts to capture category-level meanings by measuring and analyzing the deviance among members’ individual and firm-level attributes constitute innovative attempts to establish the micro-level underpinnings of macro-level phenomena (e.g., Hannan et al., 2007; Pólos et al., 2002). However, they fail to provide guidance for organizational researchers whose studies must be designed to capture a plethora of different influences on and pathways to category-wide change. In a recent conceptual paper, Kennedy and colleagues (2010) highlight eight unique mechanisms for category-wide change (e.g., redefinition, subtraction, conglomeration, etc.) and I suspect that future empirical work will unearth more. In order to explicate the category-level change, future research must be designed to collect longitudinal data that can account for each of these potential mechanisms to change and enable the discovery of additional mechanisms.

In sum, a longitudinal approach to collecting and analyzing data is imperative for organizational research that wishes to capture and fully understand phenomena at the category-level of analysis. Although cross-sectional studies excel in their ability to detail the individual and firm-level characteristics that constitute an organizational category, this advantage is offset by their inability to account for the disparate, and potentially dynamic, interpretations that members and external stakeholders apply to these characteristics. In addition, cross-sectional assessment of category attributes usually fail to capture intangible processes involving roles, organizational cultures, and organizational identities that address the questions of *how* and *why* these attributes come into existence. In the following section, I discuss my decision to incorporate intra- and inter-category discourse as central data for this analysis and explain why I believe that discourse analyses are particularly valuable in conducting longitudinal analyses of categories.

### **Discourse Analysis**

My decision to study and analyze intra- and inter-category discourse as a means to capture the changing meanings assigned to a conceptual system was informed by several exemplary works in the organizational sciences (e.g., Hoffman, 1999; Navis & Glynn, 2010). This dissertation's detailed approach to capturing and analyzing the real-time discourse that accompanied and influenced a changing category-level meaning does, however, have several unique implications for other scholars who study category-level processes. The following section examines the importance of discourse for capturing the perspectives of both members and external stakeholders, the multiple dimensions of a

category's definition, and offers some potential limitations of discourse analyses along with suggestions for mitigating these shortcomings.

Discourse analysis provided a powerful tool to explore a construct that can be processed unconsciously or consciously, by different audiences, and at different times. Recall that the essential function of an organizational category is coordinating the beliefs and actions of members and external stakeholders who care about the prototypical characteristics of organizations that belong to the category (Cerulo, 2010). This does not suggest, however, that organizational categories are immune from attempts by members and/or external stakeholders to make claims about a category that contradict commonly held beliefs (Rosa et al., 1999). By examining discourse, I was able to capture and analyze not only the commonly-held understandings about the category's meaning that members espoused, but also the beliefs of external stakeholders, whose interpretations were sometimes at odds with those held by members, and who undertook conscious attempts to alter the category's meaning. Discourse analysis, therefore, provided a more complete and balanced understanding of the construct of category meaning than could have been generated by analyzing only data gathered from members.

In addition, discourse analysis enabled the observation and analysis of multiple dimensions of a category's meaning that would have been difficult to capture via other methodological techniques. Organizational practices and purposes proved valuable for explaining category-wide instances of change that might otherwise easily escape detection, especially in categories populated by small organizations that may not always codify and/or preserve traces of these characteristics. Although the initial indication that these roles were present came from interviews, discourse analysis clarified the

relationship between these dimensions and products, and how these dimensions changed over time. As a result, I was able to develop a more accurate description of category change than would have been possible by simply tracking changes in the category's products. This approach elucidated the subjectivity that accompanies new products and technologies at the organizational-level of analysis (e.g., Barley, 1986) and shed light on how these products and technologies influence intra-category processes. Discourse analysis enables organizational scholars to apprehend the sensegiving and sensemaking that infuse meaning into a category's established and emerging products.

There are, however, limitations that researchers should consider when using discourse analyses. Foremost among these is that, as proved to be the case in this context, a particular source of discourse may not represent the claims and understandings of the entirety of a category's members and stakeholders who drive changes in its meaning. Recall that, as displayed in Figure 4, the percentage of discourse contributed to the *TAM* by airline employees varied substantially over time and ultimately ceased to be present in this source. At the same time, however, airline employees and their affiliates actively used the popular media in efforts to reapply the label of "travel agents" to online entities. In addition, discourse, especially in sources dominated by category members, may be divorced from substantive changes occurring in the larger environment. It becomes especially important, then, to recognize the potential biases that may influence discourse content. In the following section, I explain how multiple data sources and analytical techniques were implemented to mitigate these potential limitations of discourse analysis, and address other methodological challenges that accompany category-level research.

## Mixed Methods Approach

Throughout my grounded approach to building theory I gathered several different sources of data and ultimately incorporated three into the study's analysis. The first of these, archival data, was crucial to overcoming the aforementioned limitations of discourse analysis. Archival data were imperative for understanding the social, technological, and economic milieus that contextualized the discourse published in *TAM*. As a result of these archival data, I was able to detect and account for biases within the *TAM* discourse (e.g., travel agents' assertions of their superiority over Internet competitors while economic and social measures clearly indicated the opposite), and to explain how external stakeholders might continue to influence the category after they ceased to contribute discourse to category-specific media.

Interviews also complimented the discourse and archival data sources by bringing emotion to the fore throughout this process. Conversing with category members and capturing their reflections on the ways in which their profession changed demonstrated that category processes are not always as objective and dispassionate as archival analyses might suggest. Organizational scholars wishing to understand the mechanisms for category-level changes need to account for emotion and non-rational decision making. In contexts where categories have experienced recent changes, interviews represent an excellent method to capture this crucial dimension.

It ultimately took the collection and analysis of archival, interview, and discourse data to fully understand the ways in which an entire organizational field of actors influenced the meaning assigned to the focal organizational category. Despite the fact



that the “travel agent” label remained unchanged, albeit contested, throughout this dissertation’s period of interest, a mixed methods approach enabled an investigation that viewed organizational categories as dynamic and contestable social constructs rather than unchanging and unequivocal social facts. To briefly review, a mixed methods approach that relied heavily on longitudinal data and inter-category discourse allowed the detection of subtle and multi-dimensional changes to a category’s meaning even during seemingly stable periods. In the following section I reexamine the study’s findings and detail the conceptual contributions of these findings and their implications for future research.

## **CONCEPTUAL CONTRIBUTIONS**

Organizational categories are constructs that scholars have characterized as “not simply labels that actors use to sort social phenomena into appropriate bins,” but instead as constructs “associated with actors’ status, interests, and identities” (Jones et al., 2011: 2). In order to fully appreciate the complex social dynamics that accompany and influence changes to the meaning of an organizational category it was imperative to understand the economic, regulatory, and socio-cultural influences that preceded and coexisted with this phenomenon (Khair & Wadhvani, 2010). Because of this dissertation’s methodological approach, I was able to uncover mechanisms for category-wide change that were fundamentally different from the mechanisms offered previously to explain category emergence (e.g., Navis & Glynn, 2010; King et al., 2010), and mechanisms offered to explain sudden changes in response to discontinuous environmental shocks (e.g., Rao, et al., 2003; Jones, et al., 2003). Accordingly, scholars wishing to examine category dynamics are advised to adopt longitudinal and multi-

method techniques and to explore other potential mechanisms that could explain category-wide change.

In the following section, I discuss the tripartite definition of organizational categories and roles. In addition, I discuss the puzzling absence of organizational identity as a mechanism for category maintenance in this context. I close this section by articulating the need for future research in this theoretical domain and highlighting additional conceptual clarifications that could further advance our understanding of organizational categories.

### **An Enhanced Definition of Organizational Categories**

To summarize, one of the major challenges that I faced while designing and implementing this study was specifying an operational definition of the organizational category construct. Because the organizational literature has only recently begun to directly examine organizational categories, and because many scholars bring “guiding assumptions, core processes, and empirical approaches” (Negro et al., 2010: 24) from other theoretical perspectives, organizational categories remain inconsistently and/or poorly defined in our literature. Accordingly, I developed and proposed a definition for organizational categories that incorporates three organizational-level properties that can influence category-level meanings:

Organizational categories are social constructs that members and external stakeholders use to communicate perceived similarities between the *products, purposes, and/or practices* that unify a collective of organizations.

Although this definition represents an improvement over the current ambiguity found within the organizational literature, the finding that in the case of travel agencies, roles

subsumed each of these three organizational-level properties invites additional theorizing and may offer a fruitful opportunity for future research.

However, it should be noted that the value of “role” as an umbrella construct to depict changing category meanings could be an artifact of the particular context of this study. Travel agencies are typically small organizations, usually with fewer than three employees. In small organizations, there is little need for formalization of work structures and routines, and the individual-level construct of “role” becomes adequate as a means of structuring work. However, larger organizations are likely to require more complex, formalized, and codified structures to serve the purposes of guiding and coordinating work. Accordingly, research investigating categories made up of such organizations should conceptualize and observe these more macro-organizational constructs as potential mechanisms for stabilizing and changing the meanings.

This study’s findings regarding category stability and change call into question some of the fundamental assumptions that underlie the “fuzzy set” hypothesis, which posits that internal and external changes to organizational categories stem from the failure to maintain agreements concerning a category’s prototypical attributes. Instead, my results suggest that multiple roles, or sets of multiple formalized mechanisms likely to exist in larger and more complex organizations, may actually stabilize and perpetuate a category instead of rendering it susceptible to encroachment by new entrants. Future research should examine under what conditions is it advantageous for categories to possess a multitude of patterned behaviors, and under which conditions category boundaries are maintained via pathways more consistent with “fuzzy set” explanations of homogeneity.

In sum, these findings support the need to continue developing a richer understanding of organizational categories and the mechanisms that underlie changes in these social constructs. Researchers that fail to incorporate non-product dimensions into their analyses, or to consider how these dimensions are operationalized and/or interpreted by members and external stakeholders, risk reifying category boundaries and overlooking crucial dynamics of category change. Had this research relied upon the broad NAICS definition (i.e., lumped together corporate, in-plant, and leisure travel agencies) and/or relied solely upon analysis of products offered to establish the category's boundaries, it is unlikely that the mechanisms that explained the Internet's unique influence on the category of leisure travel agents would have been observed. By incorporating additional dimensions (i.e., practices and purposes) I was able to better understand the processes whereby members and external stakeholders act and interact to construct a category's boundaries. I encourage future scholars to consider the characteristics that members and external stakeholders use to construct their focal category's boundaries in designing research studies.

### **A Lack of Identity Maintenance**

Before discussing this dissertation's limitations, I wish to briefly revisit the interplay between organizational identities and categories as an area for potential research. Recall that category-level meanings are thought to constitute cornerstones to organizational identities and, as such, scholars suggest that members will attempt to prevent deviations within a category from core products, practices, and purposes (Whetten, 2006). This dissertation's data, however, contained a surprising lack of evidence regarding member's resistance to alterations of their collective roles because of

identity-related conflicts. The following section briefly reviews the constructs of organizational identities and categories before advocating their interrelationships as a fruitful area for continued future research.

Recent work on collective identity emphasizes the need for leaders and members to continually reinvest in the tangible, symbolic, and emotional trappings of an identity in order for it to be maintained or renewed (Fiol 1991; Fiol & Hatch, 1998; Howard-Grenville, Metzger, & Meyer, 2013). In the absence of such reinvestments, collective identity can become less salient. For example, Ravasi and Shultz (2006) demonstrate that Bang & Olufsen, a Danish producer of audio-video systems, fluctuated between a clearly defined and a sometimes-ambiguous identity over a 25-year period.

Accepting that not all organizations have, or actively maintain, clearly defined identities, it is also important to note that organizational identities can provide a sustainable competitive advantage to the extent that managers and/or leaders actively work to distinguish their organization from rivals (Albert & Whetten, 1985). Competition, however, was conspicuously absent in the early days of travel agencies, perhaps limiting the degree to which these organizations felt the need to develop distinct organizational identities. Recall that the pre-deregulation requirements of the ATC (the airline controlled Air Traffic Conference) and the CAB (the government controlled Civil Aeronautics Board) allowed many travel agents to operate as geographic monopolies with relative immunity to direct competition. Although the CAB banned the formalized practice of “need-based” restrictions in 1959, they continued to permit airlines to restrict ticket stock and validation plates (the tools needed to effectively book travel) to agencies based upon their location until the industry’s deregulation (Winstead et al., 2002). One travel agent’s

response, when asked “who was your competition when you began your business?” is particularly illustrative of the relative dearth of well-defined organizational identities within the travel agent category:

“We never really considered competition. In general there were just a few [agencies] in North Dakota... some people could book tickets direct through the airlines but we were the only intermediaries for [all other products]. That was our advantage but as far as competition, I never worried about it...so, I don't know that there was any competition as such. It was just getting people to try using a travel agency. To that end, we advertised but never really competed against the other agencies.”

Travel agents from larger markets echoed this sentiment as well, with interviewees nationwide indicating that consumers historically had two choices, either book with their local agent or through an airline at an airport retail location.

The combination of this somewhat unique external environment and the recognition that a manager's strategic agenda determines the extent to which he or she attempts to differentiate his or her organization's identity (Deephouse, 1999), suggests that travel agents' organizational identities had historically been fairly homogenous with little need to deviate from category norms. Instead of looking inward, towards relatively weakly defined organizational identities, to formulate responses to changing products, practices, and purposes, it appears that travel agents looked outward, towards other category members that faced similar environmental changes and interactions with external stakeholders. One travel agent recalled implementing changes because they were expected of his category, even though, they conflicted with his organization's founding principles, noting:

“We kind of got into doing what was easy, and that was being order-takers, selling whatever the customer came in and asked for, as opposed to

providing information and trying to sell what had traditionally been a more profitable item for us to sell.”

Overall, this dissertation’s data suggests that organizational identities were not a factor in preventing changes to the travel agent category’s meaning. It is difficult to definitively establish this, however, because travel agents with robust organizational identities that compelled them to resist the “booking agent” role may have exited the population prior to *TAM* sampling and/or may have not been represented in the interviews. It is, nonetheless, surprising that the *TAM* data contains a near absence of protest regarding the increasing prevalence of the “booking agent” role even though interviewees almost uniformly indicated that, in hindsight, their compliance with this category-level shift diverged from the central, enduring and distinctive values that their organizations were founded upon. Understanding the relationship between roles, which altered substantially over this dissertation’s period of interest, and organizational identities awaits future empirical inquiry.

In sum, these findings suggest an interrelationship between category meanings, organizational-level roles, and identities that deserve further exploration. Absent well-formed organizational identities, the category members may be complacent with, and/or defenseless to, external stakeholders’ attempts to alter the practices, purposes and purposes that demarcate their category’s boundaries. Additional research should examine the interrelationships between patterned behaviors, organizational identities, and category change as this dissertation’s context hint at the possibility that, under some conditions, organizational identity may *not* be deployed to counter category-level pressures for change.

## LIMITATIONS

As previously mentioned, the Internet's influence on the category of travel agents was unprecedented and, as such, represents a situation in which the phenomenon of interest was readily observable but may limit the generalizability of findings to other contexts. In the following section I explore several of this setting's idiosyncrasies that may have influenced if and how the organizational category changed and may also have implications for future empirical research. I begin by considering the potential influence that the service-based nature of this category had on the ability of environmental shifts to alter the meanings assigned to the organizational category. I then explore the possibility that different types of changes (i.e., regulatory and/or socio-cultural) may influence category meanings in different ways than technological changes. Lastly, I suggest a way to differentiate between incremental and discontinuous changes and suggest promise for future research in capturing disparate types of changes.

There are several reasons to suspect that boundary conditions may exist that limit the applicability of this dissertation's findings to other contexts. Researchers who have explored organizational categories in cultural industries (e.g., art, film, etc.) have been clear to caution that the idiosyncrasies of these contexts may limit their findings' generalizability to alternative organizational settings. Mezas and Mezas (2000) summarize these findings and note that cultural contexts are often comprised by many small organizations that external stakeholders expect to, and often reward for, deviating from category norms. This, of course, contrasts with manufacturing industries where categories are often comprised of large bureaucratic firms that are expected to comply with industry-, or category-wide, standards. In a similar vein, the category of travel



agents exist is a service-based profession and, thus, the findings from my research may not generalize to more industrialized contexts. My suspicion is that product similarities may take precedence when determining the meanings of categories that are comprised of large-scale manufacturing organizations since they often employ a high degree of specialized labor and intra-organizational roles that are hard for non-employees to observe. In a way, travel agents and other service-based contexts lay bare their roles in a fashion that allows members and external stakeholders to continually observe their intra-category roles and potentially directly influence the frequency of their enactment.

In addition, although this dissertation attempts to capture and analyze socio-cultural, regulatory, and technological changes, its primary goal was to understand the influence of the Internet, as a specific technological shock, on an organizational category. The mechanisms discovered to account for changes to the category's meaning (i.e., role imposition, extraction, and recreation) may not be present in response to regulatory and/or socio-cultural changes. Regulatory changes, for instance in King et al.'s (2010) study of the Arizona school system, may alter organization categories through a mechanism that might be labeled *role homogenization* (i.e., regulatory changes may require multiple categories to adopt the same practices around a standardized set of products, practices, and purposes). Socio-cultural changes, for example in Kahl et al.'s (2010) study of the category of jazz record producers, may instead alter stakeholders' perceptions about extant roles that had previously been rejected and/or ignored by consumers and/or other important stakeholders (i.e., researchers might discover that *role acceptance* explains category-level changes in these contexts). In this dissertation, then, I do not purport to have captured the entirety of mechanism that explain category changes,

I have simply proposed the mechanisms that best explain changes that occurred in my focal category and that were primarily attributable to a technological change. Future work should explore if these mechanisms also apply to socio-cultural and/or regulatory changes and the additional role-based mechanisms that might account for changes in these contexts.

Lastly, future work should further examine how discontinuous versus incremental environmental changes influence category change and maintenance, and whether differences arise if the nature of such changes are primarily economic, socio-cultural, or technological. A potential lens for understanding if and how different changes manifest as radical changes or influence categories in more incremental ways is to incorporate the dimensions of products, practices, and purposes and the concept of legitimacy, which has been used to explain processes that accompany category formation (Kennedy, et al., 2010; Navis & Glynn, 2010).

Scholars could examine if changes that alter any one of the three dimensions of an organizational category fundamentally alters members' abilities to obtain necessary resources for their organization's continued existence. In such circumstances, change might be best understood as discontinuous. For example, socio-cultural changes seemed to have recently legitimized the collective purpose of microfinance organizations in a way that has radically altered that organizational category's legitimacy over the last decade. Conversely, regulatory changes may be in the process of altering the practices of various categories of organizations of energy producers in ways that will threaten their legitimacy in the years and decades to come. However, if access to resources is not immediately altered, as when regulation is forestalled, category members will experience

changes as more incremental, potentially setting up years or even decades of reverberation. In my case, some changes were immediate (e.g., those that, through commissions, shaped new ticketing practices), while others were drawn out (e.g., those that relied on member's self-concept of their role). Organizational researchers should to be especially attuned to how environmental changes differentially impact the viability and legitimacy of a category's extant products, practices, and/or purposes, in order to advance understanding of category change across a variety of settings.

## **CONCLUSION**

Travel agents represent one of many organizational categories that have, or will, be fundamentally reshaped in response to online substitutes. Although travel agents do seem to be regaining ground in the battle for their category's meaning (i.e., the popular media is increasingly using the label to refer to traditional agents) my interviewees clearly indicated that confusion remains concerning their core products, practices, and purposes in a post-Internet era. Today's travel agents represent a winnowing group of survivors that were fortunate to have existed in an era when roles beside that of "booking agent" were prevalent throughout their organizational category. As a result, these older travel agents had access to a repertoire of roles that proved instrumental in recreating the category's meaning in the aftermath of airline commission cessations.

Although consumers seem to be rediscovering the category's value in light of an increasingly impersonal and complicated travel landscape, the category's future remains in doubt as many of its "mature" members rapidly approach the age of retirement. It is my belief that the category's continued existence is contingent upon travel agents'

abilities to continually enhancing their roles as “rescuers,” “facilitators,” and “editors” with new technologies (interviews indicated that web 2.0 technologies and increasing global access to wireless data networks will continue to shape these roles) and, more importantly, to attract new members that will perpetuate the category. As one agent predicted, “the face of the industry is going to have to be a lot younger than it is now. It’s going to have to go through another cycle. The tools obviously are going to be different and I think the agents that survive another ten years are the people that have the vision to accept change.” My findings suggest that the members of a variety of organizational categories now facing Internet competition need to monitor the products, practices, and purposes that unify their collectives and the ways in which these attributes are enacted through roles and/or other patterned behaviors. In doing so, they can better predict the ways in which their collective meaning is susceptible to changes from the Internet and areas that might constitute their future definition.

## **APPENDIX**

### **INTERVIEW TEMPLATE**

*Overview of the Study: I am a doctoral student working on a project that seeks to understand if, and how, the Internet has changed the profession of travel agents.*

1. Please tell me about your career as a travel agent. How did you start? Did you change positions throughout your career? Did you change geographic locations throughout your career?
2. What other professions do/did travel agents compare yourself to?
3. What things distinguished you from these types of organizations and/or professions?
4. Describe a day in the life of a leisure travel agent at a “brick and mortar” agency in the early 1990s?
5. What did it mean to be an agent working for an independently owned agency in the early 1990’s?
6. What term or metaphor best described travel agents in the early 1990s?
7. Who was your competition in the early 1990s?
8. How was your profession viewed in the early 1990s by:  
Consumers?  
Airlines?  
Cruise companies?  
Other travel vendors?  
---So fast-forwarding to 1996 and Travelocity comes on the scene:
9. How has the Internet changed what it means to be a travel agent and what an agent does?  
What aspects have been added the profession? What aspects of the profession have been lost?
10. When did you become aware of these changes? How did these changes affect you?
11. Were there other instances that you can remember when organizations or vendors (non-agencies) used the Internet in ways that changed what it means to be a travel agent?
12. The same question but for agents.

13. Were there other events that you believe significantly changed the profession (i.e. what it means to be a travel agent)?
14. What other types of professions do travel agents compare themselves to now?
15. Who is your competition now and how has this changed?
16. What does it mean to be an agent working for an independently owned agency now?
17. Is there a term or metaphor that better describes travel agents now?
18. Now, how do you think your profession is viewed by:
  - Consumers?
  - Airlines?
  - Cruise companies?
  - Other travel vendors?
19. What do you think is in store for the future of this profession?
20. Do you foresee yourself in this profession in 10 years?

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