DYNAMICS OF CULTURAL PRODUCTS AND CULTURAL INDUSTRIES: THREE PAPERS

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PhD Thesis

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

This dissertation sets out to shed light on some of the under-studied aspects of cultural products and cultural industries: organizational response to market and technological changes connected with the advance of digital technologies, the international transfer of cultural products, and the idiosyncrasy of cultural products and the symbols they use.

The first chapter of this dissertation analyses how a firm can enter an existent market by leveraging new technology not only as a new way to create value, but also as a self-categorization tool to differentiate from the competition, and how self-categorization changes and stabilizes over time. I conduct a longitudinal case study analysis of how Netflix entered the existent television industry, observing how the company changed its self-categorization from a technology to television company. Building on this case, I discuss the implications of self-categorization dynamics for strategy research.

In the second chapter of my dissertation, I analyse what cultural and organizational antecedents are associated with successful and unsuccessful international adaptations of cultural products. Fuzzy-Set Qualitative Comparative Analysis of a sample of television formats revealed that cultural adaptations in genre and values of the cultural product act as enablers and restrictors for organizational factors, such as adaptation experience.

Finally, in the third paper of this dissertation, I propose a concept of symbolic idiosyncrasy – embeddedness of symbolic content in its home culture that prevents it to be equally valuable elsewhere. Building on cultural studies as well as on organizational theory literature, I also theorize the three dimensions of this concept: aesthetic, identity, and status idiosyncrasy.

INTRODUCTION

Cultural products, such as television shows, theatre plays, books or amusement parks, have an intangible component, i.e. the symbols they use, and a material component, i.e. medium on which they are delivered (Jones, Lorenzen & Sapsed, 2015). Unlike utilitarian products, they do not have objective performance criteria and create value for the consumers by using symbols to affect emotions of the audience (Hirsch, 1972; Lampel, Lant & Shamsie, 2000).

Cultural products and the industries that create them are an important and fast-growing part of world economy. For example, the largest cultural markets, book publishing at $121 billion worldwide and television at $450 billion worldwide, have shown growth in 2017 and are forecasted to grow in the next several years (Marketline, 2018a; 2018b). In contrast to older media giants that focused on international distribution, new multinational media companies, such as Amazon and Netflix, not only distribute, but also create content worldwide. These relatively young multinationals, established in the 1990s, have leveraged digital technology in delivery and creation of cultural products, growing into global businesses in less than 20 years. Younger media markets, such as video games, also show growth (Marketline, 2018c) as the average media consumption increases around the world, albeit at a slowing pace (Zenith, 2016).

The dynamics of cultural industries has been analyzed by scholars in different disciplines. Management literature has mostly focused on the organizational aspects of cultural industries, studying how firms in such industries create value (DiMaggio, 1997; Starkey, Barnatt & Tempest, 2000; Hadida, 2009; Jones et al., 2015) and transfer it abroad (Brannen, 2004; Kuipers, 2015). Marketing scholars explored how cultural products connect with their audiences (Cayla & Eckhardt, 2008). Finally, sociology studies explored distinguishing features of cultural products that set them apart from utilitarian goods (Hoskins

& Mirus, 1988; Peterson, 1992; DiMaggio, 1997) as well as the mechanisms of how cultural industries operate (Caves, 2000; Hesmondalgh, 2013).

In this dissertation, I studied three questions pertaining to organizational responses to market and technological changes in cultural industries.

So far, the digital revolution mostly concerned the material component of cultural products, i.e. digital distribution of books, movies, TV shows and music. However, the focus of the research in this area is increasingly not on the technology itself, but rather on how creative companies make sense of technology and use it strategically. Thus, multiple papers addressed how firms like Spotify, TiVo and Amazon disrupted their respective industries by incorporating digital technologies in novel ways, creating new ways of consumption of cultural products (e.g. Ritala, Golnam & Wegmann, 2014; Ansari, Garud & Kumaraswamy, 2016).

In the first chapter of my dissertation I uncover how firms can leverage the technology not only as a medium on which to deliver its product, but also as a positioning tool to differentiate from the competition. I specifically focus on the case of Netflix as an illustrative example of a firm entering a pre-existent cultural market and positioning itself as a technology company. I observe how over time, Netflix's self-categorization shifted towards traditional labels, such as 'television' or 'entertainment,' that existed in the market before the advent of digital technology. This finding points out the resilient nature of cultural products and cultural industries that often transcends their specific medium to focus on the content.

Another under-researched aspect of cultural industries' dynamics is the creative organizations' response to the international aspect of market change, i.e. transfer of cultural products abroad. Although there have been many separate studies devoted to particular cases of transfer (e.g. Brannen, 2004; Cayla & Eckardt, 2008), or particular mode of transfer (Hoskins & Mirus, 1988), we still lack a holistic understanding of what makes cultural products transferable to other countries and how companies need to adapt them in order to transfer them and profit from international markets.

Focusing on the changes that are made to cultural products abroad, the second chapter of my dissertation explores what are the antecedents of successful and unsuccessful international adaptation of cultural products. In this chapter, I analyse a sample of television format adaptations: shows that originated in one country and have been adapted, i.e. remade with some changes, abroad. I adopt a configurational approach and used Fuzzy Set Qualitative Comparative Analysis to find what cultural and organizational antecedents consistently associated with successful and unsuccessful adaptations. The analysis reveals that cultural factors, such as adaptation of genre and value claims, act as enablers for organizational factors, such as previous experience of the adapting company.

Finally, the third chapter of my dissertation develops a conceptual framework to theorize what makes cultural products difficult to transfer abroad. By building on both cultural studies and managerial literature on international transfer of ideas, I formulate the concept of *symbolic idiosyncrasy* and discuss its three dimensions. I then illustrate how firms overcome this idiosyncrasy through different forms of transfer: direct import, linguistic translation, replication and reimagining. This chapter contributes to the organization theory literature by providing a holistic framework of idiosyncrasy and bringing together previously disjointed insights. It also opens directions for future research by providing a new lens that can be used to understand transfer process in a more consistent way.

Overall, this dissertation contributes to our understanding of the organizational response to technological and market challenges in cultural industries. It brings together previously disjointed studies from different domains, such as organization studies, strategy, and sociology, to come up with a more systematic understanding of new developments in cultural markets.

Chapter 1. Technological change, firm's strategic self-categorization, and market entry dynamics: evidence from the Netflix case

"We morph into a story that resonates. And it's a good story,
and Netflix is a story."

Marc Randolph, former CEO and co-founder of Netflix, 2014

INTRODUCTION

Due to its impact on firm survival and financial success the problem of "optimal" market entry has been extensively studied in the management literature. Overall, scholars have identified some, often interdependent, factors affecting firm's (un)successful market entry. These factors include macro-level environmental dynamics, firm's strategy and firm's characteristics (e.g., Klepper, 2002; Suarez & Lanzolla, 2007; Markides & Sosa, 2013; Helfat & Lieberman, 2002). A particular focus in this literature has been on new firms' market entry following technological breakthroughs (Henderson & Clark, 1990; Tushman & Anderson, 1986). Yet, extant insights do not seem to be conclusive to inform successful new entrants' market entry. Consider, for instance, the boom and bust of new entrants in the so-called dot.com era. The technology strategy literature has shown that in crafting their market entry choices, new entrants can leverage the new technology to differentiate from incumbents (Abernathy & Clark, 1985; Utterback, 1994); should select the "right" market niche (e.g. Moore, 2014) and/or carefully select their entry timing (Klepper, 1996; Swaminathan, 1998; Suarez & Lanzolla, 2007). In the Organizational Theory literature, some researchers have highlighted the role that framing and categories (e.g., Tripsas & Gavetti, 2000; Kaplan & Tripsas, 2008; Cattani, Porac & Thomas, 2017) play in firm market entry decisions, resource allocation and market perception. When a firm enters a market following the advent of new technology, its performance depends on how successfully it "signals" to the internal and external stakeholders what market it enters and with which business model (e.g., Boone, Wezel & Witteloostuijn, 2013; Rosa, Porac, Runser-Spanjol & Saxon, 1999; Durand & Coerderoy, 2001; Markides and Sosa, 2013).

Whereas scholars agree that category formation and emergence is a non-linear process that is associated with contestation and negotiation (e.g. Rosa & Porac, 2002; Grodal, Gotsopoulos & Suarez, 2015; Khaire, 2017), the firm's journey in category space is assumed to be somewhat linear. Companies are assumed to enter existing categories to get 'counted' as legitimate businesses, and when they are considered experienced, they can attempt moving into a new category as a way to stand out (Zuckerman, 1999). This shift is perceived as experimentation, the firms are considered as innovative and are not discounted by their audience (Rao, Monin & Durand, 2005). However, the increasing number of firms in recent years were credited with disrupting their industries through new technologies almost as soon as these firms enter the markets (e.g. (e.g. Downes & Nunes, 2013; Ansari et al., 2016; Jenner, 2016). Still, these firms are considered parts of existing market categories, such as music (Spotify) or hospitality (Airbnb), by the external audiences (e.g. Morgan, 2019), suggesting that a firm's categorical journey may not be as linear as previously considered. This paper aims to fill this gap in academic research by answering the following question: *How can firms use technological change to categorize themselves and successfully enter an existing industry?*

In this paper, I conduct an in-depth longitudinal study of Netflix, a company that successfully entered the television market during the dot.com boom of early 2000s. Netflix provides an excellent illustration, or representative case (Yin, 2014), of a new entrant "experimenting" with technology, market positions and different business models to enter an existing market being disrupted by a technological breakthrough. As such, it constitutes an excellent case to integrate insights from technology strategy and organization theory.

The analysis of the case allows identifying three main emerging patterns. First, I observe that Netflix's management experimented with several categorizations to reflect the role of digital technologies in their services and business model and present Netflix as a pioneer in such categories – e.g., Streaming; Internet Television company. That is, it used technology as a positioning tool. Second, the findings show that at a certain point in time Netflix's management started downplaying the role of technology in the company's categorization while increasingly identifying themselves with "established" categories – i.e., Traditional Television. I develop some possible explanations as per when and why this "shift" happens. Third, I observe that there is a lag between the shift in the company's self-categorization and "market" acceptance of such categories and I elaborate on some of the potential underlining reasons and implications.

In order to understand the firm's self-categorization over time, I look at two components of its categorical journey: categories and market entry. The two literatures provide different lens on how a new firm may enter an existing industry with a new technology, but whereas category research emphasizes cognitive aspect, market entry literature looks at the use of technology as a source of differentiation for the firms' products. I follow the nascent direction in strategy literature that unites these two streams of research. Previous studies showed applicability of cognitive lens to technology development (Kaplan & Tripsas, 2008) and established similarity of technological and categorical developments (Grodal et al., 2015). I argue that self-categorization is a non-linear process that involves dynamically balancing legitimacy and differentiation, and can be seen as a part of firm's efforts to enter and stay in the market, along with technology strategy.

This paper is structured as follows. First, I look at the present state of both categorization and market entry research. Then, I relay the key steps of Netflix's entry into television market. I detail how the firm's self-categorization changed over time from experimentation and positioning in the digital domain to self-categorizing as a television company. Finally, I discuss the insights this case gives into the strategic use of self-categorization following a major technological breakthrough.

CATEGORIES AND MARKET ENTRY

Categories, often defined as "a meaningful consensus about some entities' features as shared by actors grouped together as an audience" (Durand and Paolella, 2013, p.1100), allow distinguishing between entities both in terms of their nature (Cattani & Fliescher, 2013) and status (Delmestry & Greenwood, 2016), as well as defining what attributes are valued or penalized (Khaire & Wadhwani, 2010). In market context, categories may refer to markets, products or firms. Whereas firm category tend to refer to sets of firm's capabilities or strategy similar across firms (Cattani, Porac & Thomas, 2017), the line between market and product categories is more blurry. In the existent literature, market categories are usually discussed as high-level conceptual systems (Rosa, Porac, Runser-Spanjol & Saxon, 1999), such as modern Indian art (Khaire & Wadhwani, 2010), whereas product categories deal with the properties and classifications on a more narrow level, such as movie genre (Hsu, 2006). As Navis and Glynn (2010, p.440) put it, "A new market category exists 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". Following this approach, I refer to categorization in the sense that a company is assigned the label of a market category. This is different from category signaling, i.e. a firm providing its products with properties associated with a certain category (Negro, Hannan & Fassiotto, 2015), and refers to the discursive side of categorization.

Researchers have noticed that firm's performance may depend on the category with which audience associates its products (Pontikes, 2012) or the firm itself (Hannan, Polos &

Carroll, 2007). Categories serve to introduce coherence through shared understanding of social phenomena (Hannan, 2010), products (Rosa et al., 1999), or firms (Delacour & Leca, 2016). In this paper, I focus on firm categorization that "defines organizational identities, what organizations are expected to be by their members and other social agents" (Negro, Kocak & Hsu, 2010, p.4). Categories allow audiences to abstract from individual characteristics of each firm and form what looks like a cohesive set of similar firms (Hannan et al., 2007), whereas category labels represent cognitive shortcuts that allow audiences to quickly place the product or firm in the market (e.g. Hsu, 2006). A firm's belonging to a category means that audiences can compare it to other firms in the same category to judge the firm's performance (Zuckerman, 1999) and manage expectations from the products the firm produces (Zuckerman & Kim, 2003). Therefore, categorization can become another source of competitive advantage for a firm when entering a market.

Joining the research on market entry and categorization, Kaplan and Tripsas (2008) looked at technological innovation through a cognitive lens and pointed out that producers, consumers and institutions interact to develop collective understanding of technologies through shaping each other's 'technological frames' (Orlikowski and Gash, 1994). When a firm enters a new market, it may introduce its products without providing a category label as a new label does not yet relate to any resource benefits. However, it is more relevant for established firms that introduce innovative products. Thus, the first minivans, produced by established car manufacturers, were given this new category labels not by producers, but by industry analysts (Rosa et al., 1999). A firm therefore can simply react to the sensemaking in the audiences and media and pick up the emergent category labels as differentiators (Rosa & Porac, 2002; Kennedy, 2008).

However, the existent literature shows that firms have much more agency in their categorization in the market. Thus, a firm entering an existent market may actively engage with external audiences in the creation of new category label to create a space in a crowded market. For example, small firms in the brewing industry categorized themselves as 'microbreweries' to differentiate from large brewers and emphasize their relative quality (Carroll & Swaminathan, 2000). Firms self-categorize to educate the audiences and challenge other producers as some categories not only group firms together, but also indicate that they are operating differently from other categories. Thus, Pontikes & Kim (2017, p.86) cite an example of Applied Communications, Inc. referring to itself as a 'leading provider of electronic payment software around the world,' in a press release. Carroll and Swaminathan (2000) observe that the Association of Brewers codified criteria and classification to separate craft and home brewers from industrial ones. A firm entering a market can also position itself within an existent category to gain access to cultural, social and financial resources available to the members of this category. Thus, by positioning itself within a lucrative category, a firm can increase customers' willingness to pay (Zhao, 2008).

For a new market entrant, claiming a category label is connected with a trade-off between gaining legitimacy and differentiation. Whereas in the new categories audiences are usually the ones who invoke the emergent category labels more often, their attention gradually migrates to the properties of the products themselves, so in the established categories, producers rely on these labels to convince consumers of their membership in the category (Rosa et al., 1999). An established category is easier for the firm to communicate, as the audiences will understand its meaning. However, positioning within such category is also restrictive for the firm: audiences and critics have certain expectations from the category members and will penalize those who do not behaviorally conform to it with inattention (Zuckerman, 1999). Thus, established categories act as institutions because the firms need to conform to the category in order to be evaluated positively.

In contrast to the market entry literature, some category research suggests that a firm needs to gain legitimacy first, and only then differentiate. According to Phillips & Zuckerman (2001), a firm benefits from differentiating itself from similar offers only if the audience considers the firm's offer legitimate in the first place. Studies in organizational ecology show that crowding helps a category gain legitimacy in early stages, but for mature markets, crowding drives competition (Carroll & Hannan, 2000; Hannan & Freeman, 1977; Kennedy, 2008). Research in strategy emphasizes that producers have agency over this process, and that they need to balance conformity and differentiation (Deephouse, 1999; Durand, 2006; Navis & Glynn, 2010; Porter, 1980).

A firm's failure to balance differentiation and legitimation may jeopardize its perceived authenticity and competence. Many authors hypothesized (e.g. Zuckerman, Kim, Ukanwa & von Rittmann, 2003) or directly observed (e.g. Rao et al., 2005) that a market actor that is considered to be a member of one category and tries to enter another one experiences resistance from its audiences as they consider it to be unqualified to match the new category's requirements. The only way a firm can evade being penalized for non-conformity with the assumptions about the new category is by being a high-status player (Phillips & Zuckerman, 2001) and will therefore be considered as experimenting rather than deviating (Rao et al., 2005) as its legitimacy stems from the status rather than solely from its categorical affiliation. Otherwise, when a firm's actions do not match the indicated category or when it tries to bridge categories, it risks alienating the consumers (Hsu, 2006) as they will not consider the firm to be authentic anymore (Carroll & Hannan, 2000).

As the recent literature on categories indicates, some firms balance the trade-off between legitimacy and differentiation through manipulating its category membership (Pontikes & Kim, 2017) due to the role of categories as facilitating communication between stakeholders by eliminating the categorical confusion and connecting labels and meaning

(Rosa & Porac, 2002). Actors within industries can create ad hoc categories to achieve their goals (Durand & Paolella, 2013). Thus, in their analysis of an Italian steel art producer, Rindova, Dalpiaz and Ravasi (2011) found that a firm can combine ad hoc categories with established ones, redefining its identity in order to achieve flexibility and succeed in diverse task environments. However, the existent research has mostly covered established firms that operate in markets where they already have considerable reputation and does not provide much insight into how new entrants can perform this balancing act.

In the next part of this paper, I analyze the case of Netflix's entry in television market by analyzing its categorization over time.

METHOD AND DATA

Method

I conducted a single-case longitudinal case study (Yin, 2014) of Netflix as an illustrative case of a firm that successfully used digital technology to enter an existing market. The longitudinal perspective allowed me to monitor categorization across 20 years. As categories evolve and change over time (Durand & Paolella, 2013), a longitudinal approach provides a more nuanced story than a cross-sectional view. In this inductive study, I used the data to build propositions that tie together the market entry and category literatures. Whereas many longitudinal case studies analyse the process of category formation (e.g. Rosa & Porac, 2002; Khaire & Wadhwani, 2014; Khaire, 2017), the current study follows an alternative research stream that focuses on the firms' usage of existing categories without in-depth analysis of said categories' emergence. This approach has been previously used in multiple papers analysing categories in creative industries such as movie genres (Hsu, 2006) or types of haute cuisine (Rao et al., 2005).

In existing literature, categories are analysed either as collective identities or as labels, or cognitive devices that are used by the audiences for sensemaking. The key aspect of viewing categories as collective identities is acknowledging the common properties around which such identities are formed (e.g. Zuckerman, 1999; Durand & Paolella, 2013; Arjaliès & Durand, 2019), such as particular details of the product category that allows separating it from other products. For instance, Rosa and Porac (2002) identified seven different types of properties along which categories were defined in motorcycle industry. In this paradigm, conformity is seen as the interaction between firm's categorization and its actual activities.

In contrast, the research viewing categories as cognitive devices does not elaborate on the particular dimensions along which the categories were formed, but focuses more on their use (e.g. Hannan et al., 2007). The focus is on the narrative and sensemaking, whereas the firm's market activity is in the background. For instance, Delmestri and Greenwood (2016) considered the category as a label whose meaning was shaped by the firm.

Within this paradigm, this chapter views categories as cognitive devices. In this work, I do not consider dimensions of collective identities and instead focus on the use of category labels by different audiences to make sense of the firms and products.

In order to collect evidence of categorization, I followed the first two strategies described by Hannan (2010) as most informative, i.e. collecting assignments by critics of producers to relevant categories (in this case, newspaper journalists) and using self-claims to category membership (i.e. labels Netflix used to describe itself). In order to recreate the timeline of events and to situate actions and narrative within Netflix's story, I also analyzed eight case studies dedicated to Netflix's history. This approach is also in line with the method Rosa and Porac (2002) used to analyze categorization: "accounts and explanations of market activity that are articulated in print and shared with others" (p.516).

The data collection on external categorization included three main groups to account for Netflix and its two key audiences. To capture the category claims that Netflix proposed for itself, I analyzed all Netflix annual reports with attached letters to shareholders, quarterly reports, and transcripts of quarterly interviews with shareholders starting from 2002 (the year of Netflix's IPO) to 2017. This dataset contained a total of 132 documents.

The second part of the data corpus captured critics' assignment of a category to Netflix. This study looks at Netflix's business audiences for several reasons. First, the majority of Netflix's categorical work was addressed to this audience, as the quarterly interviews with shareholders reveal. All Netflix executives categorized the company in some way during these interviews. Second, it was one of the key audiences for Netflix before the completion of its international expansion. During those early years, Netflix was not profitable for many years, and communications with the business audiences had to reassure the financial markets of the company's future success. Finally, it is the most homogenous audience. Whereas Netflix's discourse in different countries it expanded to may have been different, the business audiences are largely global. Business audiences are interested in firms' categorization as they see firms as potential investment targets and need category as a baseline for understanding potential profit from their investments (Zuckerman, 1999). To capture this audience's categorization of Netflix, I used articles with the word 'Netflix' in the title published in two major outlets: *Financial Times*, targeted at the international business audience, and *The Wall Street Journal*, the largest business-oriented newspaper in US. The dataset contained 314 *The Wall Street Journal* articles from 2002 to 2017 and 213 *Financial Times* articles from 2004 to 2017 (the initial search was from 1997, the year Netflix started operating, but the relevant articles were found only from 2002 and 2004 onwards, respectively). Duplicates (i.e. word-for-word copies of the same article in different sources belonging to *Financial Times*) were excluded from the analysis. The final sample consisted of 436 articles, including reprints, i.e. articles that were published a second time as weekly summaries or announcements but were modified in comparison to the originals.

For robustness check, I also collected data on general audience's categorization of Netflix. In my sample, the critics' categorization of Netflix aimed at general audience was represented by *The New York Times*, the largest newspaper by circulation in USA that is not tailored towards business audience. This part of the dataset contained a total of 226 articles from 2002 to 2017.

Multiple mentions of the same category in a single article were eliminated to avoid double count. The entire dataset is summarized in table 1-1.

Data type	Data source	Number of sources
Netflix's self-categorization	Annual Reports with letters to shareholders	16
	Quarterly Reports	63
	Comments to Quarterly Reports	3
	Interviews with shareholders dedicated to Quarterly Reports	50
Categorization of Netflix by business audiences	*Wall Street Journal* articles	314
	Financial Times articles	122
Categorization of Netflix by general audiences	*The New York Times* articles	226
Additional information on Netflix's operations	Case studies dedicated to Netflix	13
	Interviews of Netflix top managers to journals	

Table 1-1. Data summary. *Source: author's elaboration*

The methodological approach I used in this study is quite wide-spread in category studies. Starting from seminal papers by Zuckerman (1999) and Rosa and Porac (2002), qualitative analysis of mass media content such as newspapers has been widely used to study categorization. Specifically regarding the coding technique used in this chapter, multiple papers singled out category labels from newspaper articles (e.g. Rosa & Porac, 2002; Rao et al., 2005; Hsu, 2006). I chose this method because it helps revealing the nuanced evolution of what category label that audiences associate with the company, in contrast to looking at, for instance, SIC codes, that do not reflect the nuances of multiple or confused categorization.

In order to reduce linguistic complexity associated with the category claims, I followed the approach to singling out category claims that was used by Rosa and Porac (2002): I developed additional criteria that allowed me to systematize the coding (see the appendix). The articles were coded using NVivo software, following the approach used by Rosa and Porac (2002). To ensure consistency of coding, I and three other coders coded some of the data independently, following the coding criteria. As the data I used captured the time of a technological discontinuity, I found a lot of experimentation around category labels, particularly early on. A total of 175 category labels were identified in the articles[1]. In order to reduce complexity further, I coded the individual 175 category labels derived from the data as belonging to six high-level categories[2]. This coding built on the analysis of the category labels' components that described Netflix's business model, i.e. how the company delivers value. For example, individual labels 'live streaming' and 'Internet streaming' were grouped together into the 'Streaming' category as they both categorized Netflix as a digital delivery service. In contrast, labels such as 'entertainment company' or 'original programmer' were grouped in the 'Content' category as they claimed Netflix was a content creator, ignoring its delivery mechanisms. The full list of categories is described in Appendix 1. As the dataset is uneven and there are more articles in later years, when Netflix has gained renown and became a focus of media attention, I could not use the exact number of mentions to claim prominence of a certain type of categorization, as this data would be skewed. Therefore, I used a relative frequency of each aggregated category in a given year as a measure of prominence.

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[1] The current study mostly focuses on high level categories that come from different domains: digital technology and entertainment. The categories from the domain of entertainment predate categories from technology domain. The digital technology categories were formed in the 1980s with the advance of the Internet, as can be seen from keyword searches on Factiva (2019) and Google Ngram Viewer (2019) databases.

[2] DVD category is dropped from the discussion as it belongs to another market (that for DVDs) and is outside the focus of the current paper.

Research Setting: Television Market and Digital Technologies

The advent of the internet and digital technology has deeply affected the dynamics of creative industries such as music, television, book publishing, and film. The control of global media conglomerates over the production and distribution of creative products has weakened, shifting power to consumers, local creative producers, and digital platforms (e.g. Hirsch & Gruber, 2015; Jones et al., 2015). As a result of these changes, a much broader variety of actors than ever before enjoys the opportunity to shape the evolution of creative industries (Towse & Handke, 2013), challenging the very concept of "creative industry" in a time "when new industry segments proliferate and when the boundaries around existing industries can shift from permeable to non-existent" (Davis & Marquis, 2005, p.337).

The television (TV) market is a well-suited context to study the connection between market entry and categorization induced by digital technologies. Before the digital technology arrived, the relations between different actors within this industry and their categories were clear, since both the content and technology stabilized as early as 1930s (Abramson, 2009). Historically, inter-firm relations in the TV industry were deeply rooted in the oversupply of creative products and the bottleneck created by a fixed television schedule, resulting in broadcasters having the power to pick and choose from production studios (Starkey et al., 2000).

Television market players had clear roles before the digital era started: production studios produced the shows, distributors sold and marketed them and broadcasters delivered the shows to the television sets through terrestrial stations, cable, or satellite broadcasting (Starkey et al., 2000). When digital players such as Netflix or Amazon Video arrived, there was a confusion both among critics and competition as to whether they are a part of the same industry and what type of company are they, since they performed a set of functions that did not match any of the pre-existing types.

However, with the arrival of Internet-enabled technologies such as streaming and downloading, these roles came under threat. For example, Netflix entered television market in 1998, whereas Amazon bought LoveFilm online DVD rental service in 2002, and later introduced Amazon Prime video streaming service, Apple iTunes started providing video streaming in 2005. To combat this threat from new entrants, established television companies started introducing their own online services. Disney, NBCUniversal and Fox created Hulu subscription Video on Demand (VOD) service in 2007 to win the audience back from Netflix. Sony also provides dedicated online television service, PlayStation Vue. That is, the number of VOD services grew. However, not all companies were successful when moving into the digital sphere. Thus, Blockbuster, once Netflix's main competitor, went bankrupt in 2013.

Figure 1-1 shows the sharp rise in average Internet speeds in US around 2010. This commoditization of Internet technology led to even more companies providing services like video streaming that demanded high broadband capacity. As the market became crowded, it spawned the debates around the equal access to the technology, i.e. net neutrality. FCC Open Internet Order of 2010 protected Netflix and other services from being blocked by Internet providers in favor of their own streaming services. However, they were still charged a premium for getting higher broadband speeds. The public and governmental discussion of this issue eventually resulted in Internet being reclassified as a telecommunication rather than information service in US in 2015 (Ruiz & Lohr, 2015), thus treating it as commodity akin to telephone lines.

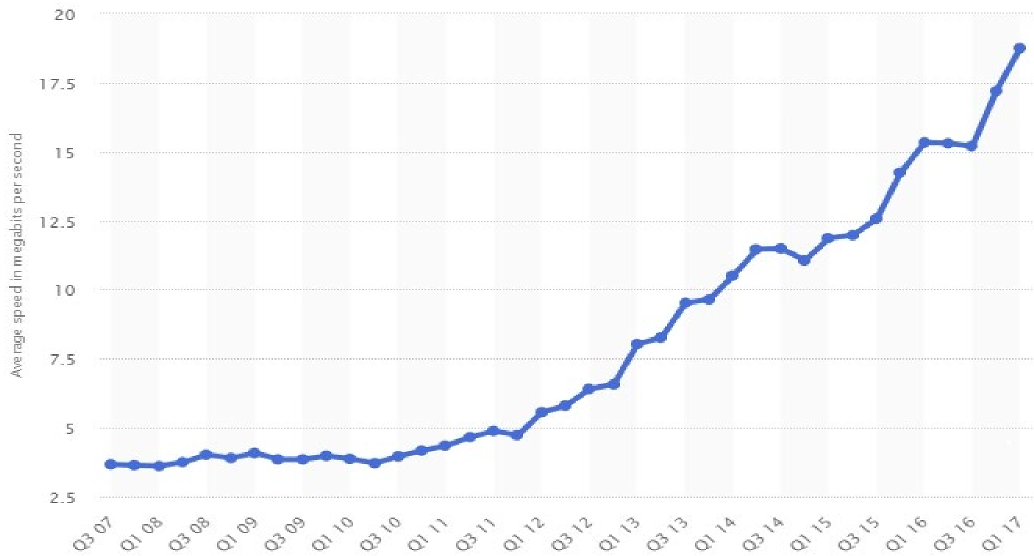

Figure 1-1. US Internet Speed from 2007 to 2017. *Source: Statista.com*

Netflix Timeline

Figure 1-2 illustrates the main events in Netflix's history from launch to 2017. Netflix was founded in 1997 and started operating in 1998. It started out by renting DVDs to consumers via a website. It took Netflix a couple of years, until 1999, to finalize its business model. The firm operated a website where consumers could browse through the catalogue of available DVDs and rent up to three of them at the same time. The company went public in 2002. After a period of rapid growth and its IPO, Netflix expanded its library through exclusive distribution deals with large studios in 2004. The company was the first to carry new titles of Hollywood majors as soon as they were available on DVD. In 2007, Netflix introduced video-on-demand streaming. That meant Netflix subscribers could watch movies and television series online, without having to wait until a DVD arrives. It should be noted that Netflix did not discontinue its DVD rental service after the launch of streaming, although its membership dwindled significantly in favor of the streaming service. In fact, it only discontinued its DVD rental service in US in 2017. Netflix also applied its recommendation algorithm to the streaming service.

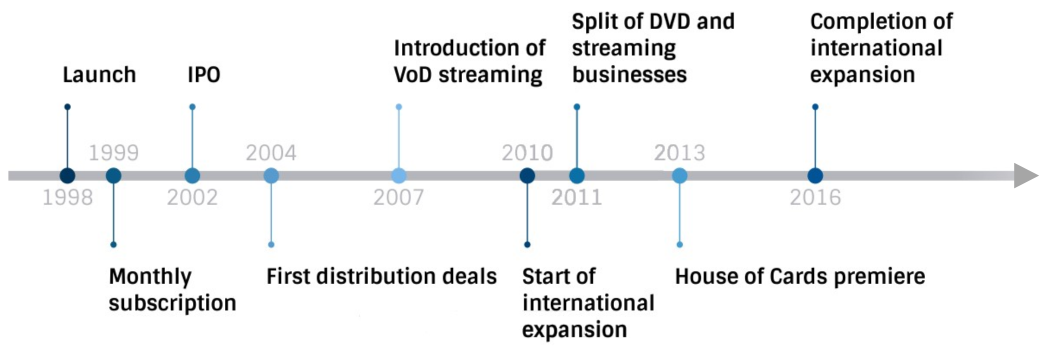

Figure 1-2. Netflix's Timeline. *Source: author's elaboration based on case studies dedicated to Netflix history*

In 2010, Netflix's executives decided the firm has gained enough momentum to start its international expansion. Whereas they maintained their DVD delivery business in US, Netflix had no foreign physical assets, only operating the streaming service abroad. The international expansion took six years and was completed in 2016. By that time, Netflix's streaming services have become available everywhere in the world with the exception of China, and regions subject to U.S. sanctions (Syria, North Korea and Crimea). In 2011, Netflix faced increasing competition from its former clients, Hollywood studios that were launching their own streaming services to retain the distribution profits they were sharing with Netflix. The studios were unwilling to prolong content deals, and Netflix responded by using the extra income from international subscribers to commission its first large-budget television series, *House of Cards*, that would premiere in 2013.

Netflix had three well-defined competitive advantages. First, Netflix had a business model that had a broad appeal among the consumers due to being much more lax than competitors' ones: Netflix charged subscription instead of pay-per-rent and for their DVD-by-mail business they did not charge fees for late returns. Second, in the early stages Netflix managed to get a foothold in the market due to its efficient logistical system that allowed sending out DVDs very quickly. The third and arguably strongest competitive advantage Netflix had was technology-related. The firm had developed a highly sophisticated recommendation algorithm that allowed suggesting web site visitors the movies they were most likely to enjoy based on their preferences and ratings they gave to the movies they had already watched. The algorithm made use of Big Data and recommendations accounted for as much as 75% of the overall viewing (Vanderbilt, 2013). This allowed the company to benefit from the long tail, whereas most rental companies had to rely on the newest big releases to make profit. Netflix's algorithm was a core strength for the company that it constantly mentioned in annual report.

However, the breakdown of Netflix's expenses reveals another story. Figure 1-3 demonstrates that Netflix's expenditure on content (buying DVDs to rent, distribution deals with studios, and later financing their own content production) has overtaken its spending on technology as early as in 2003. The spending on technology included website maintenance as well as modifying and enhancing recommendation algorithm. However, from the expenses structure, I observe that Netflix has consistently spent more on content than on its technology, even when content included only a limited number of DVDs to rent (before 2007), and the difference grew exponentially when the content involved distribution deals with major studios as well as financing own production. In absolute terms, the costs of content was enough to cover most of the titles released in USA, which Netflix highlighted in its reports.

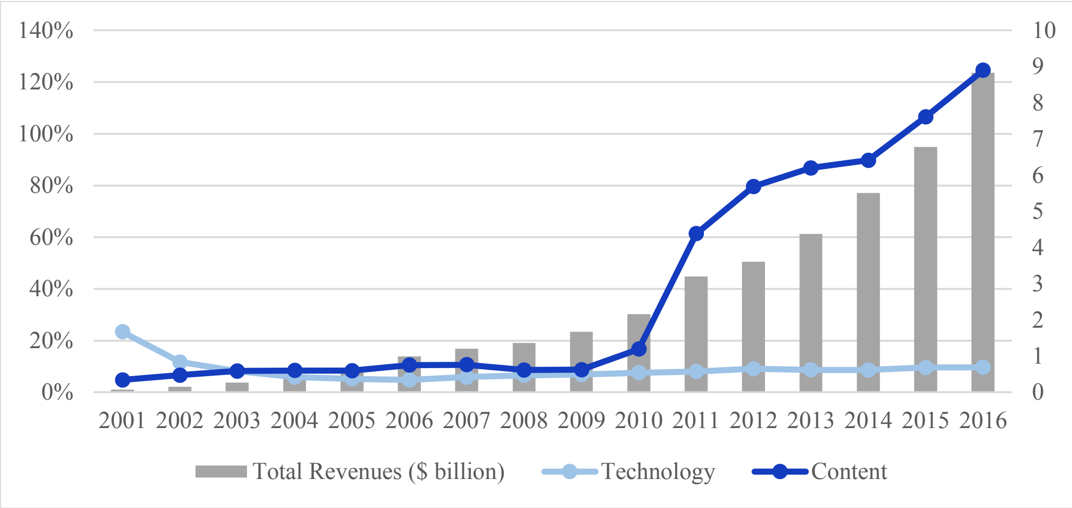

Figure 1-3. Netflix's relative spending on technology and content[3] (% of revenue, left axis) against total revenues (right axis). *Source: Netflix Annual Reports 2002-2017*

I consider Netflix to be a case of successful entry into the existing industry: as can be seen from figure 1-4, the amount of Netflix subscribers has been growing since the company went public with a particular spike in 2010 when Netflix started expanding abroad. Currently, Netflix is available in most countries of the world; it produces and distributes content globally. Such trends suggest that its consumer audience has generally accepted the company.

[3] The data points above 100% are caused by the practice of showing the costs of content in lump sum in the year when the contract is signed, rather than distributed across the years in which they occur, creating the appearance of a deficit.

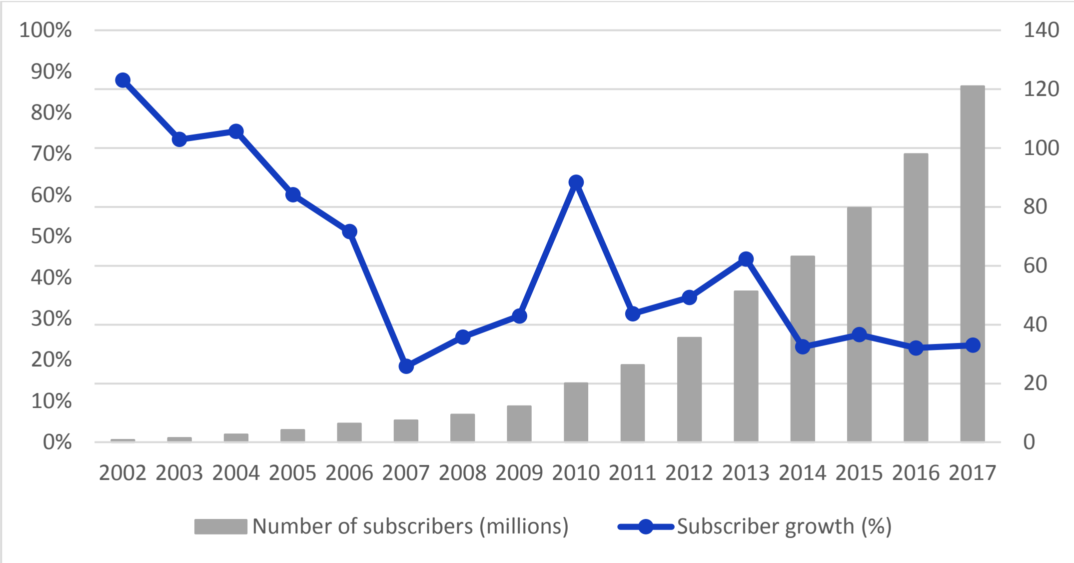

Figure 1-4. Growth (left axis) and number (right axis) of Netflix subscribers by year. *Source: Netflix Annual Reports 2002-2017*

FINDINGS

Netflix's Self-categorization

Figure 5 shows my findings on Netflix self-categorization. The data reveals several patterns of positioning Netflix used over time. Below, I elaborate on each pattern, citing the evidence from the data. Conclusions are summarized in the table 1-2.

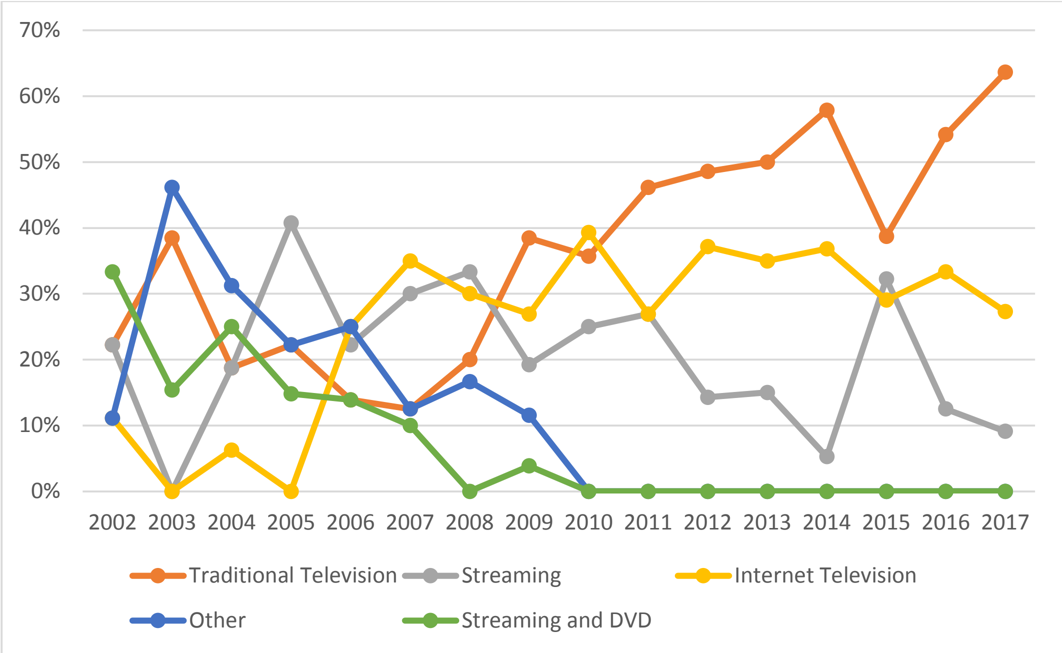

Figure 1-5. Netflix self-categorization frequency. *Source: author's elaboration*

Mixed positioning. Before 2010, Netflix's categorization is characterized by a high degree of experimentation. This experimentation is particularly evident from Netflix's first annual report, which has even conflicting category claims. On the front page, the company referred to itself using am Other (hybrid) category of "*online movie rental service*" (Netflix, 2002c, p.2), which mixes differentiation based on technology ('online') with appeal to an established category of television industry ('movie') and indicating a chosen business model ('rental' and 'service'). At the same time, digital positioning was also present in the firm's narrative. The same annual report in 2002 stated: "*we were one of only eight technology companies to successfully complete an initial public offering in 2002*" (Netflix, 2002c, p.3). Finally, Traditional Television categorization is featured on page 5 of this annual report where the first line that categorizes the firm's business says under the sub-title "Entertainment: Convenience, Selection and Value": "*At Netflix, we are in the business of delivering great movies*" (Netflix, 2002c, p.5).

There is some indication that Netflix's self-categorization within Traditional

Television categories was intentional. Netflix's co-founder and its former CEO Marc Randolph stated in an interview that the company decided not to be associated with a particular medium due to the trade-off between novel and traditional positioning (Xavier, 2014):*"So we could not come out and say, "Hey, we're the best way on Earth to rent plastic." Because while that might be the right positioning for the present, it would crush us in the future. But if we were to come out and say, "This is all about downloading or streaming," and we said that in 1997 and '98, that would have been equally disastrous. So we had to come up with a positioning which transcends the medium. And in this case, we very, very early came up with the idea that Netflix would be about finding movies you love, which in fact has nothing to do with how you choose to receive them."*

Still, a mixed pattern of self-categorization is evident from top management's interviews. Thus, at the time of the IPO, Netflix's CEO Reed Hastings stated: "*I'm very pleased with the customer and market reception to Netflix as we pioneer a new category in the delivery of home entertainment*" (Netflix, 2002a, p.1), while later the same year he referred to Netflix as "*one of today's most dynamic Internet companies*" (Netflix, 2002b, p.1).

The experimentation continued across several years. For instance, self-categorization that combined all the categories persisted throughout the first several years as Netflix's reports kept referring to the company as online movie rental service (Netflix, 2003, 2004; 2005b). However, other types of categorization came up. Thus, when discussing an industry they operated in under the Industry Overview section, Netflix consistently put itself within Traditional Television category by stating it to operate in filmed entertainment (Netflix, 2003; 2004).

Disentangling from technology. When looking at the other aspects of Netflix's entry strategy, there is little connection to the firm's positioning. Thus, the algorithm that the company was emphasizing as their main competitive advantage (e.g. Netflix, 2002; 2003; 2004) was mostly completed before 2006. The Netflix Prize, an outsourcing challenge that Netflix started that year, resulted in improving the algorithm's predictive power by slightly over 10% three years later (Lakhani et al., 2014). Moreover, until 2003, Netflix spent on technology more than it did on content. In 2003, these costs (as a percentage of revenues) leveled, and then the content costs outweighed technology costs, as the figure 1-3 illustrates ever since. Still, this major change was not reflected in the firm's self-categorization. Instead, as mentioned previously, the categorization remained mixed even within the same communication.

Balancing differentiation and legitimacy. Gradually, the categorization incorporated the Streaming category. This category was used by Netflix's CFO at the time Barry McCarthy. In an interview with shareholders after the release of the last quarterly report of 2005, he stated: "*I believe we can lead the future of digital downloading*" (Netflix, 2005a). In the same interview, Reed Hastings referred to Netflix as one of the "*American web retail companies*" (Netflix, 2005a), whereas in a letter to shareholders he stated that "*the winners in downloading will be the companies that provide the best content and the best consumer experience, and that's what we do best*" (Netflix, 2005b).

This time also marks the point when the Internet Television and Traditional Television categorization were becoming more prominent. Comparing Netflix to a traditional television network HBO, Reed Hastings pointed out: "*our focus is on getting to five million, 10 million, 20 million subscribers and becoming a company like HBO that transforms the entertainment industry*" (Hastings, 2005). In the same interview, he remarked on the temporality of DVDs as medium: "*That's why the company is called Netflix, not DVD-by-Mail*" (Hastings, 2005).

The shift towards Traditional and Internet Television categories could be seen in the ambiguous categorization in 2006, with annual review still considering Netflix to be an online movie rental service, as well as a part of filmed entertainment (Netflix, 2006c). The same ambiguity was evident from the CEO's statements. On one hand, Reed Hastings used Traditional Television positioning stating that Netflix's achievements leave it "*better positioned than ever to achieve our long-term objective of being the movie rental leader*" (Netflix, 2006b, p.1). On the other hand, he saw the digital market as separate: "*While there may be little near-term threat to physical DVD rental, that does not change our view on the importance of Netflix leading the download rental market*" (Netflix, 2006a). In a letter to shareholders precluding the 2006 annual report, Reed Hastings wrote: "*we invented online subscription DVD rental in 1999*" (Netflix, 2006c, p.5). In a letter to shareholders in 2007, Reed Hastings stated that the company's goal was to "*build the world's best Internet movie service*" (Netflix, 2007, p.3), using the Internet Television category. Still, during this time, annual reports referred to Netflix's industry using Traditional Television category labels such as "*entertainment video*" (Netflix, 2008, p.2) and "*in-home entertainment video*" (p.5).

Starting around 2010, the company increasingly categorized itself as a Traditional Television. Reed Hastings referred to the company in terms of Traditional Television on multiple occasions: "*I think what's happening is the multi-channel video, such a broad package with an incredible array of products, that we're a tiny little fraction of that*" (Thomson StreetEvents, 2010a, p.10); "*With the video side, we're a channel, we're sort of tolerated*" (Thomson StreetEvents, 2010b, p.3). Netflix COO Ted Sarandos stated in one of the interviews to New York Times, "*television is television, no matter what pipe brings it to the screen*" (Carr, 2013).

Maintaining a distant connection with technology. It should be noted that since 2010, the positioning as a Streaming company gradually fades away from Netflix's narrative.

Whereas the company still prided itself on having a superior software as it pointed out in its annual reports, it rarely referred to itself as an 'online service' anymore. During this period, Netflix starts to consistently refer to itself as "Internet television network" (Netflix, 2012; 2013; 2014; 2015; 2016; 2017). In his 2015 CNBC interview, Reed Hastings stated "*It's really the Internet. The Internet is transforming so many sectors of our economy, and we are Internet TV; and that sector has grown from very small 15 years ago to starting to be significant now*." (Stevenson, 2015). Despite abandoning the technology categorization per se, Netflix kept some, albeit it indirect, association with technology through its hybrid category of Internet Television. .

Taking over the mainstream. The previously dominant self-categorization of Internet Television remained in the background, whereas the Traditional Television categories of television or entertainment became most prominent in Netflix's discourse. Even before content costs reached several billion dollars worldwide, self-categorization started emphasizing the Traditional Television labels. Thus, Netflix CFO David Wells referred to Netflix as a "syndicated buyer" (Thomson Reuters, 2011 Q1, p.3), whereas that year's annual report placed Netflix in the "entertainment video" (Netflix, 2011, p.2). This categorization is also evident in the discussions of disrupting the television market. For instance, Netflix COO Ted Sarandos referred to Netflix as "a really elevated form of television" (Thomson Reuters, 2016, p.7). Further evidence of this self-categorization comes from their more recent communications with shareholders: "*Netflix is increasingly the studio and the network on those shows*" (Thomson Reuters Streetevents, 2016, p.7); "*I think about it more like a super network*" (Thomson Reuters Streetevents, 2017, p.8); "*As a global TV network, we also showcase local productions to a worldwide audience through our investments in non-English language originals*" (Thomson Reuters Streetevents, 2017, p.9).

Netflix not only kept categorizing itself in terms of Traditional Television, but also kept comparing itself to other television companies as peers. Thus, answering to a question about the competition in his 2017 CNBC interview, Reed Hastings commented: "*There is so much competition now between all the new players plus the existing players, like HBO, are beginning to grow. It is this new age of television. Nobody is sure where it is going, except for the quality of movies and TV shows is continuing to decline*" (CNBC, 2017). Thus, Netflix used Traditional Television labels in self-categorization, presenting itself as a part of the mainstream market and its natural progression.

Audience's categorization of Netflix

Figure 1-6 demonstrates how Netflix categorization by business audiences changed from 2002 to 2017. It demonstrates the pattern that in some ways is opposite to Netflix's suggestion of its own categorization.

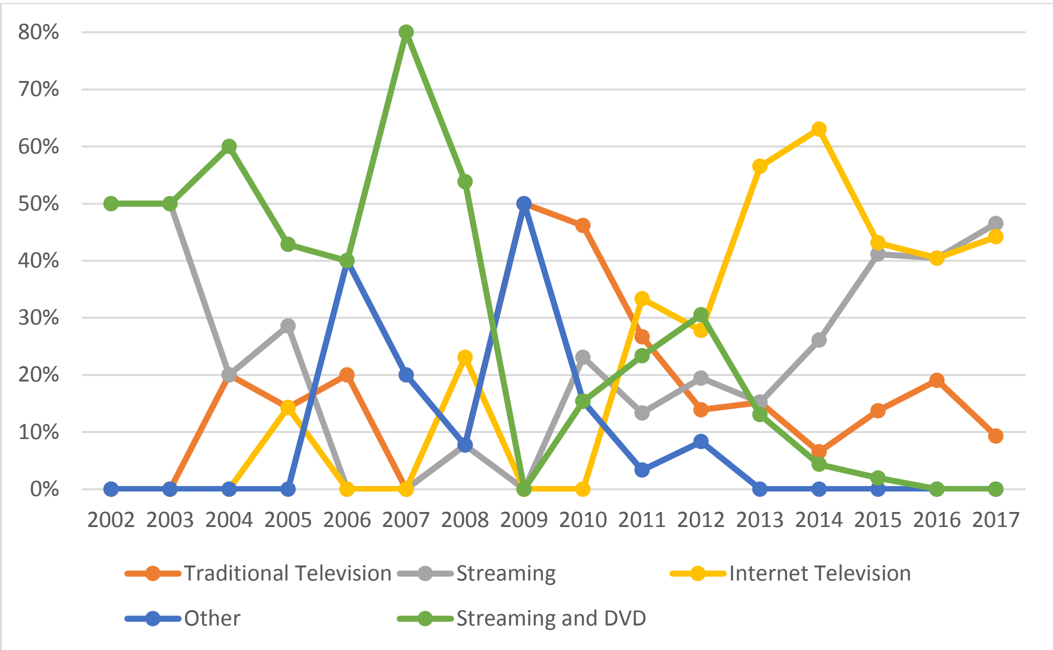

Figure 1-6. Netflix's categorization by business audiences. *Source: author's elaboration*

Differentiating on technology. At first, the categorization clearly leans towards a clear dominance of technology-driven categories of Streaming and Streaming and DVD. For instance, a Wall Street Journal article confidently stated: "*One reason for the high rate of contrarian investing could be that Netflix is considered a pure-play Internet stock*" (Freeman, 2003). Even in early 2010, Netflix is categorized as a "*transition to a digital service from DVD mail order*" (Peers, 2010). However, the period when Netflix's self-categorization shifts there is a growing ambiguity about the firm's category on the audience's side. It should be noted that this does not coincide with an actual shift in the firm's activities: Netflix introduced streaming in 2007, and premiered its own content in 2013.

Confusion. It can be seen that over the later period, the external categorization of Netflix still builds very heavily on technology, using Streaming categories. Thus, Wall Street Journal journalists covering business affairs referred to it as streaming service (Ramachandran & Armental, 2015) or streaming-video giant (Flint, 2016). However, when the Netflix shifted its categorization to Internet Television, the label was not accepted by the external audience. It should be noted that this change does not coincide with any significant changes in operations, occurring in 2008-2009, when the digital streaming business had been operating for four years and the original content had not been made yet. However, it was around the time Netflix's self-positioning changed to consistently include the categorization through the labels of Internet Television. Thus, in 2010, the Financial Times quoted Netflix COO Ted Sarandos calling the company "a leader in entertainment delivered over the web" (Garrahan, 2010). The same article categorized Netflix as a part of home entertainment market. Instead of accepting the suggested categorization, the external audience referred to Netflix through a hybrid categorization (Other category labels). Thus, Wall Street Journal articles categorized the company as online movie-rental company

(Russolillo, 2012).

Eventually, the critics became rather confused about what Netflix’s category is. Thus, in 2015, Financial Times started an article about the company by saying, “*For a technology company, Netflix certainly makes a lot of television*” (Garrahan, 2015). The article tried to reconcile the different categories previously associated with Netflix and to reconcile the similarities between Netflix and HBO.

Partial acceptance. Despite the prevalence of Streaming categorization, gradually the categorization of Internet Television picked up to match it, and the Traditional Television category stayed in the background. Thus, Wall Street Journal quoted the shareholder letter: "*We have come to see these quarterly variances as mostly noise in the long-term growth trend and adoption of internet TV*" (Ramachandran & Tweh, 2017), whereas Financial Times categorized Netflix as a part of media industry (Bond, 2016). Still, this acceptance was only partial, as the original categorization related to technology has returned to Netflix positioning and remained dominant on par with Internet Television.

Netflix's life stage	Market	Netflix's notable actions	Netflix's self-positioning	Business audience's positioning of Netflix
1997-2004	The dot.com bubble, sharp rise in Internet companies across different sectors (e.g. Amazon)	• Creating the recommendation algorithm • Distributing DVDs through website • Developing the distribution network	• *Mixed positioning*: experimenting with labels from different domains • *Disentangling from technology*: positioning does not reflect the cost structure	*Technology-based differentiation*: predominant use of Streaming and DVD categorization
2005-2011	Internet speed starts increasing, allowing for high quality video streaming	• Launching the streaming service • Starting international expansion • Outsourcing the algorithm through Netflix Prize	• *Balancing differentiation and connection to the mainstream:* the uptake of Internet Television positioning with high prominence of polar categories (Streaming and Traditional Television)	*Confusion*: abrupt change to mixed positioning
2011-2017	Multiple streaming services sponsored by media giants (Hulu, Amazon Prime)	• Commissioning original content (starting with the *House of Cards*) • Reducing the DVD business • Content spending grows exponentially	• *Taking over the mainstream*: Traditional Television positioning overtakes the Internet Television • *Maintaining a distant connection to technology*: use of Internet Television positioning	*Partial acceptance*: increase in Internet Television categorization

Table 1-2. Netflix's self-categorization and categorization of the firm by external audiences. *Source: author's elaboration*

DISCUSSION

The analysis of the findings allows identifying some emerging patterns.

Self-categorization over time

This study contributes to the category literature by revealing the dynamic aspect of self-categorization. Existent literature has shown that companies can attempt moving from one category to another if it increases their legitimacy or access to resources (e.g. Delmestri & Greenwood, 2016; Glaser, Fiss & Kennedy, 2017). This paper extends these findings by revealing that a company's use of category labels is even more messy and non-linear: a company can fall back on the categories that were in the background before or maintain a balance between different categorizations without abandoning labels completely. This non-linearity shows self-categorization in a new light: as a strategic and intentional activity a company can leverage and modify at will. It may also be a less clear-cut activity than previously thought. For instance, Netflix referred to itself using Streaming and Streaming and DVD categories and claimed to have created these new categories (in reality it might have popularized them, but did not coin the terms), whilst using traditional category labels simultaneously. The firm also used hybrid labels from the start. The growing number of subscribers over the same time period provides some evidence that this categorization strategy was successful and did not lead to the firm being 'discounted' for not meeting category standards as the category literature would suggest (e.g. Zuckerman, 1999; Hsu, 2006). Conversely, Netflix got a foothold in the market and its growth even allowed it for an overseas expansion. This pattern allows formulating the following proposition:

Proposition 1: A new company can successfully enter an existing market with a new technology without consistently categorizing itself through this technology.

After the period of experimentation, categorization shifted towards a hybrid category of Internet television that emerged later than other categories. This finding aligns with the prior findings from the literature on category evolution suggesting that new categories stabilize and become legitimate over time (e.g. Durand & Paolella, 2013). However, the case sheds light on the previously underexplored part of the story: how firms dynamically navigate this category space. Instead of staying within the latest category of Internet Television, Netflix continued to change its positioning further.

Eventually, the firm's self-categorization crystallized to a dominant label, but the connection to the old labels remained in the background. It can be seen that top management's categorization of Netflix gradually shifts towards categories – e.g., Traditional Television - that had existed in the television industry prior to digital technology. Even after this change of prevailing categorization, Netflix's audiences continued to grow. This finding contributes to our understanding of market entry following a technological breakthrough. The analysis of the Netflix case suggests that the trade-off between distinctiveness and conformity can be solved over time, by carefully balancing need for differentiation and conformity vis-à-vis the parallel transformation of the wider competitive environment. The findings also lend support to the suggestion voiced in previous research that when the new technology stops being a valuable differentiator, firms revert to the more established resources and themes (Lanzolla & Guidici, 2017).

Thus, Netflix's positioning seemed to move in the opposite direction to the technological development: from more recent to older categories. The scope of this study does not allow to explain the reasons behind this change. Among the possible explanations for it are the search for a label that would be optimal in terms of creativity and familiarity (e.g. Zunino, Suarez & Grodal, 2019), change in market conditions and the incumbents' reaction. A possible direction for future research would be to analyze if this shift in categorization is illustrative of the markets as a whole or pertains only to separate companies that choose to evade the competition through repositioning themselves dynamically.

Taken together with the market saturation and maturation patterns described above, these findings allow formulating the following proposition:

Proposition 2: As the niche market becomes more saturated, the advantage of self-categorization through technology diminishes and first movers in the niche shift their positioning further away from technology to more established categories.

These findings have important implications as they highlight the underexplored side of categorization. Thus, the results of this study indicate that some types of category work, which were previously analysed from a cross-sectional perspectives, such as combining multiple categories (Hsu, 2006) or switching to a new category (Rao et al., 2005) can be seen as dynamic and reversible. It also re-opens the question of motivation behind the self-categorization. Whereas previous research established that self-categorization aims to provide firm access to resources (e.g. Delmestri & Greenwood, 2016), different categories may provide different types of resources, and the questions of why firms choose one or the other at a certain point in time, when they decide to change self-narrative and what market dynamics stimulates the change, remain open.

Strategic self-categorization

The second contribution of this paper is in connecting categorization and market entry strategy. The data shows that Netflix used self-categorization as a part of its entry strategy. Top managers of Netflix used categorization strategically both to align internal business model and to communicate a distinctive market position. The data suggests intentionality behind top management's categorization of the company. In his 2014 interview, Netflix's co-founder and its former CEO Marc Randolph, stated (Xavier, 2014): "*Just like right now, the trend is that everyone wants to try and take whatever the current trend is and apply to some new category. And back then Amazon is crushing it with books. What else can we crush it with? We played with a lot of categories and stayed away from commoditized things, like selling music or video. But we have the idea that maybe we could do something by taking video rental and making an e-commerce site that did video rental.*"

This finding is in line with the stream of literature that connects technological change, market dynamics and category dynamics (e.g., Grodal et al., 2015; Lanzolla and Guidici, 2017), suggesting that new technology may be used not only in the firm's products and business models, but also as a reference to create a categorical niche for the firm to enter the mainstream market. However, the categorical work of a new entrant in an existent market is more complex than simply positioning itself through the new technology. Thus, while Netflix was emphasizing its novelty as a Streaming company, the company left itself a way out of the niche from the start. It did so by disentangling its categorization from being purely technology-based, experimenting with different hybrid labels. Moreover, Netflix's self-categorization did not reflect the company's activities precisely, leaving further ambiguity and a leverage for future change. This suggests that firms can use self-categorization alongside a new technology to differentiate themselves during the market entry:

Proposition 3: A firm can use its self-categorization strategically to create a categorical niche to enter an establish market.

Audience's categorization of Netflix

This chapter's findings show that the business audience at first categorized Netflix based on its most prominent feature, i.e. the use of digital technology. However, eventually, the categorization shifted to a particular hybrid category – Internet Television. From the articles in Financial Times and The Wall Street Journal citing Netflix executives categorizing their company I observe that the business audience did not ignore the self-categorization, but rather did not follow it.

This goes in line with category literature's insight that new or hybrid categories take time to form and are created through negotiations between audiences (Durand & Paolella, 2013). The data suggests a stronger role of the firm itself in this negotiation process, which has an important implication for our understanding of market entry. The idea of Netflix as a primarily Streaming firm, rather than a Television firm, resisted the change in categorization for some time. It took both change in activities and in self-categorization to persuade their audience what they were, suggesting that a new entrant using self-categorization as an entry strategy may cause confusion when deciding to 'join the mainstream' even if it conforms to the category in actions.

The lack of the external audiences' reaction (in terms of categorization) to Netflix's diversification taken together with the confusion and delayed acceptance of new categorization of Netflix as Internet Television allow formulating the following propositions:

Proposition 4a: Diversification of activities within the same technological space does not immediately lead to the change of the new entrant's categorization by external audiences.

Proposition 4b: When a company that entered existent market with a new technology changes its self-categorization outside of its technological space, it leads to confusion and delayed acceptance of new positioning among the external audiences.

Limitations and Future Research

The current study has a number of limitations. First, it only analyzes a case of success, thus I cannot infer that Netflix's categorization strategy contributed to its market success or was enabled by it. Second, the chosen analytical approach does not allow for a deep understanding of interaction between Netflix and its external audience similar to the analyses employed in papers on category work (e.g. Delmestri & Greenwood, 2016). Third, the analysis focuses on the business audience, as it is traceable and stable across Netflix's timeline. However, the study does not capture the potential differences in categorizations by general audiences in different countries as well as in different spheres of interest, such as high tech or entertainment. Analyzing those interactions to tell a richer story on the audience's side as to how the company's self-categorization was accepted or questioned by the market - as well as Netflix's 'response,' - is a promising direction for future research.

Finally, the scope of this study is limited to studying one firm's categorical journey. Whereas this allowed to zoom in on the fuzziness of self-categorization, some potentially interesting parts of the story were left outside the scope of the current paper. Thus, the study does not reveal the bigger picture of the evolution of the category structure of the markets. The longitudinal interaction of category evolution and the firms' self-categorization in the future may reveal interesting nuances such as category fads and fades.

Moreover, the study does not consider the competitors' side of the story. Still, the data indicates future potential research directions. The business publications that considered Netflix to be a digital company rather than a television one (e.g. Peers, 2010) make it clear that most business audiences initially saw Netflix as a new distribution channel, and the incumbent media producers were eager to allow it to distribute their content. This indicates that by categorizing differently from their Traditional Television counterparts, Netflix was not seen by them as competing with these companies, who only started considering Netflix as a competitor around 2011. For instance, Disney refused to prolong deals with Netflix and launched Hulu streaming service that year. Thus, Netflix managed to enter the market without attracting attention of incumbents by presenting itself as something unrelated to them.

Around 2010, Netflix was quickly losing all the advantages its digital categorization gave it. First, its unique position in the market was being contested by new competitors. In 2011, there is a turning point for technology penetration in Netflix's home market: the average broadband connection speeds crossed the 5 megabit per second threshold and began spiking (figure 1). That is, technology no longer acted as a limitation for content delivery: high-speed Internet connection allowed fast streaming of video, attracting new competitors. Later debates of Internet neutrality and acknowledgement of Internet as a commoditized telecommunication service limited Netflix's distribution advantage.

The implications of this shifts and the role of self-categorization for the new entrants' ability to enter 'under the radar' of incumbents is worth investigating in future research.

Chapter 2. International Adaptation of Cultural Products: A Configurational Approach

INTRODUCTION

Successful motion pictures, theatre plays, amusement parks or television series are often remade abroad with the help and under the supervision of the firm that created the original product. Such local remakes are widely considered to be a safe bet: they combine a product idea that has been proven to be successful, a tried and tested production technology that the original creators share with the adapting team, and they are made by local teams with a good knowledge of the local culture and market. In hit-driven environment of cultural industries where a successful launch has to pay for multiple failed products (Hesmondalgh, 2013), these remakes allow to lower the risks, but even they often fail.

Both management and cultural studies can provide us with some insights into why this is the case. Cultural products are experiential goods that provide symbolic rather than utilitarian value to their audiences, which makes their recreation abroad very difficult. Utilitarian products have some objective performance characteristics that can be recreated elsewhere by following a template, such as CPU chips allowing for higher processing power or photocopy machines with superior printing quality (Szulanski & Winter, 2002). However, in the case of cultural products, following the template exactly may actually alienate audiences, as the result of exact replication will fail to resonate with them (cf. Brannen, 2004), making the cultural aspect of transfer particularly important. The paramount importance of cultural fit unites cultural products with other symbolic content such as ideas or best practices that also need to connect with the audiences' culture and values (Sahlin & Wedlin, 2008). The sociology of culture literature strongly suggests that such products are inherently difficult to transfer to another environment due to their embeddedness in the culture that created them (Bourdieu, 1996). Among the specific barriers that this research stream points out are the cultural distance between countries hindering understanding and translation of symbols (Hoskins & Mirus, 1988; Crane, Kawashima & Kawasaki, 2002), different genre conventions (Bielby & Harrington, 2004), and differences in identities that the products communicate to international audiences (Cayla & Eckhardt, 2008).

Although strategy literature mostly focuses on replication of utilitarian products and routines leading to their creation (e.g. Winter & Szulanski, 2001), it can provide valuable insights into what leads to the success or failure of a product being remade in an environment different to the one where it was created. Thus, this stream of research pointed out that the firms' experience in knowledge transfer (Szulanski, 1996; Cohen and Levinthal, 1990) and prior knowledge (Baden-Fuller & Winter, 2005) facilitate recreation of a product in another environment. Similarly to cultural studies, strategy literature acknowledges that it is difficult if not impossible to replicate something that is idiosyncratic, i.e. specific to the environment where it was created (Winter, 1995).

Whereas neither of these research streams denies the other's findings, they remained mostly separate with only a few papers analyzing the specific contingencies governing the replication of products' symbolic components. These papers tend to focus either on the cultural aspects of adaptation (Brannen, 2004), or on the strategic approach to it, e.g. codification (Jonsson & Foss, 2011). However, these studies have mostly overlooked the fact that in practice foreign versions of cultural products are a result of both cultural adaptation and organizational practices employed to recreate the aesthetic experiences of the original product in the new environment. Thus, television companies establish special units to manage international adaptation of their shows (Chalaby, 2016) and codify production routines as well as aesthetic elements of the show (Moran & Malbon, 2006). In this process, the organizational and cultural aspects of adaptation often have conflicting objectives: whereas codification and attempts to preserve the template of the show, cultural adaptation necessitates changes. This contradiction was vividly reflected in an interview I had with an industry insider: “We try to standardize the feel of the show, but it may be difficult. […] Most changes are in the feel of the show” (Interviewee 10, 2016). Thus, we still lack a holistic understanding of how organizational and cultural factors jointly affect the success of international adaptation of cultural products. In this paper, I aim to bridge this research gap by answering the following question: *What configurations of antecedents are associated with successful and unsuccessful international adaptations of cultural products?*

The paper is structured as follows. First, I review literature on cultural industries to summarize what cultural antecedents related to national culture are key for the successful replication of cultural products. Then, I draw from strategy research to review what organizational contingencies governing replication of utilitarian products are relevant to cultural products. I then look at them jointly using fuzzy set qualitative comparative analysis (QCA) of a sample of television format adaptations and discuss the results using two illustrative cases. Finally, I draw conclusions as to what configurations of antecedents, both in execution of the replication and the cultural adaptation, are associated with success and failure of television adaptations.

THEORETICAL BACKGROUND

This study looks at the antecedents of successful international adaptation of cultural products. When a cultural product is adapted abroad, there are two components to it: the cultural aspect, i.e. changes in the symbolic content of the product, and the organizational aspect, i.e. how the adaptation is performed. The cultural and organizational aspects have been analysed in the literature on management of culture and strategy literature, respectively. In order to bring together these previously disjointed streams, I review both literatures to see what antecedents of success were established to affect the success of adaptation from both perspective before uniting them in my own analysis.

Cultural Aspect of International Adaptation of Cultural Products

Cultural products are nonmaterial goods that derive their value from using symbols, i.e. elements that can be interpreted by the consumers (Hirsch, 1972). The exact list of what separates cultural products from utilitarian ones is constantly debated (cf. Kretschmer, Klimis & Choi, 1999). However, most authors agree that cultural products create value in three distinct ways: cultural products provide aesthetic experiences by utilizing symbols that resonate with the audience to evoke emotions (Hirsch, 1972; DiMaggio, 1997; Lampel, et al., 2000); they allow consumers to signal their status through being seen consuming highbrow or lowbrow culture (Peterson, 1992; Peterson & Kern, 1996); and they create and evoke symbols of shared identity (DiMaggio, 1997; Zimmer, 1998). Internationally, cultural products exist within an extremely heterogeneous environment. This heterogeneity affects the abovementioned characteristics. Thus, the aesthetic experiences provided by the cultural product may not resonate with the audience. Brannen (2004) shows that the same symbols featured in Disneyland were understood favorably in Japan and unfavorably in France, resulting in an initial failure to attract the French audience. The status of a cultural product abroad can be different from the country of origin due to longstanding political, cultural and economic differences between the countries (Hoskins & Mirus, 1988). Finally, the identity that the cultural product evokes, such as national identity, may be unfavorable in a different setting, for example, due to political reasons (Cayla & Eckhardt, 2008). Therefore, when the cultural product is transferred abroad, it is often adapted to better fit with the local audiences.

Adaptation of cultural products is a nuanced phenomenon and can be thought of not as a binary state, but as a continuum (see figure 2-1). On one hand of this continuum are direct imports of unchanged products, such as classical versions of ballet or recordings of theatre plays shown in cinemas without subtitles. This is followed by translation, such as dubbing and adding subtitles to cinematic blockbusters. Replication lies somewhere in the middle of this spectrum, combining many elements of the original with adapted elements. This type of adaptation is exemplified by amusement parks such as Disneyland and television formats, i.e. shows that are created in one country and remade in another (e.g. *Who Wants to Be a Millionaire*). Finally, the far end of the continuum belongs to reimaginings, cultural products that only loosely build on the general ideas of the original, for example, movies like *For a Fistful of Dollars* (a loose remake of the Japanese film *Yojimbo*).

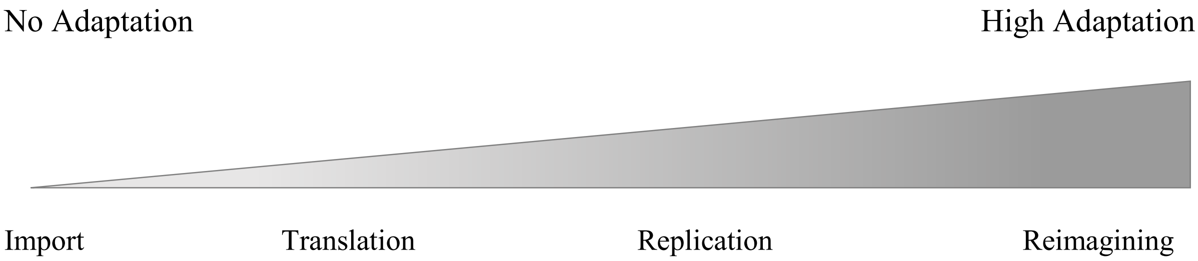

Figure 2-1. Adaptation continuum. *Source: author's elaboration*

Existent academic literature sheds some light on the success factors of international transfer of cultural products, empirically focusing mostly on the left-hand side of the spectrum.

One of the most important aspects of international transfer is heterogeneity of the environment. Thus, failure of some local hits to succeed when exported abroad is often explained by the so-called 'cultural discount,' i.e. the loss of perceived value of a foreign cultural product in comparison to a local analogue (Hoskins & Mirus, 1988). In broad terms, cultural discount is caused by the differences in beliefs, value and cultures between countries.

Direct imports from culturally close countries fare better than from culturally distant ones due to similarities that result from common language and history (cf. Moran & Malbon, 2006); cultural imperialism, i.e. dominance of cultural industries from developed countries due to historical colonialism and higher production budgets (Hoskins & Mirus, 1988; Crane et al., 2002); or common aesthetics (Cayla & Eckhardt, 2008). Moreover, some cultural products, such as *The Idols* franchise adaptations are made for entire regions, such as Middle East, instead of separate countries, as they are easily transferable between these culturally close countries (Zwaan & de Bruin, 2012).

When the differences between national cultures are more pronounced, linguistic translation is often employed to adapt some of the elements of cultural products. Whereas the methods of translation differ across countries (Kuipers, 2015), they all aim to make the product less foreign.

However, translation has limited ability to overcome the cultural discount as the aesthetics remain distinctly foreign. This is often considered the reason why some industries, such as television and entertainment, replicate cultural products instead of importing or translating originals (Hetsroni, 2005): it allows to benefit from a proven creative idea but include elements that are familiar to the audience. However, more profound forms of cultural product adaptations, such as replication or reimagining, while overcoming cultural discount and creating new local aesthetics, pose another problem. Namely, the need to decide what aspects of the original should be adapted and what should copied.

The existent literature on international transfer of cultural products suggests that these choices in profound adaptations are connected to other two aspects of value creation, i.e. status signaling (Cattani & Fleschner, 2013) and identity evocation (e.g. Brannen, 2004). Whereas status signaling is mostly connected with the change in genre category, the change in identity that a cultural product evokes mostly relies on adapting values it portrays. Below, I elaborate on both of these elements in detail.

Genre Adaptation

Customers and critics heavily rely on categories to which such products belong to make sense of them (Neale, 2000) and to guide their choice (Austin, 1988). Durand and Paolella

(2013) defined categories as “a meaningful consensus about some entities' features as shared by actors grouped together as an audience” (p.1100) that are created following entities’ appearance, causal links or goals as criteria. Categories express something that is socially valued, a meaning (Khaire & Whadwani, 2010), and therefore act as cognitive shortcuts for people to make sense of products (Shrum, 1991). This deep connection with the audience leads to penalties when firms do not fit their products into the existing categories (Hsu, 2006).

In relation to cultural products, genre is one of the most salient categories, affecting audience expectations (Neale, 2000) and evaluation of the products’ quality (Hsu, 2006). Genre becomes recognized and starts to be considered legitimate over time (Bourdieu, 1993). Understanding of genres is formed not only among the audience, but on the production side as well (DiMaggio, 1987; Rao et al., 2005). Companies have to stay within the frameworks of existing genres to enable the audiences to make sense of the products. However, these companies are also under constant pressure to create something novel both as a way to maintain their artistic authenticity and to attract audiences. One of the most common ways to create something novel is to span the existing genres. This involves combining elements such as plotlines from existing genres in a new product to create a new genre or sub-genre (Mezias & Mezias, 2000).

Genre is often used as a positioning tool. Analysing how Grappa changed its category from low status to prestigious, Delmestri and Greenwood (2016) pointed out that discourse between core players in the industry was part of the strategy that changed the meaning of the product category. In the international context, using genre to position a cultural product becomes more difficult. According to the authors Bielby and Harrington (2004), genre is not a static label, but is instead negotiated and re-formed. Whereas some countries gain reputation for expertise in certain genres (such as Brazil in telenovelas), the understanding of genre is also local: for example, what is considered a comedy can differ between countries. For example, American critics were at first very surprised and averse to explicit violence shown in Italian Spaghetti Westerns as it was not what the genre convention was in USA at the time (Cattani & Fliescher, 2013). Thus, international definitions of genres act as an obstacle by limiting the expressive means that a cultural product of that genre can utilize (Bielby & Harrington, 2004). The understanding of genres' meaning is historical and has to build on some connections to the past (Khaire & Wadhwani, 2010), meaning that it cannot be readily changed by even a good quality product and requires discourse to make sense of it and judge its quality. Thus, if the genre of the replicated cultural product is not adapted to match the expectations of a local product, the replicating firm runs the danger of confusing the audience and failing their expectations.

Value Adaptation

Scholars have long emphasized the interconnection between cultural products and values. Cultural products are shaped by the values of society, but they also shape them, re-instating or changing the status quo by displaying particular values as a part of the explicit value statement (Fiske, 1987; Oren, 2013). The audience expects cultural products to articulate and demonstrate the desirable outcomes and means of actions, i.e. values. Certain value expectations may be associated with different genres. Cattani and Fleischer (2013) analyzed the revival of the Western genre in USA and postulated that the revival was owed to incorporation of new elements from Spaghetti Western genre into the mainstream Western genre and attributing different values to them. Due to the discrepancy between values held by different parts of society, cultural products may lend themselves to criticism when they display values that are being contested: topics like violence in video games have become the center of public and academic debate (e.g. Anderson & Bushman, 2001).

There is a very strong argument against recreating values exactly in international transfer. Many academic works pointed out that congruence between values displayed by the products and the ones held by consumers is a significant predictor of the cultural products' acceptance and appeal (Morling & Lamoreaux, 2008). Values represented in cultural products tend to be different across the countries, for example, US advertisement creators tend to over-emphasize individualism in comparison to East Asian countries with collectivistic values (Cheng & Schweitzer, 1996; Lin, 2001). Moreover, a cultural product displaying certain values may be well received in one country and be unappealing in another due to the difference in values (Moon & Chan, 2005). These discrepancies suggest that value claims, along with the genre, need to be adapted to fit the local audience. A replicating company can benefit from standardizing some values and recreating them in international transfer (e.g. Jonsson & Foss, 2011), however, many values are culture-specific and the products displaying them risk being considered foreign and intrusive by audiences abroad (cf. Brannen, 2004; Zwaan & DeBruin, 2012).

Strategic Aspect of International Adaptation

While the literature on management of culture considers aesthetic features of the cultural products the main barriers to the international transfer, the literature on replication focuses not on aesthetic adaptations of the product, but on how the replicating company approaches replication organizationally.

In this research, replication strategy is understood as "a process that involves a regime of exploration in which the business model is created and refined, followed by a phase of exploitation in which the business model is stabilized and leveraged through large-scale replication" (Winter & Szulanski, 2001, p.730). According to this stream of literature, the key to success lies in replicating the process that led to the creation of the successful product as closely to the original as possible rather than trying to copy the product itself (Szulanski & Winter, 2002). The reason for it is causal ambiguity, i.e. the company that created a product may not understand what made this product successful in the first place (Szulanski, 1996). In contrast, a focus on copying the process allows recreating the result in a variety of heterogeneous environments (Winter & Szulanski, 2001; Gupta, Hoopes & Knott, 2015).

Empirical research in this stream of literature, mainly building on evidence from high tech industries and franchising, has uncovered valuable insights into organizational factors governing the success of replication.

Thus, firms improve their ability to replicate over time through organizational learning. Firstly, it improves their absorptive capacity, or the "ability to value, assimilate and apply new knowledge successfully to commercial ends" (Szulanski, 1996, p.31). According to the author, the reason behind it is that knowledge about how to perform routines is easier to transfer if the replicating firm already has some relevant background knowledge. Baden-Fuller and Winter (2005) proposed that this background knowledge is particularly crucial for success if replication requires deep understanding of the main principles of what is being copied rather than specific examples and instructions. Organizational learning refers not only to the firm learning more about what it replicates, but also to learning how to replicate it. Essentially, replication is a form of knowledge transfer (Szulanski & Winter, 2001), and the success of knowledge transfer depends on the outcome of multiple individual interactions between the source and the recipient (Nonaka, 1994). Thus, companies that frequently engage in replication and the concomitant knowledge transfer can avoid problems that occurred in previous transfers (Szulanski, 2000; Kalnins & Mayer, 2004). Jonsson and Foss (2011) illustrated the process of organizational learning of replication using the case of IKEA: by learning from successful and unsuccessful international replications, the firm gained understanding which of their business model's high-level aspects needed to be copied exactly and what features could be adapted. It also developed systematic ways of communicating this to the replicating units through manuals and internal magazines.

Another important concern of replication is novelty, as consumers seek products that provide novel experiences (Hirschman, 1980; Menon and Kahn, 1995). Hirschman (1980) defines consumer novelty-seeking behavior as “variety seeking or stimulus variation” (p.284). Some degree of novelty is especially beneficial for cultural products that aim to create new experiences (Kretschmer et al., 1999) whilst building on something familiar to the consumer (Lampel et al., 2000). The increasing rate of cultural exchange (Hopper, 2007) and international trade of cultural products makes it more and more difficult for the companies in cultural industries to provide novel experiences on the globalized market.

Existent literature also suggests that speed to market plays a significant part in success of replicas due to fads and fashions. Cultural products are characterized by extremely high uncertainty: their quality cannot be judged beforehand, meaning that the failure rate for new products is very high. According to Heslmondalgh (2013), this uncertainty leads to hit-driven production: one hit product has to pay for several failed ones. When a successful product is found, other firms are eager to buy, replicate, or copy it as soon as possible. Many cultural scholars point out the leading role of fashions and trends in cultural industries (e.g. Hirsch, 1972; Kretschmer et al., 1999). There is some empirical evidence that this hurry to jump on a bandwagon of a successful product is not only an industry convention, but also a way to succeed. For example, Elberse and Eliashberg (2003) pointed out that success-breeds-success trend characteristic to the movie industry is stronger the less time passes between domestic and international screening.

Thus, it is clear that both creative adaptations and specific organizational arrangements are made when cultural product is transferred abroad. However, as both strategy and cultural studies have considered cultural and organizational factors separately, it is unclear if both types of factors are actually required for a successful adaptation. Both cultural and organizational factors were shown to be crucial *in isolation*, so we lack the knowledge if they reinforce each other *in configuration*. This study aims to fill in that gap in academic research through configurational analysis that is described in the section below.

DATA AND METHOD

Empirical Setting

Empirical setting for this paper is television format adaptations. 'Adaptation' is a lay term that entails remaking some elements of the original while recreating other as they are, i.e. it would be more correctly to call it 'replication' as it represents a particular part of adaptation spectrum rather than its entirety. Whilst distribution is still the dominant form for cultural products to travel internationally, replication is gaining prominence. One of the earliest cases of cultural product replications is entertainment parks, such as Disneyland (Matusitz, 2010). Tourism industry is also using replication to recreate experiences, for example, with hop-on hop-off red bus tours of historical landmarks in major cities. Even the motion picture industry occasionally replicates foreign films, such as *Departed*, a US movie based on a Chinese film *Infernal Affairs*, or *Vanilla Sky*, a remake of a Spanish film *Open Your Eyes*. However, the most vivid example of cultural products replication comes from television industry in the form of television format. Television industry employs replication systematically, which makes it an appropriate setting for my research. Television companies perform actions that go beyond merely remaking the product: they produce local copies in accordance with detailed contracts, engage in knowledge exchange with local teams, codify their templates and control the replication thoroughly to recreate value in another setting. All this allows considering television industry format business as an example of replication as strategy.

Television has started out as industry existing within national borders, but it was quickly forced to become transnational (Chalaby, 2016). Due to intense competition and inability to make enough money domestically, companies in television industry have to venture in the international market. Moreover, television audiences in different countries are still quite heterogeneous and often prefer shows with a 'local flavor' (Zwaan & de Bruin, 2012). The combination of these two factors has prompted distribution companies to set up units in charge of production, refinement and re-creation of television shows internationally, i.e. replication. In television industry, the process of replication starts with an original show that is created for a local market and is considered by the distributor to have a potential to be successful internationally as well as domestically. While it is a judgment call whether the show can be turned into a format or is too local, distributors build on prior experience of adaptation that gives them an idea of what is adaptable. The show is then codified by the members of the production team and turned into a format, i.e. a framework that elaborates on what elements (e.g. set, characters, music) should be present in the show and how they should be performed (Moran, 1998). Moran and Malbon (2006) define a television format as "the total package of information and know-how that increases the adaptability of a programme in another place and time" (p.6). The rights to replicate (or, in lay terms, 'to adapt') formats abroad are sold to local broadcasters who finance the re-creation of the show in their own countries. Broadcasters can either produce the adaptation in-house or commission it from an independent production company if their own studios do not have the required expertise or facilities to produce the show. In order to facilitate adaptation, distributors provide local production teams with the format bible (a document that contains important information about how to produce the show) and consulting services. Specific changes in the process of adaptation are negotiated between the distributor, broadcaster and production studios.

In recent years, television formats have grown exponentially in terms of ubiquity and profits (Brook, 2010) with format adaptations constituting as much as a third of the prime time programming even in US, one of the largest producers of original television content (Esser, 2010). The importance of the format business for the industry is evident from international distributors creating separate divisions to manage formats and uniting in a self-regulatory body to provide standardization and arbitration (FRAPA, 2011).

Data and Sample

I conducted 15 preliminary interviews with industry insiders: managers in production, distribution and broadcasting companies in charge of format production, distribution and adaptation. These interviews allowed a deep insight into format management and helped calibrate the data and choose appropriate data sources. For example, several interviewees indicated that the main things about the format, the so-called ‘format bits,’ are codified in format pitches (Interviewee 2, 2015).

For the main analysis, I collected data from the secondary sources: websites of the production, distribution and broadcasting companies. The sample covers 57 television programs: 19 originals and 38 adaptations that aired from 2001 to 2017. They are grouped in 38 original-adaptation dyads for analysis, however, 2 dyads are excluded from the final sample due to missing data. The purpose of this study is to reveal the antecedents behind a format being successfully adapted in a given country. For this reason, the sample includes both shows that had only a couple of adaptations and international hits such as *X Factor* that have over 50 national versions. I do not distinguish between these types of formats, as what makes a format to transfer to more countries is beyond the scope of the current study. Moreover, I do not include shows that are successful on their own but have never been adapted, as what constitutes the adaptation potential of the show is a separate question.

The geographic range of the sample covers UK, USA, and Russia and is chosen to represent two types of international transfer: to a culturally close and a culturally distant country. Formats from UK adapted in USA and vice versa represent a transfer to a culturally similar country, since UK and USA are relatively close to each other on most cultural dimensions that are covered by both Hofstede and Globe databases. UK and USA formats adapted in Russia represent a transfer to a different market since Russia differs from both UK and USA on all dimensions. The cut-off point, after 2001, is chosen due to the profound change that occurred in television industry around 2000. At that time, formats gained their revival with the so-called ‘super-formats’ (Bazalgette, 2005), shows that had many international adaptations and affected the international television industry so profoundly that the entire organizational structure in charge of format adaptation changed and shaped into its present form.

In order to analyze genre and value claims, pitches were collected for the formats. A pitch is a short document (up to a page long) that the distributor uses to advertise the format to the local broadcasters. Format pitches usually codify the main ideas, or ‘bits’ of the format (Interviewee 2, 2015), something that the creators think is novel about the show and should remain unchanged across adaptations to preserve the feel of the show and its key features. This was confirmed by two independent interviewees (Interviewee 2, 2015; Interviewee 10; 2016), suggesting that pitch is representative of the key elements of the format, in contrast with the format bible, which represents all elements of the format (Moran & Malbon, 2006), including less important sides, which makes pitches the most suitable data source for this study. For the adaptation, promotion materials such as announcements or ‘about the show’ pages on the broadcasters’ websites were analyzed. Format pitches were collected from the websites of distributing companies and production companies, targeted at potential program buyers, whereas promotion materials for the adaptations was collected from the websites of local broadcasters that are targeted towards the viewers. The data sources are summarized in Appendix 3.

Method

I used fuzzy set qualitative comparative analysis (fsQCA) to analyze the data. This approach is based on the set-theoretic approach, i.e. that organizational phenomena can be seen as interconnected sets of structures, processes, decisions, etc. (Fiss, 2007; Aversa, Furnari & Haefliger, 2015). It provides a more holistic view of phenomena where configurations and patterns rather than individual factors are related to outcomes (Delery & Doty, 1996). Thus, QCA conceives both conditions and outcome as sets of theoretically relevant attributes and outcomes under examination (Ragin, 2008). In this paper, rather than looking into relative effect of each separate factor, I analyze what configuration of antecedents is associated with an outcome, which makes the use of QCA particularly appropriate.

Associations between conditions (or configurations of conditions) and their outcomes are conceived in terms of set-theoretic relations of necessity and sufficiency (Ragin, 1987). A condition is necessary if it is present every time the outcome occurs, i.e. it must be present for the outcome to occur (Misangyi, Greckhamer, Furnari, Fiss, Crilly & Aguilera, 2017). A condition is sufficient if the outcome always occurs if the condition is present (Fiss, 2007).

The quality of a QCA model is traditionally measured through coverage and consistency, similar to how R^2 is used to judge regression models. As QCA models are often used to find out which combinations of factors consistently produce the outcome of interest, consistency becomes a key indicator, describing the extent to which cases that have a certain configuration consistently display the outcome as a fraction of all cases that feature this configuration (Aversa et al., 2015). The overall solution consistency measure aggregates consistency of all configurations featured in the solution. Another key measure is raw coverage, which reports how many cases feature the same configuration and outcome of interest as a fraction of all cases that feature the outcome (Ragin, 2008). Similarly, overall solution coverage aggregates this measure across all identified combinations.

The analysis was carried out through several steps. First, the collected data was coded independently by three coders (where needed, it was translated from Russian into English by me). Values were coded based on Schwartz's value inventory (Schwartz, 1992). Genre claims were coded by collecting explicit statements about the show's genre (e.g. "a new reality series") or by the section of the website where the company placed the show's page, such as 'entertainment'. The similarity was judged based on the presence of similar adjective in the description (e.g. 'reality show' and 'reality series').

Then, I used fsQCA to identify the configurations of conditions that are associated with the success of television format adaptations. This involved calibrating the data based on theory as well as case-specific knowledge (Ragin, 2008). Calibration is the process by which cases are assigned to sets. The key goal of the calibration process is to establish theoretically meaningful thresholds that would describe the case as a member of the set (fully in), non-member (fully out), or assign it a partial membership (neither in or out). In this paper, I primarily used theory and interviews with industry insiders to come up with the thresholds. The only exception was value adaptation: as there was no relevant existent research on the subject and the interviews did not indicate meaningful thresholds, the calibration was sample-based and compared the cases to each other rather than to theory. Calibration of the data is described in detail in the section below and is illustrated in table 2-1.

Being based in set theory, QCA uses Boolean algebra and a 'truth table' (Ragin, 1987) that lists all the logically possible combinations. Using the same software, I composed the 'truth table' (Ragin, 1987) that lists all the possible combinations. Using the truth table, I ran the analysis to investigate what combinations of antecedents consistently corresponded with successful and failed adaptations. Following standards of good practice (Ragin, 2008; Greckhamer, Misangyi & Fiss, 2013), I chose as frequency threshold one case and as a consistency threshold close to 0.8 (in this case, 0.75). Due to the small-n sample, the truth table contained limited diversity: 18 out of 64 possible combinations were represented in the sample. I ran two analyses on the truth table: a necessity analysis and a sufficiency analysis, both with using the fsQCA 3.0 software (Ragin & Davey, 2016). First, I conducted a necessary condition analysis to see if any single condition was per se necessary for the adaptation's success. For the analysis of sufficiency, I used the truth table algorithm developed by Ragin (2008) and available in the fsQCA 3.0 software, to examine which combinations of antecedents are consistently sufficient successful and failed adaptations.

Calibration

Outcome: Adaptation success. The success is measured not in terms of market success of the adaptation (e.g. viewership), but from the perspective of the broadcaster commissioning the adaptation. The reason for this measurement is that preliminary interviews indicated that objective measures of performance may not reflect the whole picture: "shows are pulled off air not necessarily due to underperforming in terms of ratings, but for underperforming in terms of expectations" (Interviewee 1, 2015). That is to say, a broadcaster commissioning an adaptation has certain viewership expectations, and even if the show does well, but not as well as the broadcaster hoped, the show may be deemed not worth re-commissioning for the second season, for instance, due to low return on high production costs. This suggests that if the show was prolonged, it was successful enough for the broadcaster to keep.

While some adaptations are more successful than others, i.e. one show can run for two series and another for 15, the potential longevity of a show greatly depends on its genre. Thus, unscripted game shows tend to get more seasons than drama series. In order to avoid this bias, I chose a binary measure rather than a more nuanced one. Thus, I operationalize the outcome as a success if the adaptation was renewed for the second series (coded as 1 in the data) and failure (coded as 0) if it wasn't.

There are many factors affecting success of individual cultural products, including television shows, such as star power of the creators (Hennig-Thurau, Walsh & Wruck, 2001), scheduling in relation to other similar products (Adams, 1997), word of mouth (Hennig-

Thurau, Wiertz & Feldhaus, 2015), and many others (cf. Hadida, 2009); however, these factors are not analysed in the current work. The reason behind it is that in teams adapting formats aim to account for these individual factors as much as possible, often suggesting best time slots for the adapted show and advising on casting decisions through flying producers and the format bibles (Moran & Malbon, 2006). This approach, combined with the local adapting teams' knowledge of their market environment, means that format adaptations have more uniform production decisions than shows created from scratch. This study is more interested in the adaptation-related factors that pertain particularly to the process of replicating a cultural product abroad, i.e. the ones that add complexity on top of the normal uncertainties associated with creating a new cultural product.

Variable	Measure	Data source	Membership criteria
Adaptation success	The number of seasons the show was on	Available from: broadcasters' websites	• The show was prolonged for series 2 and over (fully in) • The show was not prolonged (fully out)
Cultural similarity	Absence of cultural distance between source country and replication country	Hofstede/Globe databases	• Adaptation is carried from a culturally close country (fully in) • Adaptation is carried from a culturally distant country (fully out)
Adaptation speed	Release dates of original and adapted shows	Available from: production companies' websites and broadcasters' websites	• Same year or before (fully in) • One year after original's premiere (neither in or out) • After two years and more (fully out)
Capability	Replicating company's pre-existent experience of format adaptation	Available from: adapting companies' websites (portfolio or history pages)	• The adapting company had a previous experience of format adaptation (fully in) • The adapting company had no previous experience of format adaptation (fully out)
Lack of novelty	The original was broadcasted in adapting country before the adaptation	Available from: broadcasters' websites	• The original was broadcasted before the adaptation (fully in) • The original was not broadcasted before the adaptation (fully out)
Value adaptation	Universal values coded in accordance with items on Schwartz's (1992) universal values questionnaire	coded from format pitches on distribution/production company website and from adaptations' promotional material on the local broadcaster's website	• The adaptation appeals to the values different from the format (fully in) • The adaptation balances values that the format appeals to and introduces different ones (neither in or out) • The adaptation appeals to the values similar from the format (fully out)
Genre adaptation	Genre claims used by the distributors and broadcasters		• The adaptation has genre claims different from the format (fully in) • The adaptation has both genre claims that are similar to the original and differ from it(neither in or out) • The adaptation has genre claims similar to the format (fully out)

Table 2-1. Variables and Set Calibration. *Source: author's elaboration*

Conditions. *Cultural similarity.* This variable is calibrated as a crisp set, and the full membership is given to the adaptation between culturally close countries (in this case, US shows adapted in UK and UK shows adapted in US). Non-membership is given to culturally distant countries (US and UK shows adapted in Russia).

Adaptation speed. This variable measures the time between the original's premiere and the premiere of the adaptation. Television industry is hit-driven, meaning successful products are few and have to pay for the unsuccessful launches (Hesmondalgh, 2013). Thus, successful formats create bandwagons where companies across the world try to get a potentially successful show as soon as possible: "trends are important, you don't usually wait out" (Interviewee 2, 2015). As interviewees mentioned, "there are very few formats that grow quickly, first being in five territories and in 20 next year" (Interviewee 1, 2015). Due to the seasonality of television production and one-year pitching cycles (Interviewee 12, 2015), the variable was calibrated as a fuzzy set. Adaptation made in the same year or released even before the original (a very rare occasion: in the case of *X Factor*, there was no time slot available and the already filmed original show had to be delayed from broadcast) stand for 'fully in' condition. Such a quick adaptation means that neither distributors nor the local producers had the time to appreciate how successful the original will be and decided to adapt it mostly based on pitch. One-year difference between the format and the adaptation stands for the 'neither in or out' condition. This gap means that the distributor had a season to observe what works and what does not. The full non-membership is assigned to adaptations that count more than a year between the original and the adaptation as this gap provides a progressively better information.

Lack of novelty. This variable is calibrated as a crisp set. It measures whether the original show was imported, i.e. broadcasted in the adapting country (fully in) or not (fully out). While sometimes a more popular version of the format (not necessarily original) is broadcasted, only original is measured here to eliminate possible 'contagion' of organizational learning. The distribution company actively learns what works and what does not throughout adaptations, thus every adaptation benefits from this learning. This variable measures solely the novelty of the original idea in a local market, without the benefit of it being refined through adaptation. As mentioned before, I expected it to be a non-member in sets associated with success, since the original may have better production quality and the novelty factor on its side (Moran and Malbon, 2006), and it also competes for viewership with the .

Capability. According to the knowledge transfer literature, lack of absorptive capacity is one of the primary reasons for mistakes during replication (Szulanski, 1996). This crisp-set variable reflects whether the adapting company has the previous experience of replication (fully in condition) or not (fully out). The Capability condition measures not the level of experience per se, but whether the adapting team has previously engaged in adapting others' work. This process relates to exploitation and is strikingly different from creating a cultural product from scratch, a skill that is associated with exploration (cf. Winter & Szulanski, 2001). Therefore, based on existing literature, I expect an adaptation created by the company that has no exploitation experience to be different from an adaptation created by the company that has at least some experience. Whereas the level of experience per se is a continuum, in this case I consider it adequate to calibrate the variable as a crisp condition rather than a fuzzy one. Due to the help from the original team through both the format bible and the system of 'flying' producers, the final product of the adaptation is less dependent on the adapting team's expertise than an original production would be (Chalaby, 2016). Thus, there is little reason to expect that a particular level of expertise, rather than its mere presence, will feature in success or failure configurations.

Genre adaptation. According to Bielby and Harrington (2004), genres are “utilized as framing devices to rationalize decision-making yields some unanticipated but interesting findings” (p.94). The authors also argue that the notion of genre is local and gets changed in international transfer: “rather than a static label, genre is dynamic—visibilized, invisibilized, and negotiated throughout the process of international syndication” (p.95). The variable is composed by comparing the genre claims in the adaptations’ advertising materials and format pitch. It is calibrated as a fuzzy set in accordance to the degree of genre claims adaptation: i.e. how the label of the genre that is used to advertise the show is changed. Those adaptations that have no genre claims similar to the format have full membership (adapted the genre claims). Partial membership is assigned to cases where the adaptation advert has the same genre claims as the format as well as adds its own genre claims. The full non-membership is given to the cases where the adaptation has the same genre claims as the format (did not adapt the genre).

Value adaptation. This variable measures how different to the format are the values to which adaptation appeals. Industry insiders consider that changing “format bits – distinguishing features that are usually standardized and mentioned in a pitch” (Interviewee 2, 2015) is often the reason why adaptations fail; they also acknowledge that these changes are inevitable. Thus, one of the interviewees noted that “we try to standardize the feel of the show, but it may be difficult,” and later remarked: “most changes are in the feel of the show” (Interviewee 10, 2015). The variable was coded is based on Schwartz’s (1992) inventory of universal values. Whereas there are many value inventories that are used to compare countries (e.g. Hofstede or GLOBE value inventories), Schwartz’s inventory pertains to personal rather than work-related values. It expands and elaborates on Rokeach’s Value Survey (Rokeach, 1973) by defining items in more detail, which is useful for the purposes of coding and analysis. It should be noted that as these values are universal, this variable does not measure the difference in appeal of certain values in different territories, but rather shows if the adaptation tried to stay within the narrative of the format by appealing to the same values or changed it. It is calculated by dividing the number of universal value types that are discrepant between the format pitch and the adaptation's promotion material, by the total number of universal value types in the adaptations' advertising material and the format pitch. In the sample, the results varied from 0.08 (adaptation changed less than a tenth of value groups) to 0.75 (the replica and format have three quarters of the value groups in common). For the analysis, the fuzzy set variable was calibrated following the procedure described by Fiss (2011), using thresholds of full membership (upper quartile), non-membership (lower quartile) and the cross-over point derived from quartile analysis. The calibration was done using the fsQCA 3.0 software's 'calibrate' function and entering the three thresholds.

RESULTS

Necessity analysis

First, necessary conditions analysis was run on the sample in order to check whether any conditions on their own are required for the adaptation to be successful. Results, shown in table 2-2, show that out of all the conditions, genre adaptation was necessary on its own, ranking above 0.9 in consistency. This suggests that adapting genre to fit local descriptions may be a necessary condition to have a successful adaptation. However, as the following sufficiency analysis revealed, the genre adaptation condition was in fact quasi-necessary. Its consistency was above 0.9, but below 1, thus it was not necessary (although present in most cases) for some combinations.

Conditions tested	Consistency	Coverage
Cultural similarity	0.565217	0.764706
Capability	0.652174	0.652174
Speed	0.325870	0.750100
Lack of novelty	0.782609	0.692308
Genre adaptation	**0.912956**	**0.688572**
Value adaptation	0.243913	0.653922

Table 2-2. Necessity Analysis (Outcome variable: Adaptation success).

Source: author's elaboration based on analysis using fsQCA 3.0 software

Fuzzy Set QCA analysis

Table 2-3 illustrates configurations of adaptation decisions corresponding to successful television format adaptations. The table follows Ragin and Fiss's (2008) way of illustrating QCA results in configuration charts[4]. Following this approach, I denote presence of a condition with a black circle, and absence of a condition with a crossed circle. A square denotes a necessary condition (in this case, a quasi-necessary one), whereas sufficient conditions are represented by circles. The absence of any sign in the line means that the condition may be present or absent in a given configuration without changing the outcome. Bigger signs mean that the condition would remain in the configuration even if we were to simplify the configuration to contain as few conditions as possible and still be meaningful. Small signs denote conditions that would be eliminated if we were to simplify the solution.

The fuzzy set QCA analysis revealed four paths consistently linked with successful television format adaptations, shown in table 2-3. Table 2-4 illustrates the configurations associated with failed adaptations. For the ease of referring to each configuration, I have given them labels based on their distinctive characteristics. Some of these configurations

[4] In accordance with this convention, the results shown in the tables represent the intermediate solution.

occur more frequently than others. For instance, Culturally Distant Adaptation configuration occurred six times in the sample, whereas Insufficient Adaptation – only once. The comparison of the tables 2-3 and 2-4 shows that some features are common across both successful and unsuccessful configurations. Thus, the presence of Capability condition was characteristic to both the Culturally Distant Adaptation associated with success, which also happens to have the highest coverage, and two configurations associated with failure – Insufficient Adaptation and Insufficient Adaptation with Competition. Confirming the necessity analysis results of Genre Adaptation being a quasi-necessary rather than necessary condition, this condition was present in all but one configurations associated with success and two out of three configurations associated with failure. Cultural Similarity was present in all configurations with the exception of the Culturally Distant Adaptation and absent in two out of three configurations for failed adaptations. This pattern is an interesting finding, as it suggests that there are more paths to success in a culturally close country than in a culturally distant environment, and similarly there are more ways to fail in a culturally distant country.

Table 2-4 features configurations associated with failed adaptations. The factor of Value Adaptation was absent in all three configurations associated with failure. It is also worth noting that some conditions that according to theory should be absent in cases of failure are present in some configurations: Insufficient Adaptation with Competition features the presence of Capability condition, whereas both Adaptation Speed and Capability are present in the Insufficient Adaptation configuration. However, in the configurations associated with failure these conditions are present in isolation. By comparison, in configurations associated with success these organizational factors were present in conjunction with cultural elements of adaptation: either the genre claims were adapted (e.g. Culturally Distant Adaptation) or the original was not shown in the country of adaptation (e.g. Fast Adaptation). This pattern points to the conclusion that on their own, these organizational factors do not guarantee success.

It should be noticed that the combined coverage of the failure configurations is rather low, only 26%. The main explanation for this is organizational learning. The sample features format adaptations from 2001 onward, whereas first format adaptations date back as far as the 1950s (Chalaby, 2016). While those adaptations were isolated actions rather than a fully realized business model that television formats are today, over the 50 years the failure cases were documented and analyzed (e.g. Bazalgette, 2005; Zwaan & DeBruin, 2012). This fragmented learning eventually led to the creation of a standardized adaptation process that avoids the most blatant mistakes. There are only a few ways left for a format adaptation to fail, many failures are non-systematic or can be attributed to factors unrelated to the adaptation process. Thus, QCA analysis could only pick up robust configurations for 26% of the failures in the sample.

	Solution			
	Fast adaptation	**First experience adaptation**	**Adaptation with competition**	**Culturally distant adaptation**
Cultural similarity	●	•	●	⊗
Capability		⊗		•
Adaptation speed	●			
Lack of novelty	⊗		●	⊗
Genre adaptation		■	■	■
Value adaptation				
Consistency	0.91	1	1	0.80
Raw coverage	0.22	0.17	0.17	0.26
Unique coverage	0.17	0.09	0.13	0.26
Overall solution consistency	**0.89**			
Overall solution coverage	**0.74**			
Illustrative cases	*Are You Smarter than a 10 Year Old?*	*Hell's Kitchen*	*The X Factor*	*Hell's Kitchen (Russian version)*

Table 2-3. Configurations for successful international adaptations of cultural products. *Source: author's elaboration based on analysis using fsQCA 3.0 software*

	Solution		
	Slow insufficient adaptation	**Insufficient adaptation**	**Insufficient adaptation with competition**
Cultural similarity	⬤	⨂	⊗
Capability		⬤	⬤
Adaptation speed	⨂	●	⊗
Lack of novelty			●
Genre adaptation	⊠	⊠	
Value adaptation	⊗	⊗	⊗
Consistency	1	1	1
Raw coverage	0.10	0.06	0.09
Unique coverage	0.10	0.06	0.09
Overall solution consistency		**1**	
Overall solution coverage		**0.26**	
Illustrative cases	*Life on Mars*	*Who's smarter than a ten-year-old? (Russian version)*	*Project Runway (Russian version)*

Table 2-4. Configurations for unsuccessful international adaptations of cultural products *Source: author's elaboration based on analysis using fsQCA 3.0 software*

Two Polar Cases

To further substantiate the results of the fuzzy set QCA, I report two case histories of formats that, both starting from quite successful original versions, had different sets of antecedents for their replicas to polar results. I contrast the cases of *Hell's Kitchen*, a show with two successful adaptations, to *Life on Mars*, a UK drama that failed to adapt in USA.

Hell's Kitchen

Hell's Kitchen is a British television format of a cooking competition. It is distributed by ITV Global Entertainment, one of the major UK format creators and distributors. The original show premiered in 2004 and ran for four seasons. Following the company's usual style, the format brief is extremely short, just one paragraph, and it does not place the format in a particular genre. The format itself is quite successful, with about a dozen international versions.

US adaptation of the show premiered only a year later, in 2005. The 'about the show' page of the US version positioned the show very loosely within the 'competition' genre. The adaptation was commissioned by Fox Television; it aimed to preserve the feel of the original, even having the same host, Gordon Ramsey. Whereas the show's broadcaster, Fox, had had plenty of experience with formats, the adapting studio, *A. Smith & Co*, had no prior experience of format adaptation as of 2005. The original pitch appealed to two value groups, achievement and especially power, stating 'One terrifying renowned chef is *ready to roast* another batch of aspiring restaurateurs as they *compete against one another* [emphases here and later added]." The description of US adaptation adds tradition (item 'detachment' – "the chefs will leave the pleasantries and the door"), stimulation ("challenges will be lavish and memorable, while the punishments will be hellish") and benevolence ("the contestants must prove their ability to work in teams"). Despite appealing to such a broad array of values, it still has mentions of the original two types ("competitors will face a series of Ramsay's *grueling challenges* to prove they possess the right combination of ingredients to win a *live-changing grand prize*"). The US adaptation became a huge success with over 17 series to date, to the point when US adaptation instead of the original UK one became a more famous version and is often shown in other countries. For example, it was shown in Russia whereas the original was not.

Russian show Adskaya Kuhnya (Hell's Kitchen) came rather late in comparison to the American one, premiering in 2012. Russian adaptation was created by *1+1*, a company that not only had prior experience of format adaptation, adapting *Strictly Come Dancing* in 2006, but also previously adapted *Hell's Kitchen* for Ukranian television. Russian version was filmed on the same set and with the same host, Aram Mnatsankanov. Whereas Russian adaptation did not use the same personality as the host, it used the same type of personality: the host was a strict professional who sometimes loses his temper. This goes in line with how one of the interviewees put it when discussing a similar case, "people assume that if the host has a persona, the show depends on that persona, but you just need a strong persona" (Interviewee 15, 2016). The genre claim of the Russian version's 'about the show' page was also quite broad, stating the show was a 'reality story.' The show's description strongly references the original, appealing to the achievement and power value types, stating that the chef "is ready to roast [the competitors] for an incorrectly cooked dish." Similar to the American version, it emphasizes stimulation ("working at Aram Mnatsankanov's kitchen is a serious test"). Russian version was a moderate success with two seasons, and the third series with a new host has just been filmed.

Life on Mars

Life on Mars is a British crime drama, named after a famous David Bowie's song, combines the investigation component with the social commentary, comparing the societies of the 70s and of today. It is distributed by BBC Worldwide, an international television distributor based in London and a commercial arm of the BBC. The original format pitch does not assign any genre label to the show description. The original's pitch is quite concise, yet it appealed to five different value types, including achievement, universalism, self-direction, and conformity. However, its most prominent claim was security value group: "70s where the sexism, boorishness and corruption of policing is rife". The format overall is a moderate success, with four international versions. While it is not many compared to some of the reality formats, scripted television is notoriously difficult to adapt, and for a drama series having several international version is quite significant. The original show premiered in 2006 and ran for two series, while also spawning a spin-off series *Ashes to Ashes* that also ran for two series.

American adaptation, also called *Life on Mars,* premiered on ABC two years after the original's launch, in 2008, becoming the first international adaptation of this format. Despite ABC being the broadcaster, the adaptation was managed by *Space Floor Television*, an independent production studio that had no previous experience of format adaptation. As is usual with BBC productions, the original show was also broadcasted in US on BBC America. Similar to the format pitch, the 'About The Show' page of the adaptation did not place the show within any particular genre. The show aired to low ratings, was panned by critics for some misguided changes (Hughes, 2009) and got cancelled even before the first season ended. In terms of values, the pitch was very unfocused, counting nine out of possible ten value groups, adding four groups of universal values to the original's pitch. Most notably, the pitch emphasized the values of benevolence, with items such as helpfulness and mature love, that were absent in the original pitch (e.g. "a love triangle evolves between Sam's "real" in-the-moment friendship with Annie, his longing to get back to Maya and the fantasy of what could be"). These changes suggest that there was an intention to modify the feel of the show. However, the direction of change is somewhat muddy as all the original value claims are preserved, and even some of the similar wording is used to describe the premise of the show (e.g. “the tumultuous times of the Vitenam War, Watergate, women’s lib and the civil and gay rights movements”).

In comparison, the Russian version of the same format, titled *Dark Side of the Moon,* enjoyed a critical success and lasted for two complete series[5]. It was adapted by a company Sreda, which had no previous experience of foreign format adaptation. The adaptation launched quite late: full six years after the original. The show’s advert positioned it within fantasy, thriller and criminal genres. Out of all the original value types, the show’s description only appealed to self-direction to emphasize the mystery element, while introducing new claims of stimulation and tradition. Thus, although the entry strategy was the same (low capability and slow adoption speed), the US adaptation did less in terms of cultural adaptation.

DISCUSSION

In this study, I explore the association between configurations of cultural and organizational factors with the success of cultural products’ international adaptations (in this case, television formats). I find that configurations comprising both organizational and cultural factors are associated with success in a culturally distant country, whereas in a culturally close country successful adaptation do not necessarily comprise all organizational adjustments for better adaptation. At the same time, configurations associated with failure consistently feature a lack of cultural adaptations, irrespective of foreignness of the environment and organizational aspects. These findings contribute to the current literature by elucidating on themes that were mentioned but understudied in existent literature.

[5] The Russian adaptation is not a part of any configuration and is discussed solely for the purposes of illustrating the difference in adaptation approach.

Thus, in the management research of cultural industries, cultural difference are often considered as a hurdle to the transfer of cultural products (Hoskins & Mirus, 1988; Brannen, 2004). One of the most important contributions of this paper towards this literature is the idea that successful replication of a product with a strong symbolic component is not governed solely by a single cultural or organizational factor. Instead, a combination of decisions and antecedents is required, and polar decisions can lead to success in different environments. The results of this study shed light on the nature of cultural differences as a hurdle to transfer and suggest that the cultural distance changes the tolerance of the environment: there are more paths to success in a culturally close country, whereas in a vastly different country the requirements are stricter. Whereas this finding may seem intuitive, understanding that cultural similarity suggests higher tolerance for organizational imperfections may explain why many adaptations of successful shows fail in culturally close countries. For example, *Life on Mars* was a hit in UK, but its US adaptation failed. In such cases, cultural adaptations and some, rather than all, organizational adjustments are still required to succeed, as the cultural similarity alone does not guarantee success.

This paper extends replication literature by specifying what it means to adapt the product for cultural reasons. Interestingly enough, replication-specific capability comes into play when replication is done in a culturally distant country. The changes in value claims and especially in genre claims are essential to form the right expectations among the audience. Whereas replication literature has established the pivotal role of following the template as closely as possible (Winter & Szulanski, 2001; Baden-Fuller & Winter, 2005), this paper suggests that for cultural products, adaptation efforts are crucial. As audiences can translate some symbols on their own (Crane et al., 2002), it is possible for an adaptation to succeed without genre and value adaptation. However, the adaptations are more likely to succeed if the adaptation efforts are consistent: not adapting genre positioning and the values the product appeals to is very risky and can lead to failure even if the environment conditions are favorable. In other words, instead of a show of loyalty to the original, it becomes an unnecessary risk. This is consistent with the literature that points out the relationship between genre and values (e.g. Cattani & Fliescher, 2013). Thus, this paper illustrated the balance between the need for adaptation and sticking to the original as concrete configurations rather than an abstract notion.

In terms of managerial implications, this research can assist companies that replicate cultural products, such as television distribution companies. First, the results indicate that the broadcaster and adapting studios need to commit to adaptation. Thus, low value adaptation was a part of two out of three paths to failed adaptations. This goes somewhat against what industry experts suggested by saying they try to standardize 'the feel of the show.' Local broadcasters may choose to appeal to different values from the ones that the original creators saw as a core of the show and still be successful, as is exemplified by *Hell's Kitchen* format. This suggests that when adapting values a cultural product appeals to, a firm is better off committing to adaptation and changing the narrative to match the genre. Taking a middle ground and adapting genre without rethinking the values may result in failure, especially if there is a lack of novelty (e.g. Insufficient Adaptation with Competition). This paper also suggests that media and entertainment companies need to be sensitive to cultural distance between countries not only by controlling the degree of adaptation, but also by employing different strategies when replicating in culturally close versus culturally distant countries.

This paper has a number of limitations. Thus, the formats analysed in this paper are distributed by large international companies. These companies have an extensive experience in finding, developing and managing television format adaptation, meaning that all cases had at least some form of format adaptation expertise on the source side. In the analyzed sample, value adaptation was not a part of most successful configurations. However, it is worth mentioning that the values under analysis were universal values that, as Schwartz (1992, 2012) established, are relevant to all populations in a higher or lesser extent. This variable did not account for the values that may be completely local. In order to analyze culturally close adaptations, I chose US and UK shows due to the large amount of shows that travelled between these two countries. This choice meant that the analysis focused on two most prolific and experienced format selling countries in the world, and that in another pair of culturally close countries the success chance of adaptations could have been different and expertise might have played a bigger part. However, even within this sample there were some examples of failed adaptations (for example, *Life on Mars*). Therefore, I believe that the sample in general reflects the actual situation in the television format trade. Finally, this study does not account for non-adaptation related factors of cultural product success, such as seasonality, current cultural trends, celebrity factor and timing of broadcast (e.g. prime time versus daytime). Whereas the adaptation usually follows the original's strategy in these choices, there may be outliers that failed or succeeded due to their non-standard approach.

This paper also opens an avenue for future research. The data analysed in this paper pertains to the promotion of the adaptations rather than to the content. The analysis of actual content of the adaptations will be the next step in developing this line of research to see how the actual change of values, genres and framing fits in the configurations established in this paper. Following the approach of replication literature, a more detailed account of replication processes and routines employed by source and replicating company dyads is required, combined with the analysis of the failed templates, not only failed adaptations, to understand if the replication of cultural products is sensitive to the replication process or inherent characteristics of the template.

Chapter 3. Symbolic Idiosyncrasy and International Transfer of Cultural Products

INTRODUCTION

What prevents cultural products to transfer abroad successfully? This is a crucial question for the transnational companies whose success depends on making sure that their cultural products are adopted across the world, e.g. international movie and television distributors or fashion firms. Both academics and practitioners agree that one of the most common reason cultural products fail abroad is the lack of aesthetic fit with the foreign audiences. Thus, Brannen (2004) argued that Disneyland failed in France because French and US audiences attributed different meanings to the same symbols (Brannen, 2004). However, in some cases cultural products seem to transfer well despite an obvious misfit. For instance, Korean pop songs, or K-pop, are popular with global audiences without translation (Lee & Kuwahara, 2014); the adaptation of *Wheel of Fortune* was argued to be a success in Russia even without many changes to the show due to invoking a desirable social class (Rulyova, 2007). Moreover, in some cases aesthetic fit seems to be present, yet the cultural product still fails: while many UK shows are successfully transferred to US with barely any changes due to cultural similarity, in the case of *Gracepoint*, the US adaptation of UK hit drama *Broadchurch*, journalists argued that this particular show was insufficiently adapted to US audiences (Moylan, 2014). These examples suggest that there are still aspects of fit that are under-researched.

Cultural products are, in essence, symbolic content, i.e. sets of symbols that have no objective performance indicators, and instead create value by communicating ideas, evoking emotions, and mobilizing audiences for action. Similarly to other symbolic content, such as ideas or concepts, cultural products are transferred abroad by firms and networks (Starkey et al., 2000) and their transfer is connected with negotiation and persuasion of the local firms to accept them for distribution to their audiences (Harrington & Bielby, 2005). Existent organizational research has shed some light on how companies can transfer abroad symbolic content. Thus, a stream of organization theory literature focuses on translation and explains what symbolic content spreads and becomes popular (Sahlin-Anderson, 2001; Greenwood, Suddaby & Higgins, 2002; Sahlin & Wedlin, 2008) as well as the role of networks and brokers in the circulation of symbolic content (Berger & Le Mens, 2009; Godart & Galunic, 2019).

Whereas the characteristics of the content that is being transferred is not the central focus of this literature, there is a common understanding that symbolic content is embedded in its cultural context. Thus, Sahlin and Wedlin (2008, p.225) argue that companies imitating others "translate ideas and practices to fit their own wishes and the specific circumstances in which they operate". Godart and Galunic (2019) point out that symbolic content has idiosyncrasies stemming both from its creators and its characteristics, such as genre. This stream of literature gives us a good understanding of different modes of transfer and how symbolic content is changed during transfer. However, what characteristics of symbolic content impede its international transfer has been left outside the scope of this research.

The literature on translation and diffusion has provided a compelling argument that how symbolic content is transferred and changed to connect with local environments is important for successful transfer. Still, there is also an argument to be made that characteristics of the content, i.e. what is transferred, have some impact on the success of the transfer. Recently, some organization theory scholars pointed out that international transfer of symbolic content may fail due to the lack of fit with local environment, even if the transfer process is done well. For example, Brannen (2004) argues the lack of what the author terms 'semantic fit,' or the connection between the symbol and its meaning, may cause the local audience to reject a foreign product. The study provides two examples of transfer that used the same mode (replication) and the same content (Disneyland amusement park), but were unsuccessful in the country where there was a lack of semantic fit with the local audience. Further, Ansari et al. (2010) propose that the cultural dimension of fit between a practice and an adopting organization is one of the deciding factors in how loyal the adaptation will be to the original. Whereas these studies provide important insights about different dimensions of fit, there is still a lack of systematic understanding of what makes symbolic content difficult to transfer abroad.

The lack of fit between local culture and a foreign symbolic content has interested scholars from other domains who approached it from different angles. Thus, media scholars focused on cultural product transfer and pointed out that a cultural product often fails abroad because it fails to be as relevant as a local product for the audience due to the mismatch in values and beliefs (Hoskins & Mirus, 1988), or differences in linguistic frames (Ettema, 2005; Kuipers, 2015). Marketing researchers have found that an explicit connection to a specific country may limit international appeal of symbolic content such as advertisements or brand elements (Elberse & Eliashberg, 2003; Cayla & Eckhardt, 2008; Halkias, Micevski, Diamantopoulos & Milchram, 2017).

Similar to the organization theory literature, these studies point out the importance of fit (or lack of thereof) between symbolic content and a foreign environment. Thus, political tensions between countries may affect how audiences will react to a depiction of a foreign landmark (Cayla & Eckhardt, 2008). Media consumption patterns in different countries make television shows that are considered mainstream in some countries, such as crime dramas in Germany or telenovelas in Latin America, appear as lowbrow abroad (Reith, 1996; Bielby & Harrington, 2005). Multiple local adaptations of television shows show that even multinational hits like *Weakest Link* or *X Factor* that have hundreds of successful versions across the globe, can still fail in some territories (cf. Zwaan & de Bruin, 2012).

Whereas these studies focused much more on the characteristics of the transferred content, their findings are somewhat disconnected from each other, and thus we are still missing a common view of the barriers to symbolic content transfer. Moreover, relatively few of these papers consider different modes of transfer in connection to cultural products (e.g. Kuipers, 2015), and thus the question of 'what is transferred' remains somewhat separate from the question of 'how to transfer'.

In this paper, I bring together organizational studies and media and marketing literatures to answer two questions: *what prevents cultural products from transferring abroad successfully? How can companies overcome the hurdles involved in the international transfer of cultural products?* I do so by developing a concept of symbolic idiosyncrasy and theorizing its three dimensions that stem from the very way symbolic content creates value. This follows a recent call to consider the antecedents of context-specific adjustments of organizations (Drori, Hollerer & Walgenbach, 2013).

This paper is structured as follows. First, I review the different literatures discussing symbolic content to tease out the common dimensions of symbolic value and point out the under-explained aspects related to the idiosyncrasy of this value. Then, I bring these findings together to propose the concept of symbolic idiosyncrasy. I illustrate how companies mitigate the three dimensions of idiosyncrasy through different types of transfer by drawing on some previously described cases of cultural product transfer as examples. Finally, I discuss how the framework of symbolic idiosyncrasy contributes to our understanding of international transfer of cultural products and its implications for future research.

THREE DIMENSIONS OF SYMBOLIC VALUE

According to media studies, the main barrier to international transfer of cultural products is that they are devalued when transferred abroad due to not matching interests (Ettema, 2005), values and beliefs (Hoskins & Mirus, 1988) of the local audiences.

However, this approach does not explain why some cultural products travel successfully to many diverse countries, e.g. television formats such as *Who Wants to Be a Millionaire*. In order to understand why some cultural products and not others are devalued, we first need to understand how they create value.

In this paper, I talk about symbolic content as an umbrella term for cultural products and ideas. Symbolic content uses combinations of symbols to convey meanings (Sahlin & Wedlin, 2008) and affect emotions of the audience (Hirsch, 1972). Whereas it is problematic to characterize symbolic content in terms of its properties (cf. Kretschmer et al., 1999), most authors agree that symbolic content creates value along three main dimensions.

First, it provides aesthetic experiences by utilizing symbols that resonate with the audience to evoke emotions (Hirsch, 1972; DiMaggio, 1997; Lampel et al., 2000). To provide an aesthetic experience, symbolic content needs to be understood by its consumers. Whereas usually this concerns the use of local language, the issue of understanding is broader than translation in a linguistic sense. Thus, Sahlin and Wedlin (2008) refer to translation as a process of transformation. The importance of this broader understanding is evident from studies that focus on the traditional linguistic translation. They show that even a proven translation method creates less aesthetic value if it is incongruent with the way that audiences is used to consuming foreign cultural elements in a given country (Koolstra, Peeters & Spinhof, 2012; Kuipers, 2015). Thus, producing valuable aesthetic experiences primarily requires the use of frames that resonate with the audiences.

Frames, or knowledge structures that direct information processing, have resonance with the audience. Resonance appears when individuals are able to make connections between the frames and their own experience (Benford & Snow, 2000; Cornelisson & Werner, 2014), and these links give the experience credibility and make it coherent (Goffman, 1974). In order for the frames to have resonance they need to be empirically credible, not be at odds with lived experiences they depict and correspond with existing cultural narrations (Snow & Benford, 1988). Frames that resonate with its audience can be used to mobilize the audience to action (c.f. Kubal, 1998) and are more appealing to the audience due to perceived familiarity (Gamson, 1992). Snow, Rochford, Worden and Benford (1986) suggested that a higher frame resonance leads to a higher probability of the framing being successful. According to Schudson (1989), a resonant cultural element does not have to meet exact interests of a given audience, but it has to make sense within a wider cultural frame.

The second way symbolic content creates value is by creating a sense of common identity or evoking an existent identity (DiMaggio, 1997; Zimmer, 1998). For instance, in their seminal ethnography of bikers, Schouten & McAlexander (1995) point out how certain fashion elements (hair styling, leather clothes) and separate symbols (a spread-winged eagle) were used by consumers to signal their group identity as Harley Davidson bikers.

Society consists of different groups and sub-groups based on shared interests (Leigh, Peters & Shelton, 2006), gender and social status (Huntington & Harrison, 2000), race, income levels, etc. Some of these groups can span national boundaries. For example, the identity of classic art lovers is very similar across countries due to similar socialization, thus classic art does not have to be changed when transferred abroad. Similarly, Harrington & Bielby (2007) noted that fan communities dedicated to books, movies or television shows are often global and have a shared habitus, i.e. system of dispositions (Bourdieu & Passeron, 1990). That is, certain symbolic content is global because its audience is global: they evoke the same shared identity in the audiences across the world. However, much of cultural consumption is still local (Tomlinson, 1991), and thus national identity still matters in consumption of symbolic content. To connect with their audiences, symbolic content evokes a shared local identity through explicit references to that particular territory or through carrying values that the audience shares.

Nations often have certain geographical or historical symbol that serves as an anchor for the feeling of national belonging, like the French Revolution became a national symbol in France, whilst the Alps symbolized the united Swiss identity (Zimmer, 1998). These symbols become associated with the countries and that association is often reinforced through media that aim to define the nation. Due to the reinforcement, the places become tightly associated with the nation itself. Media often references symbolic places in order to appeal to the audience populating these regions to emphasize this connection, i.e. to evoke a national identity. Associating a product with a particular place comes can legitimize the product in audience's eyes (Regev, 2011; Caves, 2000). Connel and Gibson (2003) argue that by using a musical tradition coming from a particular territory composers link their music to that heritage, making it more authentic by embedding it in a place. Thus, through a connection to a particular place creators attempt to increase the appeal of their product to the audience in that region. Many critics argued that making Hong Kong the setting for Hollywood movies like *Transformers: Age of Extinction* largely contributed to these blockbusters becoming box office successes in Asia (Tyler, 2013; Jenkins, 2014).

Finally, symbolic content creates value by providing an opportunity to signal a certain status through consumption (Peterson, 1992; Peterson & Kern, 1996). Appreciation of certain forms of art has been shown to stabilize and maintain status hierarchy (DiMaggio & Mohr, 1985; Bourdieu, 1984). Consumption of symbolic goods is largely conspicuous as people try to signal their status through consuming certain cultural products irrespective of their aesthetic quality (Veblen, 1899; Hirsch, 1977; Shipman, 2004).

In order to signal status, consumers use categories as cognitive devices that allow them to make sense of symbolic content (Neale, 2000), to guide their choice (Austin, 1988) and to judge the quality of a piece of content against a standard (Hsu, 2006). Durand and Paolella (2013) defined categories as “a meaningful consensus about some entities' features as shared by actors grouped together as an audience” (p.1100) that are created by grouping together items that are similar in appearance, causal links or goals. Categories express meaning, something that is socially valued (Khaire & Whadwani, 2010), and therefore act as cognitive shortcuts for people to make sense of products (Shrum, 1991). Cultural content that adheres to a prestigious category sends the signal of high status (Delmestri & Greenwood, 2016), whereas the ones that have an unclear category or a low-status category are discounted (Hsu, 2006; Cattani & Fleisher, 2013).

In the case of symbolic content, one of its most salient categories is genre. Genre, just as other categories, becomes recognized and legitimized over time through interaction between creators and audiences who judge their products, such as critics and consumers (Bourdieu, 1984; DiMaggio, 1987; Rao et al., 2005). Whereas Peterson (1992) argued that the high-brow/low-brow distinction is an oversimplification, the paper theorized that consumers with higher cultural capital act as ‘cultural omnivores’ and those with lower cultural capital tend to favor certain genres, i.e. social distinction can be traced through cultural tastes. While it is possible to span genres successfully (cf. Rao et al., 2005; Khaire, 2014), in most cases companies have to stay within the frameworks of existing genres to enable the audiences to make sense of the products (Hsu, 2006).

LOCAL EMBEDDEDNESS OF SYMBOLIC CONTENT

Whereas utilitarian products can be accepted in another country due to its performance (e.g. Winter & Szulanski, 2001), symbolic content is more sensitive to cultural differences. Thus, researchers have pointed out the role of language (Brannen, 2004) and translation practices (Kuipers, 2015) in the audience’s acceptance of foreign symbolic content. However, the issue is more complex than translation in the linguistic sense of the word.

Symbolic content, such as ideas, creative or cultural goods, is inherently embedded in the culture that creates it due to the embeddedness of their creators (Bourdieu, 1993).

This embeddedness creates problems for the companies as they struggle to transfer their products and businesses abroad. Thus, television broadcasters suffer decrease in ratings, and therefore advertising revenue, if they remake foreign shows unsuccessfully (Moran & Malbon, 2006). Disney faced both commercial problems and litigation when they expanded to France without sufficient adaptation from US to French market (Brannen, 2004; Matusitz, 2010). IKEA struggled to replicate its business model abroad until the company could clearly communicate its core values to the local teams (Jonsson & Foss, 2011). As the success of symbolic content transfer cannot be explained away by diffusion alone, the idea of fit has become more prevalent in academic literature (e.g. Ansari et al., 2010). This literature turns attention to internal characteristics of the transferred symbolic content and its fit with different characteristics of local audiences abroad.

Still, what makes symbolic content difficult to transfer has remained under-researched. The idea of cultural fit has been mostly applied to organizational culture rather than national one (e.g. Weber & Schweiger, 1992; Canato, Ravasi & Phillips, 2013). The core theme of this stream of literature is that a firm is more likely to adopt a practice if its core principles align with their organizational culture (Ansari et al., 2010) or national culture of their country of origin (Kull, Yan, Liu and Wacker, 2014).

Recently, this stream of literature has turned its attention to the diffusion of symbolic content. However, the primary focus is on the types of transfer and the actions companies take to overcome the differences between an idea and the adopting entity. Thus, Ozen (2013) has found that different rhetorical practices can be used to persuade firms in different countries to adopt a practice. Similarly, in a paper on diversity management practice diffusion in Denmark, Boxenbaum (2006) points out that framing the issue of diversity management in more pragmatic rather than personal terms was an important step in translating the practice for adoption in a country with a right-wing government. These findings indicate that reframing resolves a pre-existing misfit between an idea and the context where it is 'imported.' The reframing does not facilitate the adoption of the idea organizationally, but helps the recipients to see the ideas as more appealing and to connect with them. Thus, Boxenbaum (2006) elaborates that translators termed diversity management as 'social responsibility' as it was an already accepted term in Denmark. However, this stream of literature does not elaborate neither on the nature of the misfit that is mitigated by the translators, nor on the reason different practices require different symbols (i.e. frames) to accompany them.

Another important issue that organization studies point out is the connection between meanings and identity. While there is limited research on identity in international environment, Weber, Shenkar and Raveh (1996) established that national culture creates an additional level of consideration to organizational culture in mergers. This happens due to the difference in cultural dimensions, including values such as uncertainty avoidance and individualism/collectivism, of the merging firms' countries. In his study of adoption of new management models, Frenkel also remarked how "adoption of SM is presented here not as a tool for weakening class identity but rather as a tool for strengthening the status of the working class on account of its contribution to building the nation" (2005, p.288). From these findings, we can see that ideas can be presented to the recipients not only by framing them in relevant terms, but also by evoking their identity, including national identity. Still, we are missing the boundary condition, i.e. understanding if there is a reason why sometimes the framing relies on relevance to current events and in other cases, it is connected with identity.

The least explored area of a symbol's fit with a foreign environment is that of status signalling. As Sahlin and Wedlin remark, "it appears to be not so much a case of ideas flowing widely because they are powerful, but rather of ideas becoming powerful as they circulate" (2008, p.221). However, it is clear that as ideas such as managerial models become powerful, their circulation is promoted even further, and they are adopted due to institutional pressure (e.g. Davis, Diekmann & Tinsley, 1994; Chandler, 2014). In this case, the adoption of a new idea does not directly benefit the organization, but it allows it to signal conformity to the field' norms, i.e. that the company is a legitimate member of the field. Whereas the adoption of ideas has been studied both in cases of high fit (Tolbert & Zucker, 1983) and low fit (Westphal & Zajac, 1994), as well as with a follow-up adaptation (Sahlin-Anderson, 1996; Fiss, Kennedy & Davis, 2012), the international aspect of it has remained underexplored. Few papers that consider the international dynamics (e.g. Hwang, Jang & Park, 2013) mostly observe the same trend of adopting ideas due to their prestige and not efficacy. That is, we see the mechanism of how these ideas spread (due to institutional pressure), but as the studies usually cover the adoption of a single idea, it is difficult to say if some are more easily adopted abroad than others.

In the next section, I bring together these previously unconnected studies to show that the gaps pointed out in this section can be filled if we adopt a more holistic view of idiosyncrasy of symbolic content.

SYMBOLIC IDIOSYNCRASY

The word idiosyncrasy is derived from Greek words "idios" (one's own) and "syn" (with) "krasis" (mixture), and is used to describe a quality that is unique to a particular entity and not to others like it (Merriam-Webster.com, 2016). Symbols by nature are idiosyncratic, i.e. they are embedded in the culture of the place and time when they are created. This idiosyncrasy stems from the fact that a creator of a symbol, as a representative of a certain culture, uses notions and symbols learned through socialization (Bourdieu, 1996). The idiosyncrasy can manifest in different ways: designers drawing inspiration for new collections from their traditional national gowns (Khaire & Wadhwani, 2004), media using landmarks to reinforce a national identity (Zimmer, 1998), journalists focusing on certain characteristics of the event to make it relevant for their audiences (Ettema, 2005). What unites these examples is that the resulting symbolic content is understandable and accepted in their place of origin, but may be considered irrelevant in other places, where their meaning may not be well understood or have undesirable connotations. While scholars of cultural products have long noticed the consequences of idiosyncrasy, i.e. symbolic content being misunderstood abroad (Crane et al., 2002), considered inappropriate (Brannen, 2004) or less valuable (Hoskins & Mirus, 1988), there has been little effort to understand the concept of idiosyncrasy in relation to symbolic content. Nevertheless, understanding what makes symbolic content idiosyncratic would allow us to shed light on the underlying reasons why certain products can travel abroad better than others, similarly to how understanding of idiosyncrasy in relation to resources has allowed strategy researchers to understand why replicating businesses abroad may be challenging (cf. Winter, 1995).

In the case of utilitarian products, the concept of idiosyncrasy can refer to natural resources unavailable in another country or knowledge created within a certain organization that is unavailable in others (Szulanski, 1996). Idiosyncrasy is traditionally considered a barrier to international transfer, and products that require idiosyncratic resources simply should not be replicated (Winter and Szulanski, 2001). Still, there is evidence that products (Szulanski and Winter, 2002), outlets (Jonsson and Foss, 2011) or marketing mix elements (Alden, Hoyer & Lee, 1993) can be replicated without replicating all the routines that create them. In this case, the underlying logic is that of equifinality: the processes may differ as long as they allow achieving the same outcome.

In case of symbolic content, it is more difficult to detect idiosyncrasy: for example, in the case of Disneyland's international expansion (cf. Brannen, 2004), the symbol of Mickey Mouse was well-known in US, France and in Japan, that is, the symbol was not idiosyncratic per se. However, in each of the three countries, the meaning of the symbol was different, i.e. the experience it provided was idiosyncratic. Therefore, unlike resources and practices, the mere presence of a symbol in an environment is not enough to establish how idiosyncratic it is. Below, I theorize what comprises the idiosyncrasy of symbolic content based on the value it creates.

Aesthetic dimension

The first dimension of symbolic idiosyncrasy is ***aesthetic idiosyncrasy***. As established above, symbolic content creators use frames to communicate to the audiences. However, frames are embedded in the local contemporary culture, therefore, they increase the idiosyncrasy and can be a problem when transferring symbolic content abroad. According to Bourdieu (1984), symbolic goods such as books or works of art are inherently embedded in the time and place of their creation due to their creators. This embeddedness creates a certain repertoire that creators adhere to. Thus, Godard et al. (2019) point out that idiosyncrasies of a creative director or an iconic creator may affect the fashion houses' choices of stylistic elements. Embeddedness limits the choice of frames, restricting the relevance of a cultural element to a specific national culture. Thus, Fiske (1987) cited a semiotic analysis of US television show *Cagney and Lacey*. The author pointed out that connotation of the show regarding the debate of the role of women in society is entrenched in the social change in the American society of the time and may not be understood elsewhere. Thus, a cultural product would lose some of its meaning and connection to reality for a foreign audience, decreasing its value.

The embeddedness of the frames has been considered to devalue cultural elements. Whereas audiences sometimes are able to understand foreign symbols, they still read them differently (Caves, 2000). As the local audiences applies its own frames to a foreign content, the same symbolic content can have different, often unfavorable, meanings in different countries. Thus, Ettema (2005) described the case where the coverage of an incident of manslaughter in US by the Japanese media was framed around the gun control issue, which US media did not expect as the frame was different there. Moreover, US coverage and reactions to the event did not appeal to the Japanese public, as it was framed too casually in relation to gun violence for them. So, the same news story ended up having two different frames for two countries, and the public in each country was not accepting to the foreign framing. The use of foreign frames without adaptation for local audiences was argued to lead to misperception (Minami, 2018), i.e. local audiences seeing cultural elements such as norms as foreign and disconnected from them (Acharya, 2004). That is, symbolic content is idiosyncratic if its framing is local, i.e. its aesthetics are likely to be 'read' differently in a foreign country. The framing of symbolic content can also be more universal and less idiosyncratic if the aesthetics will be read similarly by all audiences, for instance, if the audience itself is global such as opera goers or art connoisseurs.

Identity dimension

The second dimension of symbolic idiosyncrasy is ***identity idiosyncrasy***. Whilst symbolic content created for the local audience benefits from its association with a particular territory, a place has limited appeal internationally. References can be considered exotic and universally appealing. Huang (2011) even noted that parts of national identity can become 'fashion' and be replicated across the globe as they have been proven to be successful in one country. However, some references to particular places may not be interesting or appealing by international audiences. Thus, an advertisement that evokes a specific national identity through distinguishable landmarks may be considered unappealing in another country due to strained international relations (Cayla & Eckhardt, 2008).

In contrast, symbolic content that is connected with a non-specific place can be less idiosyncratic and more successful overseas. Thus, more and more US movies are being shot in foreign locations to connect to overseas audiences by using their national symbols (Meiseberg & Ehrmann, 2013). Cayla and Eckhardt (2008) demonstrated how advertisements avoided devaluation by evoking a more general identity of an entire Asian region, rather than of a particular country from that region. Decoupling a cultural product from its place of origin helps the products appeal to wider international audiences (Crane, 2014), despite arguably contributing to hybridization of cultures and a decrease in idiosyncrasy by making the products generic and devoid of local meanings (Craig, Green & Douglas, 2005).

Symbolic content can evoke a shared national identity not only through demonstrating significant landmarks, but also through projecting values that are shared by a given national culture. In the most general terms, values can be defined as cognitive beliefs in emotionally desirable goals (Persson & Kajonius, 2016). One of the most comprehensive understandings of the concept of value is derived from Kluckhohn's (1951) seminal work. In that chapter, the author pointed out that values are persistent normative orientations that designate desirable and undesirable means and ends of actions, may be implicit as well as explicit, and are interrelated with other elements of culturally or individually distinctive patterns or systems. Values differ significantly between various national cultures (Vertinsky, Tse & Wehrung, 1990; Ralston, Gustafson, Elsass, Cheung & Terpstra, 1992). That is, although value sets are individual, generalizations can be made on the national level. The capacity of values to affect people's behavior through designating desirable and undesirable behaviors has been also thoroughly researched, and the effect of values on a number of workplacerelated behaviors (Meglino & Ravlin, 1998) as well as preferences in products (Vinson, Scott & Lamont, 1977; Onkvisit & Shaw, 1987) was identified throughout the years.

Scholars have long emphasized the unique connection between symbolic content and values. Thus, cultural products are shaped by the values of society, but they also re-instate the status quo or change it by consistently displaying particular values (Fiske, 1987; Oren, 2013). Symbols communicated in media and cultural artifacts are a part of the explicit value statement, meaning that the audience expects them to articulate and demonstrate the desirable outcomes and means of actions. Due to the discrepancy between values held by different parts of society, symbolic content may lend itself to criticism when it displays values that are being contested: topics like violence in video games have become the center of public and academic debate (e.g. Anderson & Bushman, 2001). Many academic works pointed out that congruence between values displayed by the products and the ones held by consumers is a significant predictor of the products' acceptance and appeal (Thompson & Arsel, 2004; Morling & Lamoreaux, 2008).

Values that are used by cultural product creators tend to be different across the countries, for example, US creators tend to over-emphasize individualism in comparison to countries that are traditionally associated with collectivistic values (Cheng & Schweitzer, 1996; Lin, 2001). Moreover, a cultural product communicating certain values may be well received in one country and be unappealing in another due to the difference in values (Cho, Kwon, Gentry, Jun & Kropp, 1999; Moon & Chan, 2003; Brannen, 2004). Cultural discount, defined as a devaluation of foreign cultural products in comparison to local ones (Hoskins & Mirus, 1988), suggests that the less differences there are between the values exhibited in the cultural import and the values of the audience, the more accepted the symbolic content is.

Status dimension

The third dimension of symbolic idiosyncrasy, ***status idiosyncrasy***, pertains to their ability to signal the status of consumers as belonging to a legitimate category. Even a product sending a clear category signal may be considered unclear in the international context. For instance, international definitions of genres act as an obstacle by limiting the expressive means that a cultural product of that genre can utilize (Bielby & Harrington, 2004). The understanding of genres' meaning is historical and has to build on some connections to the past (Khaire & Wadhwani, 2010), suggesting that it cannot be readily changed by even a good quality product and requires discourse to make sense of it and judge its quality.

Whilst the need for novelty in a competitive international market forces companies to span different genres with their symbolic content, this line of action is likely to have a negative impact on the products' ability to succeed abroad. A cultural product that does not have a clear positioning risks not only being misunderstood by the consumers, but can also confuse other audiences. Thus, Bielby and Bielby (1994) found that shows with unclear genre positioning may not be commissioned at all. In an international context, such as television show adaptation, communicating the genre clearly to various audiences may be problematic as the understanding of this genre may be different. For example, Cattani and Fliescher (2013) point out how Spaghetti Western genre was not well-received by critics in the US because it did not match their understanding of the Western genre and thus was not considered a good representative of this broader category. Similarly, the celebrity status of creators was shown to positively impact the success of cultural products such as movies (Hadida, 2009), but people famous in one country are not necessarily known in another. Thus, symbolic content is idiosyncratic if the category it signals has a different status abroad.

Interrelatedness of the three dimensions

While I have described these three dimensions of idiosyncrasy separately, in the actual products and ideas all the value dimensions are not isolated from each other. For instance, discussing translation practices in France, Kuipers (2015) notes that "in translation, things have to be made "French," rather than just "understandable to the French." (p.1006); thus, in the process of transferring a cultural product the framing is interconnected with the dimension of identity. Similarly, in Cattani and Fleishner's (2013) analysis of Spaghetti Western, the aesthetic component, namely graphic depictions of violence, affected the status of the products as American critics initially discounted Spaghetti Western genre as not being the 'real' Western, as classic American Western films were less graphic. Moreover, some authors (e.g. Bielby & Harrington, 2005) point out how a cultural product associated with a minority identity, such as women or ethnic minority, is considered of lower status. Thus, in practice, all three dimensions of symbolic idiosyncrasy are interconnected.

The concept of symbolic idiosyncrasy is a novel one, and table 3-1 illustrates how it fits with other concepts related to international transfer. The macro-level concepts, mainly analysed in psychology and strategy, compare cultures and their elements to each other. Existing concepts that describe international transfer of symbolic content, such as cultural or semantic fit, mainly relate to alignment between the content and the target culture (meso-level). The micro-level concepts compare the local and foreign symbolic content to better understand the process and conventions of transfer. The concept of symbolic idiosyncrasy refers to the degree to which the configuration of value dimensions of symbolic content is specific to the culture of origin. Thus, it belongs to the meso-level concept group and fills the gap in understanding why the fit or misfit with foreign culture occurs by describing initial qualities of content that, during the transfer, will contribute to fit and the difference between local and foreign content (see table 3-1).

Concept	Brief definition	Effect on international transfer	Similarity with symbolic idiosyncrasy	Difference from symbolic idiosyncrasy	Example papers
Macro-level concepts (relationships between cultures)					
Cultural specificity	Features of a culture that, in contrast to universality and generality, make it different from others	Negative	Differences between the national cultures make transfer of products difficult, whereas commonalities facilitate it	Both concepts operate on the macro level of national cultures, and cannot describe the effects of differences on a specific symbolic content	Elfenbein & Ambady, 2002
Cultural distance	Differences between languages, ethnicities, religions, social norms of two countries	Dependent on target culture			Ghemawat, 2001
Meso-level concepts (alignment between cultures and symbolic content)					
Idiosyncrasy	Specificity of a resource to a place or company of origin	Negative	Embeddedness prevents successful transfer	Does not account for the complexity of symbolic content	Winter, 1995
Cultural embeddedness	The degree to which a behavior is shaped by the actor's culture	Negative	Embeddedness makes the behavior difficult to interpret abroad	Does not consider other aspects of fit beyond aesthetics	Zukin & DiMaggio, 1990
Semantic fit	Alignment between the symbol and its meaning	Dependent on target culture	Aesthetic misfit prevents acceptance	Does not consider other aspects of fit beyond aesthetics	Brannen, 2004
Cultural fit	Compatibility between idea or practice and the culture of the adopters	Dependent on target culture	Both identity and aesthetic fit may affect fidelity to the original content	Does not elaborate on the relationships between different aspects of fit	Ansari et al., 2010
Micro-level concepts (comparison of different pieces of symbolic content)					
Cultural transposition	Replacement of symbols rooted in the one culture with symbols from another culture	Agnostic	Symbols can be changed during transfer to retain the meaning	Does not consider aspects of fit beyond aesthetics	Djelic & Ainamo, 2005
Cultural discount	Devaluation of foreign cultural products in comparison to local ones due to the differences in cultures, values and beliefs	Negative	Foreign symbolic content is devalued by the local audiences	Does not consider the dimensions of devaluation	Hoskins & Mirus, 1988

Table 3-1. Comparison of concepts related to international transfer. *Source: author's elaboration*

INTERNATIONAL TRANSFER OF CULTURAL PRODUCTS

The dimensions described above address three ways of how symbolic content create value. To understand how idiosyncratic symbolic content is, we need to consider all three mechanisms together, as symbolic content creates value in all three ways at once. In this section, I will discuss how the concept of symbolic idiosyncrasy helps us to get a better understanding of how cultural products transfer internationally through different modes, and why some cases of transfer are successful and others are not.

It is evident from the literature analysis that the three dimensions do not affect all cultural products in the same way. Thus, more established art forms tend to have a more universal appeal as their audiences are similar across the world. However, even within newer art forms such as movies and television series there are exceptions that spawn international fan communities (Harrington & Bielby, 2007). Still, some symbolic content may be connected to a particular place and still have international appeal through other value dimensions. Therefore, idiosyncrasy in relation to symbolic content is not a binary state, but rather a continuum based on the three dimensions of value creation and the associated value dimensions that make symbolic content idiosyncratic.

Adaptation of Cultural Products

A cultural product may be adapted when transferred abroad. I use the word ‘adaptation’ to denote a process through which some parts of the original product are retained while others are changed to better fit with the local audience. When considered from this viewpoint, adaptation includes a spectrum of transfer modes, from a direct import, through simple linguistic translation (e.g. adding subtitles to a movie), to various degrees of replication (e.g. copying a television show with some changes to cater to the local audiences), to reimagining.

It is important to note that this view of idiosyncrasy does not defy previous findings. On the contrary, it brings together previously disjointed findings, considering them as different sides of the same phenomenon, rather than disconnected occurrences. In this section, I will elaborate on the connection between the dimensions of idiosyncrasy and the transfer types, building on examples of transfer of cultural products.

Direct imports

Sometimes symbolic content is directly ‘imported’ in a country without any change. Thus, classical operas are usually performed without translation into a local language. This tradition has been so strong that surtitles and translations only appeared as late as 1980s (Ozarowska, 2017). However, this did not cause a lack of understanding of the classic opera among the audience that does not understand the opera’s language (usually Italian or German). Thus, although the classic operas consumers may not understand some of its symbolic ‘language,’ they are accustomed to this as a part of the experience, thus a classic opera does not become aesthetically idiosyncratic to its country of origin despite the language barrier. As these interpretations have been established for many years, the classic performances have become a part of an acquired taste for its audience through socialization process (cf. Bourdieu, 1984), also leading to a rather homogenous consumer identity. Universally, classics signal a ‘high-brow’ status (Peterson, 1992). Therefore, when a classic opera, ballet or symphony is exported abroad, it still creates valuable aesthetic experiences, signals the same status and evokes a similar ‘theatre-going’ identity in its audience, i.e. its symbols are not idiosyncratic.

However, direct imports are not limited just to the so-called ‘high art.’ For example, a music concert *Video Games Live* has been on tour since 2002 and currently holds a Guinness Book record for most concerts of video games music, at 357 (Swatman, 2016). The show features an orchestra that performs music from video games, accompanied by videos from those video games. The orchestras change from year to year, but during the annual tour the performers remain the same as they give performances in different countries. The success and longevity of this show owes a lot to homogeneity of its audience: the gaming community is rather uniform across the world, consuming the same products (i.e. video games and merchandise sold globally), having a similar identity and social status (Quandt, Chen, Mayra & Van Looy, 2013). Thus, these concerts also show low idiosyncrasy on all three dimensions.

Direct import was also the approach used by Disney in the case of Disneyland international expansion, as described by several scholars (Brannen, 2004; Matusitz, 2010): the company copied its amusement park in other countries. However, it didn't take into account the aesthetic idiosyncrasy of the park's symbols. This is what Brannen (2004) refers to as a lack of semantic fit between the symbols and their meaning in a foreign country. Whereas the 2004 paper does not explicitly considers the identity idiosyncrasy, it is evident from the case that it also was part of Disneyland's problem. Evoking American (or pro-American) identity led to positive reception in US and Japan, but not in France.

Translation

Translation, in linguistic sense of the word, helps to mitigate some part of aesthetic idiosyncrasy when transferring television shows, movies or books abroad. Different degree of idiosyncrasy demands different degrees of changing the original text, thus, Zalabescoa (1996) states that jokes may have international, binational or country-specific understanding, demanding progressively higher degree of interpretation freedom. It should be noted that some symbols may get lost in translation, as Kuipers observed in her study of translation fields (2015, pp.92-93): "Cultural references, sayings, or stock phrases often contain a whole cultural world that cannot be rendered in a brief translation. In this case, the translator chose a neutral translation, at the cost of dramatic effect."

Linguistic translation can also be used to mitigate some of the identity idiosyncrasy. One of the most vivid example is Disney's film *Captain America Winter Soldier*, in which a list in the main character's notebook looks different in different countries to reflect events in recent history that would evoke that country's national identity (Acuna, 2014). This is also a translating tradition in some countries. According to Kuipers' study, in France "in translation, things have to be made "French," rather than just "understandable to the French" (2015, p.1006).

Replication

Whereas in strategy literature replication suggests following the original template in a very strict way (e.g. Szulanski & Winter, 2002), in symbolic content transfer replication usually embraces more changes, fixing only the core symbols and allowing less central ideas to be changed to fit with the new environment better (e.g. Jonsson & Foss, 2011). In the case of cultural products, replication is often pursued in the form of television formats: recreating a television show in another country by following a 'recipe' on how to create it (Moran & Malbon, 2006), but also introducing changes to cater to local audiences. This is closer to what Sahlin and Wedlin (2008) refer to as 'translation,' but I am using the strategy term to avoid confusion with linguistic translation.

The aesthetic adaptations are particularly evident in case of drama shows. For example, Chalaby (2016) cites an example of a drama show *The Bridge*, where producers of a US-Mexican adaptation changed the original's focus on murder mystery, characteristic to Scandinavian drama, to drug trafficking to make the framing more relevant to US viewers. The aesthetic idiosyncrasies are also mitigated in unscripted television adaptation. Thus, the themes of the question in quiz shows like *Who Wants to Be a Millionaire?* change from country to country, reflecting the topics local audiences are interested in. For instance, American show has been shown to have more questions on popular culture, whereas the same show in Eastern Europe and in Middle East featured more questions about history (Hetsroni, 2005).

Adaptations also deal with identity idiosyncrasy. Thus, in *The Bridge* adaptations, the key themes were changed to reflect national identities of the adapting country, focusing on cultural tensions in a Franco-British adaptation, and on social class differences in US-Mexican adaptation (Chalaby, 2016). The American version of *The Office* was also extensively changed, from characters to specific humorous situations, to better reflect American identity (Beeden & de Bruin, 2010).

Replications often see changes in genre to mitigate status idiosyncrasy. Thus, until recently the telenovela genre was not familiar to an American viewer (Chalaby, 2016) and, unlike in Latin America, was not considered quality television (Bielby & Harrington, 2005). When a Colombian telenovela *Yo Soy Betty, La Fea* (Ugly Betty) was adapted in US, it was marketed as a TV drama (ABC.com, 2006), had fewer episodes and multiple seasons that is consistent with American drama genre, but not with telenovela. Similarly, Russian adaptation of *The Wheel of Fortune* ran in prime time as it was considered a more high-status program due to monetary prises (Rulyova, 2007), whereas game shows and quizzes in US often run during day time as they are considered simple entertainment. Status changes also involve some changes to the content. Thus, US adaptation of *The Office* softened a more critical position of the British version and de-emphasized the theme of social classes to fit better with traditional American view of the sitcom genre (Beeden & de Bruin, 2010).

Reimagining

In cases of high idiosyncrasy, often only the original meaning is retained and a new cultural product is created around that meaning. In relation to cultural products, reimagining can be observed when foreign movies are remade abroad. For example, a Japanese movie *Yojimbo* was remade as *A Fistful of Dollars* in Italy. However, instead of just plagiarizing the original, it created a new narrative, new emphases, a different approach to camerawork, and also placed it in a romanticised version of American West (Hutchinson, 2007). In other words, the film mitigated the idiosyncrasy of the aesthetics and identity by targeting lovers of the Western genre that was on the rise at the time. However, both the original and the remake had a medium status idiosyncrasy. Both of these films featured explicit violence as an important part of the narrative (Hutchinson, 2007). Whereas violence in action and drama films was new yet acceptable in Japan and in Italy, when transferred to US, *For a Fistful of Dollars* was panned by critics for its use of violence (Cattani & Fleischner, 2013). This 'low-brow' framing, in connection with other factors (e.g. country of origin that was not associated with the genre) led to Spaghetti Westerns being considered to be of a lower status than a classical Western genre films for some time and were only shown in US several years from their premiere in Italy.

To summarize, symbolic idiosyncrasy is not a hard determinant of cultural products' transferability. However, it allows us to better understand the connection between properties of cultural product (the *what* of international transfer) and the mode of transfer required for success (the *how*), as well as how fit with the foreign culture is achieved (the *where*). I propose that a cultural product can be transferred abroad through a particular mode of transfer depending on how much change is needed to fit with the foreign environment, which in turn is determined by the degree of symbolic idiosyncrasy of the product's value dimensions.

Based on the abovementioned cases, I formulate propositions summarized in table 3-2.

Aspect of symbolic idiosyncrasy	Proposition
Relationship between symbolic idiosyncrasy dimensions	*Proposition 1.* Cultural content may be more or less idiosyncratic on each of its three dimensions independently of other dimensions' idiosyncrasy. *Proposition 2.* During international transfer, the degree of adaptation required for acceptance by local audiences is determined by the configuration of dimensions of symbolic idiosyncrasy, not by the single most idiosyncratic dimension.
Effect of symbolic idiosyncrasy on international transfer	*Proposition 3a.* When symbolic content is low on idiosyncrasy across all three dimensions, it can be transferred abroad successfully through direct import. Proposition 3b. When symbolic content is idiosyncratic across all three dimensions, it can be transferred successfully through direct import if its audience is global, and through reimagining if the audiences are local. *Proposition 4a.* In the non-polar cases, the degree of adaptation required for the symbolic content to transfer abroad successfully is non-linear, i.e. the chosen transfer mode does not have to mitigate all the dimensions of idiosyncrasy for the transfer to succeed. *Proposition 4b*. Each transfer mode involving adaptation can impact more than one dimension of symbolic idiosyncrasy.

Table 3-2. Propositions. *Source: author's elaboration.*

DISCUSSION AND CONCLUSIONS

Implications for Future Research of Symbolic Idiosyncrasy

In this chapter, I have discussed an important phenomenon – the main barrier to the international transfer of cultural products, symbolic idiosyncrasy – and have elaborated on the three dimensions of this phenomenon. In existent organizational studies, researchers have primarily focused on the modes of transfer of symbolic content as well as the changes done to mitigate the misfit between the transferred ideas and the new environment. This work contributes to that literature by explaining the lack of fit between symbolic content and foreign environment through the concept of symbolic idiosyncrasy. Whether it is an idea, a cultural product, a frame used in communication, symbolic content has some degree of idiosyncrasy to its culture of origin through the three ways in which it creates value. Implications of this contribution include recognizing and managing idiosyncrasy of symbolic content as a complex multi-faceted phenomenon rather than focusing on a single most visible dimension, a more holistic understanding of symbolic idiosyncrasy, and realizing ex-ante limitations of how a cultural product can travel and to what destinations.

The concept of symbolic idiosyncrasy brings a more balanced view to international transfer of symbols by building on the ways they create value. As the examples of cultural product transfer show, seeing only a single dimension of idiosyncrasy does not give a full picture of the symbolic content's characteristics, while considering all three dimensions gives a more full explanation to why certain products and ideas can be transferred abroad successfully, while others struggle or require profound changes abroad.

Whereas this paper considered the three dimensions of symbolic idiosyncrasy from the theoretical standpoint, this study opens opportunities for future empirical research. Each dimensions represents a rather broad concept. Thus, aesthetics have been operationalized in previous research as individual symbols (Brannen, 2004), themes (Zalabescoa, 1996) or entire systems of symbols that, taken together, create a certain aesthetic (Ettema, 2005). However, current operationalizations miss an important point: they often do not distinguish between the different aspects of idiosyncrasy. For instance, in the Disneyland example (Brannen, 2004; Mezias, 2010), aesthetics and identity have been considered as a joint measure. However, as this study shows, it is important to differentiate between these dimensions as they may have a different level of idiosyncrasy associated with them and be differently affected by the transfer mode. Thus, a new system of measures that allows for a clearer differentiation between the three dimensions would be useful in future research. Whereas it is difficult to draw this data from different sources, as is usually done with the translation studies in management literature, it is possible to be more discerning on the data from a single source. Thus, analysis of films' scripts can provide the information on aesthetics through semiotic analysis, the data on identity through analysis of values as acceptable means and ends of actions, and some data on the status (e.g. star power, production budget, or genre positioning).

Implications for Theory

This work offers several contributions to theory. First, it adds to organizational literature on diffusion and transfer (Brannen, 2004; Sahlin & Wedlin, 2008; Ansari et al., 2010; Godart & Galunic, 2019). Whereas this stream of research has given us a great understanding of *how* symbolic content such as ideas and concepts can be transferred from one country to another, it did not focus the content itself, i.e. *what* is being transferred. This study adds to this literature by introducing a concept of symbolic idiosyncrasy to explain what prevents all symbolic content from being equally transferable. It demonstrates that the value created by symbolic content through creating aesthetic experiences, identity evocation and status signaling can be more or less specific to the country of origin, i.e. idiosyncratic. The degree of idiosyncrasy limits the modes of transfer that are sufficient to tailor the product to the foreign audiences' expectations. Thus, the concept of symbolic idiosyncrasy connects literatures on cultural industries (Hoskins & Mirus, 1988; Bielby & Harrington, 2005; Hesmondalgh, 2013) and diffusion (Brannen, 2004; Sahlin & Wedlin, 2008; Ansari et al., 2010) and argues that the properties of symbolic content – i.e. what is being transferred – matters for international transfer of symbolic content on par with the method of transfer.

Second, this paper adds to the literature on cultural products and cultural industries (DiMaggio, 1997; Harrington & Bielby, 2005) by elaborating on the connection between idiosyncrasy of cultural products and the modes of its transfer. This adds to our understanding of organizational component of cultural industries by pointing out the role of the firms' choice of transfer method in successfully mitigating cultural products' symbolic idiosyncrasy. Hence, this chapter brings together previously disjointed findings that each provided a significant insight into the different aspects of transfer modes and cultural products, and provides a common framework for their findings.

Third, the chapter elaborates on the three dimensions that constitute symbolic idiosyncrasy: aesthetic, identity, and status. These three dimensions not only give a richer picture of idiosyncrasy, but also allow systematically assessing the transferability of symbolic content ex ante.

Fourth, it delineates idiosyncrasy that is particular to symbolic content. Previously, the concept of idiosyncrasy has been instrumental in explaining knowledge transfer in replication of business model and utilitarian products (e.g. Szulanski, 1996; Winter & Szulanski, 2001). This study provides a basis for future research of international transfer of symbolic content building on the suggested framework.

This work also has important managerial implications. Currently, when a company transfers its cultural product abroad, it often relies on the local team to make the necessary adaptations, e.g. in case of television format adaptations (Moran & Malbon, 2006; Chalaby, 2016), or simply tries to transfer its product as it is in hopes that its aesthetic qualities will attract audiences. Either way, the pre-planning of transfer is quite limited. In contrast, the symbolic idiosyncrasy framework can be used as a tool to assess and anticipate potential difficulties in transfer, and thus guide the transfer efforts into more productive routes. With the production costs of cultural products constantly rising, many industries, such as high-budget motion pictures and video game production, cannot be profitable without international release any more. Others, such as television and book publishing, try to select products with international appeal, as it would mean higher returns. In this environment, anticipating a product's misfit with a foreign culture in advance may help reducing risks.

This study has some limitations. In particular, I consider symbolic content as a separate entity, whereas in practice it often comes combined with some utilitarian content: ideas and concepts may be included in practices and tools, and even some utilitarian products have symbolic value due to their brands. Whereas it is useful to single out the symbolic component to analyze its fit with the environment, sometimes the acceptance of the symbolic part might hinge on the adoption of the utilitarian part as well. Another limitation of this study is the ex-post explanation I provided for the transfer examples. Whereas I suggest that the framework may be used ex-ante to assess the fit before the transfer, there is no confirmation to that.

Despite these limitations, this chapter contributes to our understanding of barriers to international transfer of cultural products, a relatively new area of research. This paper opens new avenues of research in this field. First, in this paper, I illustrated potential usefulness of the symbolic idiosyncrasy framework on several examples. Still, the dimensions I point out are conceptual and lack specific measurement mechanisms that can be developed by future researchers, both enriching the theory and facilitating practical use of the framework. Second, the framework suggested in this study would benefit from empirical application. A study of actual cases of transfer would shed light on the interconnections between different dimensions of symbolic idiosyncrasy. Finally, while this paper uses cases for illustrative purposes, it is unknown if there is any connection between the symbolic idiosyncrasy and the transfer mode. Thus, a question of an optimal transfer mode for dealing with each combination of idiosyncrasy dimensions remains a subject for the future research.

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APPENDICES

Appendix 1. Additional rules for category coding

1) Only noun-like labels or labels including a noun (e.g. online company) are coded.
2) Only labels used to characterize Netflix or substitute the name of the company are used. For example, phrases such as "Netflix, the pioneering online video rental company" or "The online streaming company said" were coded.
3) Labels used to characterize only individual services or products provided by Netflix without referring to the company itself are not used in order to avoid confusing firm category and product category. For example, phrases like "Netflix's website" were not coded. It should be noted that sometimes there is a fine line between these two types. Thus, an FT article can contain a phrase such as 'the online subscription service' to refer to Netflix. In this case, the context of the paragraph is used to determine whether it refers to the company or the product.
4) References to a market that Netflix belongs to were coded as Netflix's category (e.g. *television market, entertainment market*).
5) 'Traditional Television' category identifies Netflix with labels referring to products and activities pre-existing or not related to the advent of digital technologies (e.g. *movies, television, filmed entertainment, video*).
6) 'Streaming' category consists of labels that refer to Netflix using references to products and activities connected to digital technology (e.g. *streaming company, online, internet site*). A similar category 'Streaming and DVD' consists of labels that refer to Netflix as a digital company with a specific reference to the DVD side of its business (e.g. *online DVD rental service, DVD streaming*)
7) 'Internet Television' category consists of labels that refer to both digital delivery and television content (e.g. *internet television, internet video service, streaming television*

and movie service).

8) 'Other' category refers to other hybrid categories (besides Internet Television) and contains labels that refer to Netflix's business model, combining all the other categorizations and several business models (e.g. *online movie rental subscription service*).

9) Compound categories, i.e. categories containing of more than one word, are coded based on individual meaning of their parts. Thus, 'online subscription service' was coded as a Streaming category as although it is compound, it only emphasizes the technological component of the firm's activities ('online' is a reference to technology, whereas 'subscription service' is a general description of a company). However, an 'online television' was coded as Internet Television category as it refers to both technology and legacy categories ('online' is a reference to technology, whereas 'television' refers to a legacy category).

Appendix 2.

Table A.2. Codebook

Market category	Category labels
Traditional Television	
	adult animated comedy genre
	buyer [of original content]
	center of media universe
	content
	curator of programming
	employer of animation executives
	entertainment
	entertainment video
	filmed entertainment
	Hollywood studio
	home entertainment
	home for TV series
	in-home filmed entertainment
	investor in the movie franchise
	late night talk
	maker of the show
	media
	movie business
	original content producer
	original programmer
	original series
	original unbundled TV purveyor
	packager [of content]
	premium television
	producer
	production partner
	relaxation time
	rerun TV
	source of unique must-view content
	source to watch programming
	studio
	television
	TV and movie
	video
	aggregator
	alternative to cable
	broadcaster
	cable network
	channel
	competitor [to traditional media channels]
	consumer subscriber business
	customer of the studios
	distributor
	licensee
	mail-order movie-rental pioneer

Table 2.A. Cont'd

	mail-order subscription service
	network
	partner with studios and networks
	pay-TV
	premium cable channel
	premium network
	subscription
	video rental
	film and television subscription
	film rental
	film subscription service
	movie rental
	movie subscription
	multi-channel video
	place to watch shows
	tv and movie subscription service
Streaming	
	ambitious online venture
	application
	broadband
	click-and-watch viewing
	digital company
	digital download
	digital streaming
	dot-coms
	download rental
	downloading
	e-commerce
	Internet
	Internet streaming
	live streaming
	on-demand
	on-demand service
	online
	online rental
	online streaming
	online subscription
	online subscription rental
	over-the-top service
	pure-play internet stock
	site
	streaming
	subscription online rental
	subscription platform
	subscription streaming
	subscription video-on-demand
	tech

Table 2.A. Cont'd

	telecom web
Internet Television	
	broadband entertainment firm digital entertainment company digital media player digital rental of video content instant streaming of movies and TV episodes over the Internet Internet content firm Internet delivered video content Internet delivery of movies Internet delivery of TV shows and movies Internet entertainment Internet movie and TV show service Internet network for TV shows and movies Internet subscription service for enjoying TV shows and movies internet video internet video service internet video streaming service movie downloading on-demand content provider on-demand service for movies and TV shows on-demand video service online entertainment subscription service online film rental service online library of films and tv programs online movie online movie streaming business online subscription video on demand service online video online video streaming company online video subscription firm over-the-top video company site behind hit shows streaming entertainment streaming media streaming movie and television streaming television streaming video subscription service streaming movies and TV episodes over the Internet subscription video streaming service video application video streaming video-on-demand service

Table 2.A. Cont'd

	watching TV shows and movies over the internet
	web entertainment
	web video subscription company
	digital cable network
	Internet network
	internet TV
	service with unlimited rentals and unlimited streaming
Streaming and DVD	
	content streaming and DVD service
	DVD and online video streaming service
	DVD rental and streaming
	DVD streaming
	DVD streaming and rental company
	DVD subscrition and online streaming
	movie-streaming and DVD delivery service
	online DVD provider
	online DVD rental
	online DVD subscription service
	online subscription DVD rental
	online video and DVD subscription service
	video streaming and DVD subscription group
Other	
	internet movie rentals service
	Internet-based movie rental
	movie rental and streaming company
	online movie rental
	online movie rental subscription
	online video rental company
	streaming distributor of content
	video streaming and rental company
DVD Distribution (excluded from the analysis	
	DVD based business
	DVD Buy Now
	DVD distributor
	DVD mailer
	DVD rental
	DVD subscription service
	DVD-by-mail
	renter

Appendix 3.

Table A.3. Data sources for format and adaptation pitches

Original show (Country)	Format adaptation	Code in the analysis	Data source for original	Data source for adaptation
Are You Smarter Than a 5th Grader? (US)	Are You Smarter Than a 10 Year Old? Кто умнее 5-классника? (Who Is Smarter than a 5th Grader?)	01US_UK 01US_RU	https://mgm.com/#/our-titles/3048/Are-You-Smarter-Than-a-Fifth-Grader?	http://www.skyoneonline.co.uk:80/are_you_smarter/show.php (accessed via Web Archive) http://m-production.tv/proekty/kto-umnee-pyatiklassnika/
Beauty and the Geek (US)	Beauty and the Geek Красавицы и Умники (Beauties and Eggheads)	02US_UK 02US_RU	http://www.endemolshinedistribution.com/beauty-and-the-geek-formats/	Missing data http://www.mirreality.ru/programs/krasavici-i-umniki
Britain's Got Talent (UK)	America's Got Talent Минута Славы (A Minute of Fame)	03UK_US 03UK_RU	https://www.fremantle.com/britains-got-talent/	https://www.nbc.com/americas-got-talent https://www.1tv.ru/shows/minuta -slavy
America's Next Top Model (US)	Britain's Next Top Model Топ-Модель По-Русски (Top Model Russian-style)	04US_UK 04US_RU	https://www.home.cbssi.com /details/11967/	bntm.co.uk/episodes/episode-1/ http://www.topmodel-muz.tv:80/about (accessed via Web Archive)
Hell's Kitchen (UK)	Hell's Kitchen Адская кухня (Hell's Kitchen)	05UK_US 05UK_RU	https://www.itvstudios.com/catalogue/1674	https://www.fox.com/hells-kitchen/article/about-the-show-5972837de69b01245#article-597283ce84bfd30022f94f75 https://web.archive.org/web/20120512025307/http://ak.ren-tv/com/ (accessed via Web Archive)

Table A.3. Cont'd

Hunted (UK)	Hunted Охота (The Hunt)	06UK_US 06UK_RU	http://www.endemolshinedistribution.com/hunted-formats/	https://web.archive.org/web/20161201204952/cbs.com/shows/hunted / (accessed via Web Archive) http://www.ntv.ru/peredacha/oxota (accessed via Web Archive)
Life on Mars (UK)	Life on Mars Обратная Сторона Луны (Dark Side of the Moon)	07UK_US 07UK_RU	http://www.kudos.co.uk/productions/moredetail/life-on-mars/7	http://abc.go.com:80/primetime/lifeonmars/index?pn=about (accessed via Web Archive) http://www.sredatv.ru/projects/tvseries/moon1/
Idols (UK)	American Idol Народный Артист (People's Artiste)	08UK_US 08UK_RU	https://www.fremantle.com/idols/	http://www.idolonfox.com:80/showinfo/ (accessed via Web Archive) http://wmedia.ru/projects-323.html (accessed via Web Archive)
Project Runway (US)	Project Catwalk Проект Подиум (Project Catwalk)	09US_UK 09US_RU	https://www.fremantle.com/project-runway/	http://www.skyone.co.uk:80/programme/pgeoverview.aspx?pid=67 (accessed via Web Archive) http://podium.mtv.ru:80/About/ (accessed via Web Archive)
Supernanny (UK)	Supernanny Суперняня (Supernanny)	10UK_US 10UK_RU	https://www.ricochet.co.uk/program/supernanny-uk-series-2_390.aspx	http://www.mylifetime.com/shows/americas-supernanny/about Htttp://super-nyanya.ru/ (accessed via Web Archive)
The X Factor (UK)	The X Factor Секрет Успеха (The Secret of Success)	11UK_US 11UK_RU	www.fremantlemedia.com/the-x-factor/	http://www.fox.com/programming/_ugc/X_Factor_The_2011.pdf (accessed via Web Archive) http://www.sekretuspeha.ru:80/index.php?module=project (accessed via Web Archive)

Table A.3. Cont'd

Wipeout (US)	Total Wipeout Жестокие Игры (Cruel Games)	12US_UK 12US_RU	http://www.endemolshinedistribution.com/wipeout-formats/	http://www.totalwipeout.co.uk:80/news/total-wipeout-bounces-back-onto-our-screens-in-january/ (accessed via Web Archive) https://www.1tv.ru/shows/zhestokie-igry
Who Do You Think You Are? (UK)	Who Do You Think You Are? Моя Родословная (My Pedigree)	13UK_US 13UK_RU	https://www.walltowall.co.uk/program/who-do-you-think-you-are_4.aspx#	https://www.tlc.com/tv-shows/who-do-you-think-you-are/about https://www.1tv.ru/shows/moya-rodoslovnaya
The Biggest Loser (US)	The Biggest Loser Взвешенные Люди (Weighted People)	14US_UK 14US_RU	formatscatalogue.endemolshine.com/files/asstes/common/downloads/ESG_Finished_Programmes_Catalogue_MIPCOM16_PR_.pdf	http://www.itv.com:80/biggestloser/abouttheshow/ (accessed via Web Archive) https://ctc.ru/projects/show/vzveshennie-ludi/
Snog Marry Avoid (UK)	Love Lust or Run Косметический Ремонт (Cosmetic Repairs)	15UK_US 15UK_RU	http://www.endemolshinedistribution.com/snog-marry-avoid-formats/	http://www.tlc.com:80/tv-shows/love-lust-run/about.htm (accessed via Web Archive) http:///www.muz-tv.ru/look/p708/
Big Star Little Star (UK)	Big Star Little Star Большая Маленькая Звезда (Big Little Star)	16UK_US 16UK_RU	https://itvstudios.com/programmes/big-star-s-little-star--2	http://www.usanetwork.com/bigstarlittlestar/cast https://ctc.ru/projects/show/bolshaya_malenkaya_zvezda/
Four Weddings (UK)	Four Weddings USA Четыре Свадьбы (Four Weddings)	17UK_US 17UK_RU	https://itvstudios.com/programmes/four-weddings	https://www.tlc.com/tv-shows/four-weddings/about http://4svadby.ren-tv.com/ (accessed via Web Archive)

Table A.3 Cont'd

Russian Roulette (US)	Russian Roulette Русская Рулетка (Rusian Roulette)	18US_UK 18US_RU	portal.sliderocket.com/SPT/Entertainment	Missing data http://www.1tv.ru/projects/si=5553 (accessed via Web Archive)
Minute to Win It (US)	Minute to Win It Минутное Дело (A Matter of Minute)	19US_UK 19US_RU	http://www.endemolshinedistribution.com/minute-to-win-it-formats/	http://www.itv.com:80/minutetowinit/introduction/ (accessed via Web Archive) https://eussia.tv/brand/show/brand_id/21725/