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Thank you for your assistance.
Gatekeeper search and selection strategies: Relational and network governance in a cultural market

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Gatekeeper search and selection strategies vary according to market niches defined by the novelty of the creative products being presented to audiences. In innovative niches presenting new songs played by emerging bands, gatekeepers have close ties to their competitors and arm’s length relations with artists. In mass market niches presenting familiar songs played by cover bands, gatekeepers have arm’s length relations with their competitors and close ties with a small number of artists. Network governance theory explains these findings by showing how ties among competitors serve both governance and cultural functions in markets presenting innovative new artists that have yet to demonstrate mass market appeal.
Gatekeeper search and selection strategies: Relational and network governance in a cultural market

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Abstract
Gatekeepers play a critical role in determining what creative products eventually reach audiences. Although they have been discussed in the literature on cultural production, they have rarely been studied systematically. In particular, we know little about how gatekeepers use their social networks to manage search and selection processes in markets characterized by excess supply, demand uncertainty, and shifting and socially defined evaluation criteria. In this article, we present the results of a study of nightclub talent buyers in Boston, MA who act as gatekeepers by selecting bands to perform at their clubs. Using social network and cultural domain analysis, we show that search strategies and social networks vary across culturally defined market niches for local rock bands. In a market niche featuring bands playing original music, gatekeepers maintain arm’s length relations with many bands but are embedded in dense information sharing networks with each other. In contrast, in a market niche containing bands playing familiar popular tunes (“covers”), gatekeepers maintain close ties with a small number of bands but have arm’s length relations with each other. We explain these findings using theories of relational and network governance.

1. Introduction: gatekeepers in cultural industries
In recent years, there has been growing scholarly interest in industries that produce cultural products like movies (Zuckerman et al., 2003), Broadway musicals (Uzzi and Spiro, 2005), television programs (Starkey et al., 2000), music (Anand and Peterson, 2000; Dowd, 2004;...
Peterson, 1997), and other forms of entertainment. When examining cultural markets and products, previous scholarship has emphasized the organizational and market forces leading to product diversity (i.e., new performers and firms) (Dowd, 2004; Lopes, 1992; Peterson and Berger, 1975). Work in this area commonly references gatekeepers who manage the interface at which artistic creations are transformed into marketable products and who play a critical role in determining what products eventually reach audiences (Hirsch, 1972; Peterson, 1997) or it references critics’ evaluation strategies for products (e.g., Cheyne and Binder, 2010; Glynn and Lounsbury, 2005; Janssen, 1997). However, these gatekeepers are rarely studied systematically. Indeed, the gatekeeper function is missing from Griswold’s (2004) cultural diamond of creators, context, audience and cultural product. As a result, we know relatively little about how gatekeepers use their social networks to solve complex search and selection problems in markets characterized by excess supply, demand uncertainty, and socially defined evaluation criteria (Bielby and Bielby, 1999; Peterson and Berger, 1971). Thus, the research questions guiding our study are as follows: (1) how do social networks operate in gatekeeper’s search and selection strategies?; and (2) do these strategies vary across market niches defined by the novelty of the products being presented?

Gatekeepers are brokers who mediate between artists and audiences; however, cultural production research contains at least three different definitions of the gatekeeper role: as co-producer, as tastemaker, and as selector. Perhaps because the production of culture perspective has dominated creative industries research in recent years (Anand and Peterson, 2004; Ryan, 2000), the field focuses more on the co-production and tastemaking process than on the search and selection methods used to identify emerging talent. Gatekeepers as co-producers shepherd artists and products through the production process, operating almost as artists themselves by shaping the content of cultural product (Peterson and Berger, 1971). For example, Peterson (1997) shows how country music producers help artists strike the right balance between novelty and familiarity in their songs, thereby helping them connect with current trends while creating a distinctive sound. He does not assess how producers identify these artists in the first place or the social aspects of these selection processes. Lingo and O’Mahony (2010) extend this work by examining how independent music producers use their positions as brokers to manage ambiguity in artistic production. Again, this research does not address how these brokers first selected their artists, nor does it assess how producers use their networks to manage ambiguity in selection process.

The gatekeeper term has also been used to describe a tastemaking function that operates at the end of production processes—evaluating the output of creative industries and promoting specific products to audiences (Hirsch, 1972; Hsu, 2006). Scholars have examined how the critical discourse of tastemakers shapes important outcomes such as audience attendance at festivals (Shrum, 1991), who receives Academy awards in film (Allen and Lincoln, 1994), or how producers manage uncertainty in critics’ reception of their new TV programs by linking new programs to established genres and successful creators and producers (Bielby and Bielby, 1994).

We use the term gatekeeper to refer to the search and selection functions described above and in theories of network brokerage. According to Gould and Fernandez (1989, p. 92), “gatekeeping occurs when an actor selectively grants outsiders access to members of his or her own group.” This is distinct from the coordination and representation roles that capture the co-production and tastemaker functions highlighted by cultural industry scholars. Unlike co-producers or tastemakers, gatekeepers “solve some job-matching problem—allocating vaudeville acts among theaters, big bands among ballrooms, classical pianists among concert series, actors among movie projects” (Caves, 2000, p. 67). Elsbach and Kramer (2003) examine the decision making criteria in Hollywood pitch meetings for first time entrants, but not how these aspirants were selected to pitch in the first place and the how social networks influenced both the opportunity to pitch (i.e., propose)
and to make a movie. When the social networks of gatekeepers are addressed in creative industries, they tend to appear as anecdotal accounts and focus on referral and support networks among artists (Faulkner, 1983; Ridgeway, 1989) or the selection strategies of gatekeepers in avant-garde fine art markets (Bystryn, 1989). Although Bystryn’s (1989) comparison of two avant garde New York art galleries identifies differences in the promotion and co-production strategies of the curators, she does not explore their search processes or social networks. Similarly, Crossley (2009) uses network methods to document the rise of the Manchester rock scene, but does not examine how gatekeepers use their social networks to manage the complex search and selection problems that characterize creative industries.

Our research seeks to understand the search and selection strategies used by gatekeepers (e.g., nightclub talent buyers) in a market for local rock bands. Because these talent buyers sit at the input boundaries of nightclubs, they operate as brokers who connect artistic creators (e.g., bands) with audiences. We begin by providing a brief review of three streams in cultural industry scholarship that pertain to the study of gatekeeping processes: (1) the cultural categories that talent buyers use to classify nightclubs that aid their search and selection; (2) the role of social networks in searching for and selecting talent (the bands or artistic creators); and (3) the ways that market structures affect product diversity at the industry level. Next, we introduce the context of our empirical study—talent buyers at local rock nightclubs. We use cultural domain analysis,1 social network analysis, and data on more than 10,000 performances by thousands of bands over 18 months to reveal the search and selection strategies used by gatekeepers in a market for local rock bands in Boston, MA. We find that talent buyers in markets for novel products maintain arm’s length relations with many bands and are embedded in dense communication networks with each other. In contrast, buyers in markets for familiar products maintain close relations with bands and arm’s length relations with each other. We explain these results using network governance theory (Jones et al., 1997), which predicts that social ties among buyers can be used to govern markets characterized by uncertainty and risk.

2. Cultural categories, social networks and market structure in cultural industries

Gatekeeper search and selection strategies do not reside solely within an individual; they are influenced by the social context in which a gatekeeper resides. For instance, research on the production of culture has explained how cultural categories like preexisting genres shape production and consumption practices (Bryson, 1992; Hsu, 2006; Hsu and Hannan, 2005), how art is collectively produced through networks of cooperating and competing individuals and organizations (Becker, 1982; Peterson, 1997); and how market structure and production logics influence product diversity at the industry level (Dowd, 2004; Lopes, 1992; Peterson and Berger, 1975). There has been much less work on how these factors function in gatekeeping processes. We briefly review each of these research streams and suggest how each might impact gatekeeper search and selection processes.

Cultural categories (e.g., genres) offer a framework within which artists and their products are conceived and interpreted and can thereby influence both the production and consumption of artwork (DiMaggio, 1987; Lena and Peterson, 2008). Indeed, one legacy of Peterson’s work has been the “demystifying of cultural forms as the boundaries between high and low culture” (Ryan, 2000, p. 94). Emergent and shifting cultural categories create boundaries that are

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1 Cultural domain analysis is a formal ethnographic method for exploring the relationships among items in a shared cognitive/cultural space. In this case, we use the method to assess the perceived similarities among nightclubs.

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Please cite this article in press as: Foster, P., et al., Gatekeeper search and selection strategies: Relational and network governance in a cultural market. Poetics (2011), doi:10.1016/j.poetic.2011.05.004
themselves enacted through processes of inclusion and exclusion (Bryson, 1992). Peterson and DiMaggio have problematized the ongoing construction of such categories as high culture versus popular culture. However, many often take those categories as given. In such research, cultural categories are typically defined a priori by scholars and then applied to art products and producers to assess how this influences their reception by audiences. For instance, Hsu (2006) finds that movies combining genre categories are less successful than more focused genres. Hence, films that combine multiple genres face more of a challenge in securing audiences than films in a single genre. Others have explored how claims to authenticity are negotiated (and contested) within pre-established genres (e.g., Grazian, 2003; Peterson, 1997). Established genres are treated as shared schemas by which cultural products are evaluated by critics and audiences. However, critics and audiences lag and follow gatekeepers’ and artists’ criteria—as shown by Jones et al. (2011) in the rise of modern architecture, whereby architects theorized and created the new category “modern architecture” decades before critics. Thus, established genres may not be the same categories that gatekeepers use to organize their search and selection process for new acts. Because social networks play an important role in diffusing cultural innovations (Davis, 1991; DiMaggio, 1997; Strang and Meyer, 1993), they may also help gatekeepers become aware of emerging artists and new genres.

Social networks also play an important role in cultural production because they reduce uncertainty in the selection of partners (Faulkner, 1983) and help coordinate work in project based economies like film and television production (Starkey et al., 2000; Uzzi, 1996). The concept of embeddedness (e.g., strong or repetitive ties) has been used to explain how social relationships are used to coordinate exchanges in fashion and Broadway musicals (Uzzi, 1996; Uzzi and Spiro, 2005) and to provide trusted sources of information for large and uncertain purchases (DiMaggio and Louch, 1998). Some studies find that a balance of new and familiar ties enhances firm performance—such as when clothing manufacturers with close ties find it easier to coordinate with their vendors (Uzzi, 1997, 1999). However, other work finds that optimal levels of embeddedness may vary across organizational contexts, such as the difference between the steel and semiconductor industry identified by Rowley et al. (2000). Although most of the research on embeddedness has examined networks among buyers and sellers, a few scholars have found that ties among competitors increased firm performance and were also more likely to be friendship ties (Ingram and Roberts, 2000). Strangely, with the exception of work on artist referral and support (e.g., Faulkner, 1983), network theoretic concepts have not been used to explain how gatekeepers manage search and selection processes in creative industries.

The effect of market concentration on product diversity is another important stream in the scholarship on cultural production (Dowd, 2004; Peterson and Berger, 1975) that has implications for gatekeeper search and selection. Implicit in this work is the idea that organizations segregate gatekeeping functions in order to manage the difficult task of innovation under conditions of uncertainty and turbulence (Peterson and Berger, 1971). However, there is no work exploring how factors like the novelty or familiarity of a cultural product or category interact with the information and exchange networks of gatekeepers. Thus, we extend this literature on product diversity by asking whether the novelty or familiarity of musical products themselves plays a role in gatekeeper decision making processes and how these processes in turn effect product sharing among nightclubs. In this sense, we resurrect an early interest in explaining innovation in creative industries by focusing on the organizational entrepreneurs who buffer organizations from the turbulence of creative markets (Peterson and Berger, 1971).

Reviewing these research streams, it seems that networks among gatekeepers in creative industries serve complex governance functions (Jones et al., 1997) by diffusing emerging cultural
categories, by spreading performance information about potential exchange partners, and by identifying new or familiar products. In addition to understanding the relational factors (Uzzi, 1997) that may help to coordinate exchanges in cultural industries, it is important to examine how information sharing networks among gatekeepers affect exchange networks among between gatekeepers and the artists they select. By exploring how cultural categories, exchange and information networks help gatekeepers manage search and selection processes, we provide a micro-translation (Collins, 1981) of the gatekeeping functions that play an important and little understood role in structuring cultural industries.

3. Data and methods

Consistent with historical approaches to studying gatekeeper roles in creative industries, we took an inductive case-based approach (Eisenhardt and Graebner, 2007) and used multiple sources of data to explore our research questions. Our primary unit of analysis was the gatekeeper—the talent buyers who sit at the input boundaries of local rock nightclubs scanning the market to select some small subset of bands to present to audiences. Over a period of two years, we engaged in two rounds of interview-based data collection with talent buyers, and we also captured secondary data for the same period involving actual bookings of bands at clubs.

For our first step, we compared all the sources of local nightclub listings in Boston to identify the most inclusive source. We found that *The Boston Phoenix*, a free weekly entertainment paper, contained the most complete set of band listings and therefore used that publication as our sampling frame. At that time, *The Boston Phoenix* listed 36 nightclubs that offered live rock music at least once a week. Each of these clubs employed one or more talent buyers whose job was to book bands for their clubs. Boston was an appropriate city in which to conduct our study for two reasons. First, one of the authors had extensive contacts in the nightclub industry, which helped provide access to clubs and interviewees. In addition, Boston is city with a longstanding and vibrant rock music scene that has produced both alternative acts – like the Pixies, the Mighty Mighty Bosstones, Morphine, The Lemonheads and the Del Fuegos – as well as more well-known acts like the Cars, The J. Geils Band, Boston, and Aerosmith.

We conducted two rounds of interviews with talent buyers and other members of the local music industry. Our interviews employed traditional ethnographic methods (e.g., Glaser and Strauss, 1967; Spradley, 1979) to capture rich qualitative descriptions, as well as more recent cognitive and structural approaches to the measurement of cultural meanings (Mohr, 1998; Strauss and Quinn, 1997; Weller and Romney, 1988), which provide more formal results like perceived similarity matrices. As suggested by Glaser and Strauss (1967) and others (Eisenhardt and Graebner, 2007), we tried to maximize diversity among respondents to ensure that we obtained the broadest view of the market possible. Thus we included musicians and nightclub patrons in our first round of interviews. In particular, we tried to ensure that talent buyers worked at clubs of varying sizes, locations and programming. Our interviews ranged in length from 15 min to over 2 h with an average length of just over an hour.

In the first round, we conducted a total of 34 semi-structured interviews with 22 talent buyers, 8 musicians and 4 nightclub patrons. The 22 talent buyers represented 29 of the nightclubs presenting live rock bands in Boston at that time, entailing 80% of the population of nightclubs presenting live music at least once a week.

As part of the first round of interviews, we asked interviewees to perform a free pile-sorting task (Weller and Romney, 1988) to measure perceived similarities among clubs and elicit the criteria gatekeepers used to understand the club domain. Informants were given a set of 36 cards
representing local clubs and asked to “Sort them into piles according to how similar they are. You can make as many or as few piles as you like.” These were analyzed using the Anthropac program (Borgatti, 1992), creating a club-by-club perceived similarity matrix that was then visualized using non-metric multidimensional scaling (MDS) (Kruskal, 1964) to create a perceptual map of cognitive domain.

MDS maps are analyzed by subjectively looking for categories and dimensions that appear to explain the distribution of items in the map space. For example, in an MDS of perceived similarities among kinds of animals, we might note that there are clusters corresponding to land, air and water animals—and within land animals there might be a spatial gradient corresponding to a continuum from more familiar to more exotic animals (Kruskal, 1964).

We then collected additional data to test these subjective hypotheses about the similarities among clubs. Specifically, we collected a six week sample of entertainment listings from The Boston Phoenix representing 2073 performances by 1232 different bands. We coded the data to generate measures for each club that related to the categories and dimensions we thought might explain the spatial pattern observed in the MDS map. These were: (1) nightclub capacity (labeled SIZE in Fig. 1); (2) the percentage of acts that were scheduled only once during the period (labeled ONE-OFF); (3) the average number of acts per night at each club (labeled PERNIGHT); and (4) the proportion of booked acts that played their own music rather than covering other artists’ work (labeled ORIGINAL). With these measures, we used ANTHROPAC (Borgatti, 1992) to perform a PROFIT analysis. This type of analysis is a method for verifying the dimensions along which items in a cognitive domain vary (Kruskal and Wish, 1978). The PROFIT analysis uses OLS regression to predict each club’s MDS coordinate using values on each of the four measures above.

Fig. 1. MDS map of clubs.
After digesting the data and analyses from this initial round of data collection, we used the results to develop a new interview protocol that guided a second round of interviews with 20 additional talent buyers. Combining both rounds of interviews yielded a final sample of 42 talent buyer interviews (including three talent buyers who were interviewed in both rounds).

In both rounds of data collection, we asked informants a set of network questions to elicit the set of people they discussed bands and booking issues with. This enabled us to calculate the number of people in general they sought information from (degree centrality) and, also more specifically, the number of other talent buyers they interacted with. We focus on brokers’ centrality rather than betweenness or closeness for two reasons: (1) our theoretical interest is in gatekeepers’ information embeddedness, which is measured by degree centrality in the agent communication network; and, (2) our focus was on comparing the levels of gatekeeper embeddedness in two niches, rather than identifying the brokerage ability of specific agents within a niche.

In addition to the interviews, we also collected a census of entertainment listings from The Boston Phoenix. These data represented more than 10,000 transactions between bands and nightclubs over 18 months. These data allowed us to calculate the degree to which clubs were concentrating their bookings in just a few acts (booked repeatedly) or spreading them out across a great many acts (booked rarely). To measure this we used the well-known Blau-Herfindahl heterogeneity measure \( P_j^2 \), where \( p_j \) refers to the proportion of all the clubs bookings that went to band \( j \). This measure ranges from zero to one with a lower score meaning that clubs use many different acts rather than concentrating their exchanges among a small number of acts. In other words, a club that only used one band over the course of the 18 months would have a score of one on this measure. In the embeddedness research program (Uzzi, 1997), concentrated exchange networks are used as proxies for close dyadic ties whereas diffuse exchange networks reflect arm’s length ties. In addition to allowing us to construct measures of embeddedness between clubs and bands, these data also allowed us to determine how often each pair of clubs booked the same acts, yielding a club-by-club similarity or competition matrix.

Table 1 summarizes all of the data sources, sample sizes and collection methods that were used in the study.

4. Analysis and results

In this section, we present the results of our analyses with respect to three basic research questions and levels of analysis. First, we identify the cultural categories that gatekeepers use to classify nightclubs based on the kinds of bands they schedule. Next, we use social network and interview data to explore gatekeeper search and selection strategies and the concentration of exchanges with bands. Finally, we show that these information networks, in turn, have an impact on product sharing at the market level and that these outcomes vary across niches defined by the novelty of the bands being scheduled.

4.1. Cultural categories and market segments

Our first goal was to understand how industry participants classify the clubs that present rock bands in Boston. We approached this several different ways. The first approach was simply asking informants to talk about the Boston club scene. Several informants made a fundamental distinction between “original clubs” and “cover clubs.” As explained by informants, original clubs present live rock bands that perform their own songs. Depending on the size of the club, these bands might be local, regional or national in scope. Original clubs typically present several
acts on any given night, and they are heavily dependent on bands to bring their fans in to the club
to eat, drink and buy tickets. In contrast, cover clubs present bands that play popular songs (e.g.,
those that were hits on the *Billboard* popularity charts) in a small number of well-known genres
like ’70s rock, alternative rock, R&B, etc. Unlike original clubs, cover clubs more often have
large built-in audiences and use the same bands repeatedly over time.

The second approach was a perceptual mapping of the club domain based on pile sort data,
as described in the methods section. The result of this analysis was a MDS map of clubs, as
shown in Fig. 1. The map seems to show two basic clusters that appear to correspond to the
original versus cover distinction that informants told us about. In the map, the original clubs
are located in the lower right quadrant, while most of the cover clubs are clustered together in
the top left quadrant. To test whether map locations indeed corresponded to this distinction,
we ran the PROFIT analysis discussed earlier. As can be seen in the figure, all four club
attributes are significantly related to club position in the map. The vector for club capacity
(labeled SIZE) points upward and to the right—indicating that, on average, clubs increase in
size as one goes from the bottom left of the map to the top right. In contrast, the vector for
percentage of original-type bands booked (ORIGINAL) is almost perfectly orthogonal to size
and has a top left to bottom right orientation. The vector for proportion of one-off acts (ONE-
OFF) points to the right; this indicates that, as you move from left to right, clubs have a greater
proportion of acts that are “one-offs” – only booked once. The vector for average number of
different acts in a night (PERNIGHT) was virtually identical to that of proportion of one-off
acts. Both of these are oriented to the original/cover vector – indicating that the clubs
specializing in original music also tend to have more acts in a given night and avoid booking
the same bands repeatedly.

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Table 1

Data collection over two time periods.

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<td><strong>Round 1 data collection</strong></td>
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<tr>
<td>Interviews (n = 34)</td>
<td>Semi-structured ethnographic interviews and 34 total respondents were used to collect similarity and survey data on search, selection and social networks among buyers</td>
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<td>Talent Buyers (n = 22)</td>
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<td>Musicians (n = 8)</td>
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<td>Patrons (n = 4)</td>
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<tr>
<td>Nightclub similarity data (n = 29)</td>
<td>These data were collected during interviews with 29 of the 34 respondents above using the pile sort method (Weller and Romney, 1988) to measure perceived similarities among nightclubs</td>
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<tr>
<td>Talent buyers (n = 17)</td>
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<tr>
<td>Musicians (n = 8)</td>
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<tr>
<td>Nightclub patrons (n = 4)</td>
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<tr>
<td>Market exchange data (n = 2073)</td>
<td>Entertainment listings of bands at nightclubs in Boston over a two-month period capturing 2073 performances by 1232 different acts. These data were used to validate the map generated from perceived nightclub similarity data above</td>
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<tr>
<td><strong>Round 2 data collection</strong></td>
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<tr>
<td>Interviews (n = 20)</td>
<td>Semi-structured interviews and survey administration with talent buyers to expand measures of search, selection and social networks among buyers</td>
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<tr>
<td>Market exchange data (n &gt; 10,000)</td>
<td>18 months of entertainment listings of bands at nightclubs in Boston over 18 months representing more than 10,000 dyadic exchanges with several thousand different bands</td>
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A factor analysis of the four club attributes showed a clear 2-factor structure that can be described as size (e.g., measured as capacity) and diversity (a composite of ONE-OFF, PERNIGHT, and ORIGINAL), reflecting the fundamental niches in the market place.

This analysis is corroborated by the qualitative interviews with original and cover club buyers. As one talent buyer for an original club said “If we repeated the same bands over and over and over again, no one would want to come to [the club], it would just be boring.” Another original talent buyer with more than 20 years of experience in town said:

A place like this, you want to constantly be on the cutting edge...and you know, you always find out who’s happening in town. You read the newspapers. I mean, I’m really bad now. I don’t really listen to college radio as much as I used to, but you find out who’s happening. Who’s hip. I’m a word of mouth kind of person. Even though I’ve been doing this for 20 years, I have always kept abreast of a generation or two younger than me and them and what their friends are doing. I kind of stay current that way.

In contrast, when asked what kinds of acts he books, a talent buyer for a cover club responded, “Mostly cover bands...because that’s what we found our clientele wants. I personally would like to do more original acts, but we’re kind of constrained. And when we do have original acts, we’ve had people say ‘What the hell is that?’ They want to hear...what they’re used to. Friday and Saturday nights we have four or five sixties bands, and the alternative bands.” A buyer for a large, downtown cover nightclub clarified that his booking choices were similarly limited to bands playing traditional Irish music (4 nights a week) and alternative rock bands on Friday and Saturday. When asked about how much diversity there was in his bookings, he replied “You’re talking about diverse music means different styles of music? No, we’re pretty much consistent with the style of that we have here.”

Unlike agents at original clubs – who schedule more emerging artists and more diverse genres of music – buyers at cover clubs schedule bands that play popular songs in a small number of well-known genres and that have already established themselves as professional and competent. At original clubs, there is both more diversity among the kinds of genres presented in a given week as well as diversity across the bands in a given night. At cover clubs, diversity appears as limited variation within a relatively narrow range of previously popularized songs played by a single band over the course of a night. One cover buyer summarized the difference between original and cover clubs in terms of the larger range of musical styles offered in original clubs and the fact that this variation (both across bands and musical styles) is a key to their strategies.

Interviewer: What’s the difference [between cover and original clubs]?

Buyer: TT’s [original club] it’s more of an age range of 18 to 24 years old, local kids who, half of it is, “My friend’s band is playing here tonight. They get 20 minutes at TT’s let’s go hear them.”

Interviewer: So people are coming to see the specific band?

Buyer: Right. The other half of that might be just people are into the kind of music is going to be at TT’s one night. If they’re going to have Ska one night, or if they’re going to have a punk night there, if people are into that, they might just go there and hang out for the night.

Interviewer: So that is not going on as much here?
Buyer: No because all the cover bands that I have here, it’s based on somewhat top-40, 1970s type music. They go with the crowd songs.

Bands in cover clubs face narrowly defined artistic parameters that are governed by mass market tastes and commercial considerations.

The results of these various analyses suggest that talent buyers at cover and original clubs have different selection strategies that respond to different customer demands and the market niche (original vs. cover) within which a club resides. Moreover, the market niche is defined by the categories of original versus cover music. Original clubs select emerging bands in a wide variety of genres that play their own original songs, while cover clubs select bands that play familiar popular tunes in a narrow set of well-known genres. This distinction, in turn, drives differences in talent buyer search strategies and social networks. A talent buyer for a cover club put this very clearly. Responding to the question “What is the difference between original and cover clubs?”—he said “Different crowd, different people... You’re talking about a younger, hipper crowd for original bands. They are into their music, they know their music and they are into new bands. They’re usually college kids... Cover band then would be the young professional, sing along, recognize that music. They are too busy with their lives to sit down and listen. They just have to recognize something.”

4.2. Search strategies and social networks among talent buyers

Based on the observed differences between original and cover clubs, it seems reasonable that the search behaviors of the talent buyers in these market niches should differ. Because original clubs have more diverse programming needs and are interested in identifying artistic innovations and tracking emerging genres, we expect talent buyers for original clubs to engage in wider searches than talent buyers for cover clubs. Moreover—as product qualities should vary more in markets for unique, innovative products—it products will not only differ, but they will do so in unpredictable ways. In these kinds of settings, a talent buyer should engage in wider search behaviors and more exploration to identify suitable bands. Therefore, we expect talent buyers for original clubs to gather more information through social networks to identify new bands and make sense of markets characterized by consumer demands for novelty and uniqueness. In contrast, we expect that talent buyers for cover clubs to seek bands that produce recognizable music and have more stable, predictable client demands in their market niches—reducing the need for extensive searches for innovative bands and sense-making of these new bands for audience preferences.

Interviews show that talent buyers for original clubs tap into both larger and more diverse social networks to seek out new bands than talent buyers for cover clubs. Talent buyers for original clubs use other talent buyers to keep abreast of what bands are “happening and hip”—in other words, bands that their customers are likely to come to see. In the face of uncertainty about demand due to shifting cultural trends and emerging artists, communication among talent buyers for original clubs is an important source of information about how specific bands are likely to perform in their club. For example, a talent buyer for an original club said:

If you call me up and say, “Oh, we’re playing all of these places.” Well good... but until someone I know tells me how good you are, it might not really kind of take it into that next step. Yes, I’ve heard your tape. I know you’re playing out. But if you want to call me up and tell me you did 200 people at Club X, I’m going to pick up the phone and go, “R [another agent], this band did 200 people for you?” “No. It was the whole package.” All right, we do communicate. We need to.
For this talent buyer, booking bands is a process that includes evaluating the band and confirming that evaluation with other talent buyers who play an important role in providing nuanced cultural and economic information that directly influences a talent buyer’s decision making. A visualization of the information sharing networks among gatekeepers makes it clear that the networks are very different in the original and cover niches.

Using the NETDRAW program, we visualize the ego-network data collected from talent buyers listing the other talent buyers they talk to regularly about what bands to book. Although ego network data are typically too sparse to use for full network analyses, because this is a relatively small social world, these ego networks are actually quite densely connected in the original sector. Fig. 2 shows that agents at original clubs (white nodes) are densely embedded in information sharing networks with other buyers in their niche while cover clubs (black nodes) are not. There is a limited amount of communication across niches as evidenced by ties across node type, but almost all of the isolates are cover clubs (black nodes). In fact, the most significant example of information sharing among cover clubs (The Harp, The Green Briar, Kinvara) is explained by the fact that they are owned by one management company. This diagram also shows that the diversity of bands offered at a club (node size) is highest among the original clubs in the center of the agent communication network. There seems to be a relationship between the task complexity faced by original booking agents and their need for social searches including other buyers in their niche.

These distinct strategies are confirmed in t-tests on the differences in search depth and type by market niche, which are summarized in Table 2. In markets for original bands, talent buyers read more publications (t = −3.1, p < .01) and talk to more people (t = −2.33, p < .05) about what bands to book. While talent buyers in both market niches go out about as often to hear bands

![Fig. 2. Ego-network data for talent buyers.](image-url)
The searches of talent buyers at original clubs are broader and more social than those of talent buyers at cover clubs. Critically, talent buyers in the market niche of original clubs are also more socially embedded with their competitors than talent buyers in the market niche for cover clubs, as measured by the differences in agent degree centralities in the two niches (7.14, 2.49; t = −3.2, p < .001). In other words, talent buyers in the market niche for original bands conduct deeper and more social searches that rely on close contact with competitors as well as other members of the local market.

Because social network studies (Uzzi, 1996, 1999) and research in cultural industries (Peterson and Berger, 1971; Uzzi, 1996; Uzzi and Spiro, 2005) both suggest that intermediate levels of diversity of social ties are optimal for firm performance, we explore whether structural embeddedness with suppliers varies between the two types of nightclubs identified in the cultural domain analysis. As described above, our measure for a nightclub’s embeddedness with suppliers is the exchange concentration between nightclubs and bands—such that a club that only scheduled one band will have a perfectly embedded relationship with that band. A t-test of the difference in nightclubs’ embeddedness with suppliers shows that exchange concentration is higher in the market niche for cover bands (0.25) than in the market niche for original bands (.05) and that this difference is significant (t = 4.34, p < .001). Therefore, while talent buyers for

---

**Table 3**

<table>
<thead>
<tr>
<th>Cultural categories</th>
<th>Original clubs: bands that write original music and have following, showcase a variety of bands</th>
<th>Cover clubs: bands that play familiar music; predictable music for established audiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market niches</td>
<td>Innovation</td>
<td>Commercialization</td>
</tr>
<tr>
<td>Organizational strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social networks</td>
<td>Gatekeeper search and selection</td>
<td>Governance mechanisms: relations among competitors and suppliers</td>
</tr>
<tr>
<td>Governance mechanisms</td>
<td></td>
<td>Relational Governance: Strong ties with suppliers; few relations with competitors</td>
</tr>
<tr>
<td>Market structure</td>
<td>Product sharing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High levels among clubs</td>
<td>Low levels among clubs</td>
</tr>
</tbody>
</table>

Table 2

Talent agents’ search strategies and social networks.

<table>
<thead>
<tr>
<th></th>
<th>Original club mean</th>
<th>Cover club mean</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publications read (n = 26)</td>
<td>5.38</td>
<td>2.85</td>
<td>t = −3.1*</td>
</tr>
<tr>
<td>Egonetwork size (n = 28)</td>
<td>12.61</td>
<td>3.42</td>
<td>t = −2.33*</td>
</tr>
<tr>
<td>Times out/month (n = 27)</td>
<td>6.18</td>
<td>3.88</td>
<td>t = −.94 ns</td>
</tr>
<tr>
<td>Degree centrality (n = 38)</td>
<td>7.14</td>
<td>2.49</td>
<td>t = −3.2***</td>
</tr>
<tr>
<td>Exchange concentration between club and bands (n = 89)</td>
<td>.05</td>
<td>.25</td>
<td>t = 4.34***</td>
</tr>
</tbody>
</table>

* p < .05.  
** p < .01.  
*** p < .001.

We also ran t-tests on betweenness centrality and ego-network density but found no significant differences between cover and original agents.
original clubs are embedded in dense information networks comprised of both competitors and suppliers, their exchanges with bands are less concentrated and more diffuse than those of buyers at cover clubs who concentrate exchanges among a small subset of potential bands but have no ties to their competitors. In the language of embeddedness research (Uzzi, 1997), cover clubs maintain close relations with bands while original clubs maintain arm’s length relations with bands.

4.3. Market structure: sharing bands within market niches

Despite the fact that they are technically competitors, talent buyers at original clubs cooperate and share information widely. Compared to talent buyers at cover clubs who have no relationships with other talent buyers and concentrate their exchanges with a few bands, talent buyers at original clubs are embedded in dense social information networks containing both competitors and suppliers. If social ties among talent buyers are used to manage the uncertainty associated with innovation in creative industries (e.g., Becker, 1982; Caves, 2000), we should see more similarities in the choices made by original talent buyers than cover buyers.

To explore this question, we use 18 months of entertainment listings to measure how many bands are shared by nightclubs in each sector. Using the nightclub type variable collected during interviews, we partition the market into two niches (original clubs and cover clubs) and compare the extent of band sharing both within and between niches. Fig. 3 presents a blockmodel of band sharing within and between niches which confirms our expectation that information sharing leads to increased overlap in choices among original clubs. In the cover market niche, clubs share an average of 0.21 bands—whereas in the market niche for original clubs, the clubs share an average
of 13.0 bands. Perhaps more importantly, the average amount of band sharing between niches is only 0.86 suggesting that there is relatively little overlap between the cover and original markets.

In summary, we find that talent buyers for local rock bands in Boston define market niches in terms of whether clubs offer bands that create novel versus familiar music for audiences. These market niches contain very different gatekeeper search and selection strategies. Table 3 summarizes the differences between these two market niches. In the cover niche, nightclubs use a strategy of repetition with bands that present familiar music. As a result, gatekeepers conduct narrow, relatively a-social searches and maintain close ties with a small number of bands. In contrast, the clubs in the original niche use a strategy of innovation by selecting bands that produce original music and book a greater variety of bands. Therefore, gatekeepers in this niche maintain diffuse networks with many different bands and embed themselves in dense information sharing networks containing other gatekeepers.

5. Discussion

Gatekeepers have long been described in research on art worlds (Becker, 1982) and on creative and cultural industries (Bystryn, 1989; Caves, 2000; Hirsch, 1972, 2000). These studies have examined how gatekeepers co-produce artists’ personae (Peterson, 1997), manage ambiguity in the creative co-production process (e.g., Lingo and O’Mahony, 2010), use their roles in referral and support networks among artists themselves (Faulkner, 1983; Ridgeway, 1989)—as well as promote some cultural products and producers to manage uncertainty (Bielby and Bielby, 1994), attract attention (Shrum, 1991) or garner awards (Allen and Lincoln, 2004).

Our study extends this work by revealing how gatekeepers during search and selection use categories, rely on social networks and influence product diversity within a market.

Our study reveals the importance of the emic categories of cover and original music in helping gatekeepers classify clubs, assign bands to clubs and thus shape who is given what opportunities where. Similar to Bystryn’s (1989) study on New York art galleries, which focused on an original art niche, we find a high degree of sharing (both information and bands) within the original niche. Art worlds, whether they are comprised of art galleries or music clubs, apparently can be classified into niches representing novelty and variety, on the one hand, and repetition and predictability, on the other. In contrast to Bystryn’s (1989) study, we find that there are different dynamics between artists and gatekeepers within cover and original niches and that these niches form distinct art worlds with little overlap in terms of their artists. An important future direction is where and how these distinct art worlds interpenetrate, as some new categories and emerging artists move from original niches to formally recognized genre categories and mass market niche over time.

Our study also highlights the role that social networks play in the search and selection strategies of gatekeepers in cultural industries. Although gatekeepers serve a critical function in these settings by connecting artistic creators with audiences, and social networks are believed to be an important part of this process, we are not aware of any systematic studies on how networks function in gatekeeper search and selection processes. In contrast to research on embeddedness, which looks at the concentration of exchanges among buyers and sellers, we look simultaneously at ties among gatekeepers and bands, as well as at the information networks among gatekeepers themselves. When we compare ties between gatekeepers and bands and among gatekeepers themselves in the two market niches of cover and original bands, these network structures are reversed. Gatekeepers in the novel market – bands producing original music – are embedded in dense information and band sharing networks with their competitors but maintain arm’s length exchanges with many different bands. In contrast, gatekeepers in the market for substitutable
products – bands producing familiar music – have arm’s length relations with their competitors and close relations with their bands.

The finding of arms’ length ties between gatekeepers and bands in the original market is particularly surprising given prior research in economic sociology and transaction cost economics, which argues that original bands should be associated with more uncertainty that favors integration or management via close repetitive exchanges (Uzzi, 1996; Williamson, 1985). Here we find the opposite: Gatekeepers who book original bands – whose quality should be harder to evaluate and many of whom have yet to demonstrate mass appeal – use arm’s length ties between with the bands (between buyers and sellers), but close ties among their competitors. From an informational standpoint, original talent buyers seem to adopt a strategy of optimizing for saturation that “minimizes the risk of losing effective contact with the cluster and reduces the risk of missing an important opportunity anywhere in the cluster” (Burt, 1992, p. 25). These redundant networks also provide control benefits for original talent buyers who share relatively detailed performance data about various bands. Multiple and overlapping strong ties among buyers prevent sellers from playing one buyer off against another. Perhaps most importantly, these cooperative information sharing networks help to identify and diffuse emerging cultural trends—thereby simultaneously serving cognitive, cultural and governance functions. Network governance theory (Jones et al., 1997) helps explain this pattern because of its prediction that ties among buyers can reduce uncertainty by spreading information about opportunistic actors and producer quality while also diffusing cultural norms and practices.

By demonstrating how informational networks among buyers structure the Boston market niche for original bands, we broaden the scope of the embeddedness paradigm that has typically focused on close ties between buyers and sellers (Uzzi, 1997) and paid relatively less attention to ties among buyers. Our findings suggests that ties between buyers may substitute for close ties between buyers and sellers in that both can be used to reduce uncertainties associated with markets and product uncertainties. This supports recent work arguing that the value of different kinds of social ties may vary across industry types (Rowley et al., 2000) and that niche markets favor high levels of embeddedness among potential competitors (Echols and Tsai, 2005). It also suggests that future research cannot simply trace exchange networks, as these networks miss the informal and informational ties that bind competitors together in a market and allow them to manage uncertainty.

Our third contribution focuses on the amount of diversity in the market as a whole. Although there have been a number of studies looking at how market factors like concentration impacts the output diversity of creative industries (Dowd, 2004; Peterson and Berger, 1975), we explore how meso-level information and exchange networks aggregate over time align with variations in diversity across two market niches. Specifically, we show that niches containing more information sharing among competitors also contain more product sharing. As a result, in the market for novel and diverse products, there is much greater sharing of bands among different clubs than there is in the market for familiar and predictable ones, which tend to have repeated and exclusive exchanges with a small number of bands that play similar mass market music. At first glance, this finding seems strange. In a market for novel products, we would expect higher degrees of variation in the booking of bands across different organizations as each seeks to distinguish itself from the others along some narrow set of dimensions. However, in this market, consumer demands for diversity require that original clubs engage in a relatively high level of variety in bands from night to night who play diverse music and which, over time, drive original clubs to share these bands.

Please cite this article in press as: Foster, P., et al., Gatekeeper search and selection strategies: Relational and network governance in a cultural market. Poetics (2011), doi:10.1016/j.poetic.2011.05.004
6. Conclusion

This is the first study we know of that looks directly at how gatekeepers in creative industries use their social networks to manage complex search and decision making processes. We demonstrate that gatekeepers manage this process through complex networks of information sharing and exchange. This article joins recent work arguing that the benefits of social networks are contingent on organizational and historical contexts (Mizruchi et al., 2006; Rowley et al., 2000). We extend this work by linking cultural, economic and cognitive perspectives on markets and comparing perceived similarities among nightclubs, the information sharing networks of talent buyers, and market level diversity and sharing of cultural producers resulting from their exchanges.

We also confirm a core prediction of network governance theory (Jones et al., 1997) by demonstrating that networks among buyers serve governance functions by disseminating tacit information about producers’ performance and serve cultural functions by disseminating information about emerging artists, genres and trends. This has important implications for the embeddedness research program. Because this research typically looks at ties between buyers and sellers, it may overlook how information sharing among buyers can substitute for close ties between buyers and sellers in coordinating exchanges under conditions of uncertainty. It certainly suggests that future research should consider how information flows among members on the same side of a market (e.g., among buyers) can affect exchanges between buyers and sellers.

Moreover, we demonstrated that there is a high degree of correspondence among individual and intra-organizational networks in a market for local rock bands. Specifically, the cultural categories that are used to distinguish among clubs by individuals are both widely shared and also reflect meaningful differences among organizational strategies and social networks. By identifying how nightclub talent buyers use emergent cultural classification schemes and social networks to manage search and selection processes, we deepen our understanding of the organizational boundary spanners who scan help organizations manage innovation in markets characterized by turbulence, uncertainty and emergent cultural evaluation criteria (Bielby and Bielby, 1994; Peterson and Berger, 1971). By showing how gatekeeper social networks, search strategies and product sharing varies across market niches defined by the innovativeness of their products, we move towards a contingency theory of gatekeepers in creative industries.

Uncited references

Borgatti et al. (1999), Haunschild and Beckman (1998), Hsu and Podolny (2005), and Romney et al. (1986).

Acknowledgements

The authors would like to thank Fulton 214 (Erica Foldy, Danna Greenberg, Tammy MacLean, Peter Rivard, Steve Taylor, and Jenny Rudolph) and the anonymous reviewers of earlier versions of this manuscript for their constructive and insightful suggestions.

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