

ENTREPRENEURSHIP IN AN EMERGING FIELD:
LEGITIMACY, IDENTITY, AND STATUS DYNAMICS IN SATELLITE
RADIO, 1991-2005

Chad Navis
Goizueta Business School
Emory University

Mary Ann Glynn
Winston Center for Leadership & Ethics
Carroll School of Management
Boston College

This empirical paper investigates three interrelated questions: (1) Does a "legitimacy threshold" operate in emerging fields to demarcate a shift in entrepreneurial dynamics? (2) Does the legitimation of an emerging field trigger firm-level differentiations in identity and status? And (3) How do micro-processes of firm action, identity, and status transform emergent processes of field establishment and legitimation? Our research site is satellite radio and its two entrepreneurial firms, XM and Sirius, which we examine from the perspectives of both the firm and audiences that track the field (analysts, investors). Using press releases, industry reviews, media reports, and archival data on alliance formation and stock returns, we track this emerging field from formation (circa 1991), through regulation (1997 federal licensing) to growth and establishment up through 2005. Our evidence points to a legitimacy threshold (in 2002) that marks a shift in identity claims that describe "what we do" to "who we are" and the emergence of status orderings that locate firms in the field (e.g., the content leader). Our findings show how entrepreneurship in emerging fields reflects institutionalization processes that involve a dynamic interplay among legitimacy, identity and status.