Institutional Strategy in Urban Mobility

Doctoral Thesis
to obtain the academic degree of
Doktor der Sozial- und Wirtschaftswissenschaften

in the Doctoral Program
Social and Economic Sciences
STATUTORY DECLARATION

I hereby declare that the thesis submitted is my own unaided work, that I have not used other than the sources indicated, and that all direct and indirect sources are acknowledged as references. This printed thesis is identical with the electronic version submitted.

Munich, 20.11.2018

Signature
Preface

Oh, great intentions
I've got the best of interventions
But when the ads come
I think about it now

In my infliction
Entrepreneurial condition
Take us to glory
I think about it now

Sufjan Stevens – Come on! Feel the Illinoise!

This doctoral thesis stems from my curiosity to understand how companies shape the rules of human action and interaction. Diving deep into the academic concept of institutions as master rules of society proved an unexpected, enriching, and at times painful adventure. I have come to realize that not only Multinational Enterprises, but also each and every one of us needs to create our own normative frames and rules of the game. If similar thoughts are evoked within the dear readers of this thesis, I would be contented.

First and foremost, I would like to express my sincere gratitude to my supervisors Prof. Wührer and Prof. Bauer. Dear Prof. Wührer, I thank you for your open, unbiased and reassuring nature. You have provided great scholarly and moral support from the first day on and throughout the different stages of this journey. Prof. Bauer, I particularly thank you for the critical, witty remarks and inspiring discussions on institutional logics.

Many thanks also to the colleagues and staff at the Institute of Trade, Commerce and Marketing at the Johannes Kepler University Linz. You were simply great sparring partners, helping a German doctoral candidate to navigate his academic, bureaucratic as well as linguistic challenges in Austria.

This research could not have been realized without the generous sponsorship of the Audi AG. Thank you for enabling me to go on this academic quest around the world and for your willingness to back critical, independent research. Similarly, I would like to express my gratitude to the many interviewees at the case companies Audi on demand and Zipcar as well as related stakeholders. It was only through your trust, openness and forthright statements that the epistemological and empirical contributions of this thesis could be realized.

Lastly, I would like to thank my dear family and friends, who have been a source of continuous support. I am unbelievably fortunate to have you in my life, building, shaping and sustaining the institution of love with me. I thank you, Mum and Theresa, for never doubting anything I do and for always supporting me. Thank you, Anna – when I am with you, everything is in its right place. And a big high five to AST, Jenny, Jonny, Kathi & Bene, Ryan and Stefan. You guys are amazing.

I am writing from the heart.

Munich, 20th of November 2018
Manuel Schneider
# Table of Contents

1. Abstract ................................................................................................................................. 10
2. Introduction .................................................................................................................................. 11
3. Theoretical Framework and Methodology .................................................................................. 14
   3.1. Theoretical Framework .................................................................................................. 14
       3.1.1. Institutional Perspectives in International Business (IB) .............................................. 14
       3.1.2. Organizational Studies (OS) Perspective on Institutional Strategy ............................... 15
       3.1.3. MNE Responses to Institutional Processes .................................................................. 16
       3.1.4. Multiple levels of MNE Institutional Strategy .............................................................. 19
   3.2. The Research Problem ........................................................................................................ 20
       3.2.1. Research Gap .......................................................................................................... 20
       3.2.2. Problem Definition .................................................................................................. 20
   3.3. Urban Mobility as a Strategic Action Field (SAF) .............................................................. 21
   3.4. Methodology .................................................................................................................... 22
       3.4.1. Research Design and Conceptual Framework ............................................................ 22
       3.4.2. Research Process ...................................................................................................... 24
           3.4.2.1. Empirical Investigation 1: Exploratory phase ...................................................... 24
           3.4.2.2. Empirical Investigation 2: Explanatory phase: Zipcar and AOD as case studies ...... 25
       3.4.3. General Rules for Coding and Analysis ...................................................................... 27
       3.4.4. Anticipated Ethical Issues ......................................................................................... 28
   4.1. Content Analysis Documents ............................................................................................ 29
   4.2. Focus Group Participants’ Profiles .................................................................................... 30
   4.3. Data Analysis: Institutional Process Configurations and Spheres ...................................... 32
   4.4. Results and Display of Data ............................................................................................ 34
   4.5. Preliminary Discussion ..................................................................................................... 47
5. Empirical Investigation 2a: Case Study of Zipcar in London .................................................... 51
   5.1. Industry and Company Description .................................................................................... 51
   5.2. Data Sources ..................................................................................................................... 52
   5.3. Analytical Process and Coding ........................................................................................ 53
   5.4. Mapping the Strategic Action Field of Zipcar in London .................................................... 54
   5.5. Strategic Actors ................................................................................................................ 61
   5.6. Timeline ........................................................................................................................... 63
   5.7. Changing Institutions on a City Level: From Car Owning to Car Sharing .......................... 64
       5.7.1. Concept Awareness of Car Sharing ............................................................................ 65
5.7.2. Citizen's Car Aspiration – Mind Shift from Possessing to Sharing
5.7.3. Decision-making Processes
5.7.4. Rivalling Identities: Public vs. Private Transport Provision
5.7.5. Integration of Car Sharing in Public Transport Identity
5.7.6. Parking Management
5.7.7. Incentives and Disincentives
5.7.8. Development Planning Section 106
5.7.9. Rivalling Technological Logic (Floating)

5.8. Zipcar's Multi-level Institutional Manipulation Strategy

5.9. Mechanisms
5.9.1. Reflexivity
5.9.2. Coherence of Stories
5.9.2.1. Production of Rationales
5.9.2.2. Validation through External Actors and Documents
5.9.2.3. Linguistic Identities
5.9.3. Capability to Mobilize

5.10. Enablers
5.10.1. Identification
5.10.2. Status
5.10.3. Network Position
5.10.4. Power

5.11. Discussion of Empirical Findings
5.12. My Position as a Researcher towards Zipcar

6. Empirical Investigation 2b: Case Study of Audi on demand in San Francisco
6.1. Industry and Company Description
6.2. Data Sources
6.3. Analytical Process and Coding
6.4. Mapping the Strategic Action Field of Audi on demand in San Francisco
6.5. Timeline
6.6. AOD's Institutional Acquiescence on a City Level
6.6.1. Parking Management
6.6.1.1. Parking Management – Obtaining a Parking Garage
6.6.1.2. Conditional Use Permit
6.6.2. Car Sharing Standard – Section 155
6.6.3. Rivalling Identities: Tech start-up vs. Old Industry
6.6.4. Rental vs. Mobility Service Concept Awareness
6.6.5. Airport Rental Policies ......................................................... 120
6.7. AOD’s Institutional Strategies .................................................... 122
6.8. Mechanisms ............................................................................. 123
   6.8.1. Reflexivity ......................................................................... 123
   6.8.2. Coherence of Stories ......................................................... 124
   6.8.3. Capability to Mobilize ....................................................... 125
6.9. Enablers .................................................................................... 127
   6.9.1. Identification ..................................................................... 127
   6.9.2. Status .............................................................................. 128
   6.9.3. Network Position ............................................................ 130
   6.9.4. Power .............................................................................. 131
6.10. Discussion of Empirical Findings: AOD’s unresolved frictions .......... 133
6.11. My Position as a Researcher towards Audi on demand ................... 135
7. Discussion and Conceptual Framework ............................................ 136
   7.1. The Field Perspective .......................................................... 136
   7.2. Institutional Processes ......................................................... 138
   7.3. Institutional Complexity and Organizational Identity .................. 139
   7.4. Enablers and Mechanisms that Organizational Identity drives .......... 140
      7.4.1. Enablers ...................................................................... 141
      7.4.2. Mechanisms ............................................................... 145
   7.5. Organizational Identity and Institutional Strategy ......................... 147
8. Conclusion and Critical Outlook ..................................................... 152
   8.1. Theoretical Contribution ....................................................... 152
   8.2. Empirical Contribution ......................................................... 155
   8.3. Limitations and Future Research ............................................ 156
   8.4. Managerial and Societal Relevance ......................................... 158
9. References .................................................................................... 160
List of Figures

Figure 1: The Third Leg for a Strategy Tripod ................................................................. 14
Figure 2: MNE Institutional Strategy ............................................................................. 17
Figure 3: Pattern Matching ........................................................................................... 23
Figure 4: Conceptual Framework .................................................................................. 24
Figure 5: The Car Sharing Models ................................................................................. 51
Figure 6: The Strategic Action Field of Zipcar London ................................................. 54
Figure 7: The Emergence of the Car Club Coalition ..................................................... 62
Figure 8: Timeline of Zipcar UK .................................................................................... 63
Figure 9: Zipcar's Compartmentalized Identities .......................................................... 93
Figure 10: AOD Organizational Construct - Demand Solutions .................................. 103
Figure 11: The Strategic Action Field of Audi On Demand ......................................... 106
Figure 12: Timeline of Audi on demand ....................................................................... 107
List of Tables

Table 1: Data Sources – Zipcar & AOD ................................................................. 26
Table 2: Content Analysis Data ............................................................................. 29
Table 3: Participant Profiles .................................................................................. 30
Table 4: Content Analytic Summary Table of Institutional Processes .................. 46
Table 5: Data Sources - Zipcar ............................................................................. 52
Table 6: Zipcar UK’s Competitors ....................................................................... 56
Table 7: London's Public Sector ............................................................................ 60
Table 8: Zipcar’s Overarching Institutional Processes ............................................. 64
Table 9: Institutional Process - Concept Awareness of Car Sharing ....................... 65
Table 10: Institutional Process - Citizen’s Car Aspiration ....................................... 67
Table 11: Institutional Process - Decision-making Process ...................................... 68
Table 12: Institutional Process - Rivalling Identities .............................................. 70
Table 13: Institutional Process - Integration of Car Sharing in the Public Transport Identity ...... 73
Table 14: Institutional Process - Parking Management ........................................... 74
Table 15: Institutional Process - Incentives and Disincentives ................................. 77
Table 16: Institutional Process - Planning Policies .................................................. 79
Table 17: Institutional process - Rivalling Technological Logic .............................. 80
Table 18: Zipcar Institutional Strategy Overview .................................................. 82
Table 19: Zipcar’s Institutional Strategies .............................................................. 97
Table 20: Data Sources ......................................................................................... 100
Table 21: AOD’s Overarching Institutional Processes ............................................ 108
Table 22: Institutional Process - Parking Management: Obtaining a Parking Garage ........................... 110
Table 23: Institutional Process - Conditional Use Permit ....................................... 111
Table 24: Institutional Process - Car Sharing Standard .......................................... 113
Table 25: Institutional Process - Rivalling Identities ............................................. 115
Table 26: Institutional Process - Rental vs. Mobility Service Concept Awareness .......... 118
Table 27: Institutional Process - Airport Rental Policies ....................................... 120
Table 28: AOD Institutional Strategy Overview ................................................... 122
Table 29: AOD’s Institutional Strategies ............................................................... 134
Table 30: Predicted and Empirical Values of Institutional Strategies ...................... 140
Table 31: A Model of MNE Subunit Identity Responses to Institutional Processes ....... 151
List of Abbreviations

ABI ........................................................................................................ Audi Business Innovation
AOA ......................................................................................................... Audi of America
AOD ........................................................................................................ Audi on demand
BVRLA ............................................................................................... British Vehicle Rental and Leasing Association
CEO ....................................................................................................... Chief Executive Officer
cf. ............................................................................................................. conferatur
CUP ........................................................................................................ Conditional Use Permit
DFT ......................................................................................................... Department for Transport
e.g. ......................................................................................................... exempli gratia
et al. ......................................................................................................... et alia
F&S ........................................................................................................ Frost and Sullivan
GLA ......................................................................................................... Greater London Authority
GTUP ..................................................................................................... Ground Transportation Unit Permit
HQ .......................................................................................................... Headquarters
i.e. ........................................................................................................... id est
IB. .......................................................................................................... International Business
ibid. ......................................................................................................... ibīdem
MMP ....................................................................................................... Multinational Mobility Provider
MNE ....................................................................................................... Multinational Enterprise
OEM ....................................................................................................... Original Equipment Manufacturer
OS .......................................................................................................... Organization Studies
RAC ......................................................................................................... Royal Automobile Club
SAF ....................................................................................................... Strategic Action Field
SDG ......................................................................................................... Steer Davies Gleeve
SF .......................................................................................................... San Francisco
SFO ......................................................................................................... San Francisco Airport
TfL .......................................................................................................... Transport for London
1. Abstract

The study of multinational enterprises’ (MNE) responses to multiple and contradicting institutional prescriptions has traditionally focused on country-level differences. As the literature acknowledges the strategic impact of multi-level institutional processes (e.g. at the city level), however, analysis of MNEs’ institutional strategies needs to apply more fine-grained, field-oriented perspectives. Modeling the incorporation of such perspectives, this doctoral thesis explores a comparative case study of two MNE subsidiaries providing car-sharing services in the city-level environments of London (Zipcar) and San Francisco (Audi on demand). The primary case-study data consist of 38 semi-structured interviews with MNE subunit executives, MNE headquarter representatives, city authorities, competitors, and other field actors. A triangulation of 33 industry and governmental publications, available press articles, and the findings of an in-depth focus group enrich the data. First, the analysis depicts the complexity of the organizational field of Urban Mobility and the inherent interplay of various institutional audiences on different levels: MNE headquarter and subunit, nation and city as well as the respective normative, cultural-cognitive, and regulative demands. Moreover, it assesses the strength of institutional actors’ ties, coupling, and dependencies, thereby addressing the exploratory question: why and how do MNE subunits cope with multi-level institutional processes? Guided by previous theorizing on organizational identity in Organizational Studies (OS) and International Business (IB) research, the analysis reveals that distinct configurations of organizational identity-based enablers and mechanisms define the typology of MNE subunits’ pro-active institutional strategies. The enablers consist of intra-organizational member identity alignment, describing the congruence of values and goals within organizations; field position, delineating the organization’s degree of embeddedness; status, defining external image and stakeholder expectations; and perceived power, determining the subunit’s perceived resource availability compared to other actors. Leveraging the mechanisms of critical self-reflexivity, coherent storytelling, and capability to mobilize others, MNE subunits seem to develop multiple identity configurations. These configurations lead in turn to various institutional responses, i.e. innovation, arbitrage, circumvention, or acquiescence. By emphasizing and outlining the importance of field-level organizational identity as opposed to country-level foreignness, the typology this thesis develops contributes to an institutional reorientation of IB research on multi-level institutional perspectives and strategy formulation, both in academia and practice.
2. Introduction

Passing the wildest flight thought are the cunning and skill,
That guide man now to the light, but now to counsels of ill.
If he honors the laws of the land, and reveres the Gods of the State
Proudly his city shall stand; but a cityless outcast I rate
Whoso bold in his pride from the path of right doth depart;
Ne'er may I sit by his side, or share the thoughts of his heart.
— Sophocles, Antigone, line 365

While praising the city as the peak of man-made civilization, Sophocles simultaneously highlights the need for humans to honor the laws of the land and to maintain a path of right. In broader academic terms, these laws and path of right are institutions that have long been the subject of social and economic research (Schumpeter, 1954; Scott, 2014; Veblen, 2007). Institutions, rules of the game (North, 1990), or institutional processes, as publications related to organizational strategy (e.g. Oliver, 1991; Regner & Edman, 2013; Zilber, 2006) synonymously refer to them, may encompass all formal and informal rules of action, interaction, and interpretation that guide and constrain organizations or intra-organizational actors (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Lawrence & Suddaby, 2006; Oliver, 1991; Thornton, Ocasio, & Lounsbury, 2012a). Formal or regulative institutions comprise laws and rules of formal nature to which actors conform to either seek reward or avoid legal sanction. Informal institutional processes are normative or cultural-cognitive (Busenitz, Gomez, & Spencer, 2000; Scott, 2014). Norms morally guide and socially oblige actors to pursue appropriate ways to attain objectives. As informal codes, they imply a “common understanding of the act” (Zucker, 1977, p. 728) and binding social expectations for behavior (DiMaggio & Powell, 1983). Another informal factor, cultural-cognitive institutional processes comprise mutual understanding, perceptions, and taken-for-grantedness. The emphasis lies on shared cognition, since “cognitive programs such as schemas, frames, inferential sets and representations affect the way people notice, categorize, and interpret stimuli from the environment” (Kostova, 1999, p. 314). Scholars have similarly attended to the question of whether actors maintain or depart from the path of right, i.e. adhere to, deviate from, shape, or potentially ignore existent institutional processes, particularly in the fields of Organization Studies (OS) and International Business (IB). Considering both analytical perspectives of organizations as actors as well as intra-organizational actors (e.g. managers), this thesis primarily addresses two major research streams.

First, organizations confront a plethora of co-existing, diverse and potentially competing institutional processes. Hence, one research stream analyzes so-called institutional complexity, i.e. incompatible or contradicting prescriptions from multiple institutional processes and inherent logics (Greenwood et al., 2011; Marano & Kostova, 2016; Pache & Santos, 2010). What is important here “is not simply whether a logic is represented within an organization, but the thickness of the ties between organization members and field-level referent audiences; the thicker the tie, the more likely the logic will insinuate itself into the organization” (Greenwood et al., 2011, p. 334). Although actors recognize and internalize institutional logics, they “do not experience institutional complexity to the same extent (e.g. Raffaelli & Glynn, 2014) [and] it is not clear how organizational filters differ across different types of organizations” (Saka-Helmhout, Deeg, & Greenwood, 2016, p. 6). Thus, this stream of research revolves around the issue of institutional complexity and respective actor internalization and prioritization, focusing particularly on the role of intra-organizational actors (Kraatz & Block, 2008; Pfeffer & Salancik, 2003; Raynard, 2016).
A second major stream orients itself towards a more outward-facing organizational perspective of institutions as sources of strategic opportunity and competitive advantage (Jonsson & Regnér, 2009), focusing on the strategic behavior and responses of organizations as actors vis-à-vis institutional processes. Laying the groundwork for this approach, Oliver (1991, p. 145) describes such institutional strategy as tactical and strategic “behaviors […] that organizations employ in direct response to the institutional processes”. In both OS and IB literature, subsequent work has addressed particular aspects or directions of strategic responses, including studying organizational legitimacy (Suchman, 1995) or specific strategic behavior, such as institutional entrepreneurship, a pro-active approach to creating new or transforming existing institutional processes to function in line with the organization’s preferences and aspirations (Battilana, Leca, & Boxenbaum, 2009; Greenwood & Suddaby, 2006; Phillips & Tracey, 2009).

Institutional processes are prevalent at various levels, e.g. within organizations, at national levels, or even within cities. While IB research has focused on multinational enterprises’ (MNE) institutional environments at the national level due to complexity reduction, observability, and descriptiveness (Cantwell, Dunning, & Lundan, 2009; Peterson, 2015), OS has primarily emphasized intra-organizational and field-level perspectives, highlighting individual actors’ internalization of institutional processes. Recently, both scholarly backgrounds have merged elements of their perspectives to assess MNE behavior vis-à-vis institutional processes by recognizing the multi-level prevalence of institutional processes and their effect on MNEs in domestic and foreign markets (Castellani, Narula, Nguyen, Surdu, & Walker, 2018). These particularly comprise institutional processes stemming from subnational, intra-country regions, or inter- and intra-organizational agency (Goerzen, Asmussen, & Nielsen, 2013; Yang & Su, 2014).

Consequently, scholars have called for research examining the “multi-level effects of geographic layers on strategies and performance of MNEs and their foreign subsidiaries” (Journal of International Business Studies, 2015) and evaluating “the connection between multiple, and often contradicting institutional pressures, and organizational responses that capture actors’ ability to maintain or change institutional arrangements” (Saka-Helmhout et al., 2016, p. 3). Moreover, MNE international institutional analysis raises questions as to whether MNEs prioritize their “decision-making process from the region level, from the country level, or in tandem” (Arregle, Miller, Hitt, & Beamish, 2013, p. 927). In this discussion, cities present one particular geographic layer and level of MNE activity. Not only do they provide important and distinct marketplaces, they also serve as command and control points in the organization of the world economy (Sassen, 2011). In the same country and time frame, their economic and institutional characteristics are heterogeneous, proving a ground for discontinuities in geographic space (Beugelsdijk & Mudambi, 2013) from an MNE perspective (Goerzen et al., 2013). Such discontinuities may affect the formulation of multi-level institutional strategy of MNEs operating multiple subunits in separate cities within and across various countries, particularly if the MNEs have city-focused business models.

Contributing to and placing in conversation the above-mentioned streams of thought, this IB-focused doctoral thesis seeks to improve the overall understanding of MNE institutional strategy in distinct geographic spaces (Saka-Helmout & Geppert, 2011). Responding to the latest IB, OS, and economic geography literature, the thesis systematically analyzes the mechanisms that drive and enable such MNE institutional strategy, particularly at a city level.

The empirical core of this research is grounded in the field of Urban Mobility, its inherent institutional processes, and relevant MNE subsidiaries’ institutional reactions. Urban Mobility
poses a case of internationalized markets with idiosyncratic institutional settings at various levels. From legal regulations such as parking requirements to informal norms such as the prestige of car ownership, the field confronts various existent and emerging MNEs that provide transport systems and services across cities globally. This project examines two particular empirical cases of such organizations’ MNE subsidiaries. The London subsidiary of the world car-sharing market leader, Zipcar, is the first case, a prime example of pro-active institutional strategizing. Audi on demand (AOD), the San Francisco-based subsidiary of German car manufacturer Audi, offers a second case providing insight into an MNE subsidiary’s difficulty coping with multi-field intra-organizational and external institutional pressures.

My text first outlines the available literature on MNE responses to institutional processes, focusing on MNE institutional strategizing on various levels. Then, I deduce and explain the research gap and problem definition: how and why do MNE subunits cope with city-level institutional processes? Defining Urban Mobility and the units of analysis, post-entry subunits of multinational mobility providers, leads into presenting and justifying the research design, including exploratory focus-group analysis and a multiple case-study approach according to Yin’s (2014) methodology. Adopting a replicating pattern, the empirical analyses of the Zipcar and AOD cases both assess the company history, industry, and field. Following an empirical depiction of strategies, I analyze the relevant mechanisms and enablers.

My doctoral thesis compares the empirically and theoretically predicted enabler-mechanism combinations of MNE institutional strategies and then produces synthesized findings and academic contributions. The study shows that the concept of multinationality, related knowledge exchange, and identity elements (e.g. foreignness) may be misplaced when moving to a field-level perspective of analysis (e.g. Zietsma & Lawrence, 2010). In contrast to the assumption in IB research that MNE subunits find one-best way to strategically approach institutional processes, my empirical analyses demonstrate that MNE subsidiaries engage in multiple institutional strategies, thus corroborating OS perspectives (Greenwood & Suddaby, 2006; Pache & Santos, 2010). Importantly, my analysis shows the salience of the key role of so-called individual institutional champions and the fundamental role of organizational identity in how organizations address field-level institutional processes. I then offer a critical, self-reflective outlook highlighting my core contribution while indicating limitations and a potential future research agenda. To conclude, I explore managerial and societal relevance and meaning of institutional strategy.
3. Theoretical Framework and Methodology

3.1. Theoretical Framework

3.1.1. Institutional Perspectives in International Business (IB)

From legal tax policies and product safety regulations to societal prestige norms and cognitive elements such as a product use knowledge, institutional frames and inherent institutional processes define the “arena of social action” (Filigstein & McAdam, 2011, p. 20), significantly influencing MNEs’ competitive turf on a global scale. In recent years, this competitive strategic relevance of institutional processes has steadily moved from a background condition toward a “third leg for a strategy tripod” (Peng, Li Sun, Pinkham, Chen Hao L. S., Brian, & Hao, 2009) along with Porter’s (1979) industry-based view and Barney’s (1991) resource-based view. An institutional perspective on company strategy, like the one Peng (2009) formulates, describes a strategic triad between organizations (e.g. MNEs), institutions, and strategic choices. Both individual and supra-individual actors, such as MNE managers and organizations, respectively (cf. Adams & Sydie, 2002, p. 193), pursue aspirations through rational action bounded by the relevant formal and informal dynamic institutional environments, and based on the organization’s resource availability, capabilities, and industrial pressures (cf. Jarzabkowski, 2008; see Fig. 1).

Since MNEs are by definition exposed to multiple and differing regional, country-specific, and local institutional contexts, IB research embraces its strategic relevance (Bilgin, Sriram, & Wührer, 2004). From institutional distance between home and host markets (Chung and Beamish, 2005) to significant institutional heterogeneity, uncertainty, and ambiguity in foreign environments (Meyer et al., 2009), MNEs need to coevolve with relevant institutional developments in order to maintain or develop their institutional and thus competitive advantage (Wright et al., 2005). Consequently, specific IB research addresses the influence of institutions on MNEs vis-à-vis a plethora of topics, e.g. entry mode choices (Santangelo & Meyer, 2011), company capabilities (Monteiro & Pianna, 2012), social entrepreneurship (Stephan, Uhlner, & Stride, 2014), company legitimacy (Ahlstrom, Bruton, & Yeh, 2008), liability of foreignness (Goerzen et al., 2013), adoption of corporate social responsibility practices (Marano & Kostova, 2016), product diversification (Wan, 2005), and knowledge transfer (Zhao, Anand, & Mitchell, 2005). While acknowledging that institutions matter for MNE operations, the literature pays little attention to how MNEs specifically cope with, respond

![Figure 1: The Third Leg for a Strategy Tripod](image-url)
to, or strategically address institutional processes. Since IB research views institutions primarily as “uncontrollables” (Kumar, 2000) or “taken for granted” (Peng et al., 2009), it has generated few approaches systematically analyzing the interplay between multiple contradictory institutional processes and MNE strategic responses. OS research, however, has long assessed actors’ reactions to institutional processes and related complexity on organizational and individual-actor levels, providing substantial contributions to related approaches in IB literature (cf. Greenwood et al., 2011; Kraatz & Block, 2008).

3.1.2. Organizational Studies (OS) Perspective on Institutional Strategy

Oliver (1991) first conceptualized a holistic theoretical framework for studying organizations’ strategic reactions to institutional processes. In her organizational institutional strategy article, she distinguishes between acquiescence, compromise, avoidance, defiance, and manipulation of institutions. Acquiescence describes the strategy through which organizations subconsciously or consciously comply with, adapt or adhere to distinct institutional settings, often triggering mimetic isomorphism (DiMaggio & Powell, 1983). Compromise strategies are to bargain with, balance, or pacify external constituents in circumstances under which there are inconsistencies between institutional expectations and internal organizational objectives. Avoidance is defined by “the organizational attempt to preclude the necessity of conformity; organizations achieve this by concealing their nonconformity, buffering themselves from institutional pressures, or escaping from institutional rules or expectations” (Oliver, 1991, p. 154). Defiance more actively resists institutional processes, driven by the tactics of dismissing, challenging, or attacking respective institutional settings. Manipulation is the most active form of institutional response: purposeful and opportunistic attempts to co-opt, influence, or control institutional pressures and evaluations (ibid.). Subsequent OS publications (Battilana et al., 2009; Phillips & Tracey, 2009) use institutional entrepreneurship to refer to this pro-active approach to creating new or transforming existing institutions with regards to an organization’s preferences and aspirations. As Feinberg & Gupta (2009, p. 383) write, institutional entrepreneurship can include “lobbying, providing financial inducements to individual decision makers and/or political parties, and even outright intervention in the political process via grassroots mobilization of employees, suppliers, customers, and other constituents whose support may be essential to decision makers.”

Recognizing that organizations implement various tactics and strategies vis-à-vis institutional processes, various publications analyze the strategies’ preconditions and consequences, i.e. enablers and mechanisms (Battilana et al., 2009; Greenwood & Hinings, 1996; Newman, 2000). Enablers influence speed and scope of an organization’s institutional strategy and its derived mechanisms, the means by which organizations or actors implement strategy. While there are many such enablers and mechanisms, academic consensus tends to prioritize field characteristics, actors’ social position, and the organizational identity as significant interacting determinants of institutional responses (cf. Greenwood et al., 2011).

The general academic understanding of a field extends the approach of market- and competition-regulated organizational behavior by including the “totality of relevant actors… (e.g.) key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products” (DiMaggio & Powell, 1983, p. 148). While the field’s characteristics and settings determine an actor’s necessity of institutional strategizing, the actor’s social position and social capital in a field affect its perception and interpretation of such field. This process includes the MNE subunit’s identification of prevalent normative or cognitive constraints and
enablers, offering the subunit differential access to resources, capabilities, and networks (Battilana et al., 2009; Bourdieu, 1988; Kostova & Roth, 2003). Scholars emphasize the relevance of organizational identity, i.e. attributes defining the organization as different from other organizations with regards to retrieval of, assessment of, and reaction to institutional demands (Edman, 2016a; Kraatz & Block, 2008). An actor’s connection to and vision-sharing with other actors vis-à-vis certain institutional processes, i.e. theorization of practices (Greenwood, Suddaby, & Hinings, 2002) is considered another relevant strategic determinant, particularly concerning pro-active strategies such as institutional entrepreneurship (Battilana et al., 2009). This mechanism encompasses mobilization of allies behind an organization’s vision and related actions to garner support and legitimacy. By developing and specifying abstract categories, the properties of new practices are simplified and distilled, while related outcomes are explained (Greenwood et al., 2002). Consequently, these models must “make the transition from theoretical formulation to social movement to institutional imperative” (Strang & Meyer, 1993, p. 495).

3.1.3. MNE Responses to Institutional Processes

Mostly building on the aforementioned institutional strategy groundwork, IB research has seen a growing application of institutional approaches assessing MNEs’ idiosyncrasies and varying levels of agency activity, from passivity to increasingly active resistance to and manipulation of institutional processes (Marano & Kostova, 2016; Marquis & Raynard, 2014; Peng, 2003; Regner & Edman, 2013; Saka-Helmout & Geppert, 2011).

On one side, theorists argue that MNEs have an institutional strategy formulation advantage due to their privileged international social positions and exposure to field conditions (Kostova, Roth, & Dacin, 2009). This advantage enables them to mitigate expectations of isomorphism, i.e. adapting the structures and processes of local businesses. MNEs potentially use their international competence and resources to evade local normative and cultural-cognitive institutions (DiMaggio & Powell, 1983; Kostova, Roth, & Dacin, 2008). On another side, MNEs may only attain “weakly embedded positions in host country institutions and networks” (Regner & Edman, 2013, p. 278), and experience pressures to adjust to local norms and cultural-cognitive institutions (Edman, 2016a). Moreover, Peng, Wang, Denis, & Jiang (2008, p. 930) argue that while MNEs may proactively shape or evade institutional processes in developed economies, they may be less successful in emerging market settings due to a prevailing “generally nontransparent political and regulatory environment.”

The question of whether MNEs per se have an advantage or disadvantage compared to local firms demands more fine-grained analyses and logic theorizing on particular MNE institutional strategy enablers, mechanisms, and strategic responses. These MNE-specific enablers and mechanisms include resource endowment (Kim & Hoskisson, 2015), home institutional heritage (Becker-Ritterspach, 2014), subsidiary roles (Santangelo & Meyer, 2011), business group affiliation (Jiang & Peng, 2011), supportive coordination structure from the MNE headquarters (Saka-Helmout & Geppert, 2011), ties to institutions (Zhao et al., 2005), modes of control and integration (ibid.), modes of entry and size of foreign investment (Meyer, Estrin, Bhaumik, & Peng, 2009), and ability to identify relevant institutional configurations or idiosyncrasies (Henisz, 2003).

Stemming from these empirical and idiosyncratic insights, the neo-institutional theorizing of Scott (2014), field and social position perspectives of Oliver (1991) and Battilana et al. (2009), as well as the idea of institutional complexity (Kraatz and Block, 2008), Regner and Edman (2013) first
conceptualized a holistic approach to MNE institutional strategy. They empirically ask why and how MNEs respond to institutional processes, particularly on a sub-unit (i.e. subsidiary) level. In contrast with previous studies that focused solely on domestic markets, they analyze national markets such as continental Europe, Japan, and the UK, along with two emerging market regions, Southeast Asia and Eastern Europe.

Analyzing MNE-specific enablers answers why MNEs generally engage in strategic institutional action. The literature presents these enablers as multinationality, foreignness, and/or institutional ambiguity. Enablers then trigger mechanisms of reflexivity, role expectations, and/or resources, which eventually lead to an institutional strategy of innovation, arbitrage, circumvention, or adaption (Regner & Edman, 2013). Multinationality depicts the “boundary-spanning multinational social positions” through which an MNE faces varying regulative rules, norms, and cultural-cognitive understandings in various international settings (Kostova et al., 2009; Regner & Edman, 2013, p. 282). Foreignness describes the “weakly embedded outsider social position in host country institutions and networks” (ibid.). Institutional ambiguity refers to the extent to which MNEs confront institutional ambiguity or uncertainty, e.g. in contrast to their local competitors (Goerzen et al., 2013; Peng et al., 2008). These findings on institutional ambiguity are consistent with the institutional complexity theorizing of Kraatz & Block (2008), which is particularly severe for MNEs.

These enablers, explicating why MNE subunits engage in a certain strategy then lead and trigger mechanisms that illustrate how they implement such strategy. While the above enablers are primarily MNE-specific, according to the literature, the mechanisms apply to local or domestic companies as well. Reflexivity derives from the social position of an MNE and describes the “ability to see beyond local norms, cognitions and regulatory conditions” in the host market (ibid.). Reflexivity thus fits approaches on dynamic capabilities (Teece, 2007) and experience as a resource (Feinberg & Gupta, 2009). Role expectations define a specific audience’s distinct assumptions and beliefs about the legitimacy of an MNE’s actions (Kostova et al., 2008). Lastly, the above enablers permit an MNE to transfer institutional resources, capabilities, and competences, i.e. “assets and/or practices from diverse institutional settings” (Regner & Edman, 2013, p. 286), to subsidiaries in the host country.

MNE institutional responses are manifold, industry-specific, and idiosyncratic, ranging from passive to pro-active forms of institutional tactics and strategies. Empirically mostly experimental and opportunistic rather than anticipated and planned, MNEs’ strategic responses to institutional processes fall into four categories according to Regner and Edman (2013): institutional adaption, institutional arbitrage, institutional circumvention, and institutional innovation. Institutional adaptation describes an approach in which an MNE attempts to conform to a host country’s...
institutions. According to Oliver (1991), *institutional adaption* can include isomorphic tendencies to acquiesce, follow habits, and accept and obey local norms that are taken-for-granted. However, one should note that when assessing MNEs, even seemingly passive conformist action may constitute an explicit form of strategic agency. *Institutional arbitrage* responses seek to “exploit differences between host and home (or third-country) settings” (Regner & Edman, 2013, p. 282), particularly where institutions are less present than in other settings in which an MNE is operating. In some cases—particularly relevant in emerging markets—theorists argue that filling *institutional voids* (i.e. the lack of a home market institution) is an arbitrage response that may ensure a competitive advantage (Khanna & Palepu, 2000). Furthermore, Saka-Helmout & Geppert (2011) argue that less-developed institutional settings are more welcoming of MNE subsidiaries’ proactive agency than more-developed settings. Another proactive, market-driving form is *institutional circumvention*: approaches and responses that work around existing local institutions (Regner & Edman, 2013). Oliver’s (1991) strategic category that resembles institutional circumvention is “avoidance”. She describes avoidance as disguising nonconformity; loosening institutional attachments; and changing organizational activities, domains or goals (ibid.). The most proactive form of institutional response, *institutional innovation*, similarly referred to as *institutional entrepreneurship* (Battilana et al., 2009) or *institutional manipulation* (Oliver, 1991), describes all efforts to create and/or shape institutional rules. All institutional innovation activities are geared to match the business model to which a company aspires.

Aggregating the findings above, Regner & Edman (2013) conceptualized a typology and framework of MNE subunit strategy response with the following four propositions:

**Proposition 1:** An MNE subunit is more likely to pursue an innovation response, the greater the role-expectations of change, transfer of institutional resources, and reflexivity to see institutional differences, enabled by boundary-spanning multinationality.

**Proposition 2:** An MNE subunit is more likely to pursue an arbitrage response, the greater the transfer of institutional resources and reflexivity to see institutional differences, enabled by boundary-spanning multinationality, and the greater the reflexivity to see institutional contradictions that ambiguous host country institutional environments enable.

**Proposition 3:** An MNE subunit is more likely to pursue a circumvention response, the stronger the role-expectations of defiant behavior, the greater the reflexivity enabled by weak embeddedness due to foreignness, and the greater the reflexivity to see institutional contradictions that ambiguous host country institutional environments enable.

**Proposition 4:** An MNE subunit is more likely to pursue an adaptation response, the stronger the role-expectations of conformity resulting from both weak embeddedness due to foreignness and low ambiguity in the host country institutional environment.

While the above propositions meaningfully contribute to IB scholarship due to the merger and holistic implementation of interdisciplinary institutional strategy research, they focus solely on national operations of MNE subunits, without distinguishing between MNEs’ multi-level activities.
3.1.4. Multiple levels of MNE Institutional Strategy

In the assessments of institutional determinants on company strategy, such as analyses of culture (Makino & Neupert, 2000), entry modes (Tihanyi, Griffith, & Russell, 2005), environments for entrepreneurs (Manolova, Eunni, & Gyoshev, 2008), or risk analyses (Feinberg & Gupta, 2009), IB scholarship predominantly focuses on a nation state level defined by its political boundaries. Gradually, thanks to input from academic fields such as economic geography, IB research is beginning to recognize sub-national levels and inherent institutional processes as relevant parameters of MNE institutional strategy during and after market-entry decisions (Chidlow, Holmström-Lind, Holm, & Tallman, 2015; Iammarino & McCann, 2013). Related IB approaches address various, mostly idiosyncratically-defined subnational levels of MNE activity (cf. Asmussen, 2009), ranging from differing regions (Desposato, 2006; Ma, Tong, & Fitza, 2012; Stokes, 2003) or states and provinces (Dai, Eden, & Beamish, 2013), to subcultures (Lenartowicz & Roth, 2001) or cities (Beugelsdijk & Mudambi, 2013). Particularly the definitions of a city and potential ranking systems for cities are inconsistent in the academic literature (Derudder, Witlox, & Catalano, 2003; Taylor, 2004). Ubiquitous terms such as great industrial cities and global cities distinguish cities, on primarily demographic or functional criteria (Goerzen et al., 2013). In highlighting the global economic role of cities as markets (Sassen, 2011), a major stream of IB research focuses on market seeking, i.e. demand-driven MNE location choices within cities (Dunning & Lundan, 2008b), thereby emphasizing market-relevant criteria (e.g. Beugelsdijk & Mudambi, 2013). Industry-specific factors, tangible and intangible locational resources, business relationships, aspects of interconnectedness, cosmopolitan environments, and high levels of available products and services of cities contribute to an assumption that city-level market analyses are extending or even replacing general national analysis and thus challenge current strategic conceptual models, e.g. internationalization models such as the Uppsala model (Goerzen et al., 2013; Monaghan, Gunnigle, & Lavelle, 2014). Scholars can test or extend MNE-specific strategic models regarding institutional strategies by conceptually including institutional processes and drivers at various levels, including the city (Hitt, Li, & Xu, 2016). As one approach to addressing the overall issue of layers of MNE institutional activity and related institutional complexity (e.g. in region and cities), Marano & Kostova, (2016) conceptually apply the term strategic action fields (SAF) to frame distinct institutional spheres. A strategic action field is “a meso-level social order where actors (who can be individual or collective) interact with knowledge of one another under a set of common understandings about the purposes of the field, the relationships in the field (including who has power and why), and the field’s rules” (Fligstein & McAdam, 2011, p. 3). This perspective allows not only for geographic differentiation but also fine-grained distinction between actor activity levels, emphasizing the institutional role of MNEs and individual actors. Furthermore, it may provide a helpful starting point when approximating a holistic MNE institutional strategy framework and theory.
3.2. The Research Problem

3.2.1. Research Gap

To date, I know of neither studies nor theoretical IB publications that provide a conceptual framework, accounting for particularities of MNE institutional strategy in foreign markets on both national and distinct sub-national levels. Propositions regarding MNEs’ enablers, mechanisms, and strategic responses from extant studies such as Regner & Edman (2013) should undergo serious attempts at falsification on various levels as claimed by Cantwell et al. (2009), Peterson (2015) and Saka-Helmhout et al. (2016). Since the literature regards a multilevel approach as “a promising avenue of research within the framework of institutional theory” (Saka-Helmout & Geppert, 2011, p. 31), the assessment of city-level MNE institutional strategy in foreign markets, i.e. “the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions” (Boxenbaum & Lounsbury, 2013; Lawrence & Suddaby, 2006, p. 215), may contribute to a systematic and holistic institutional strategy framework (Goerzen et al., 2013). Since IB literature hitherto idiosyncratically defines the multiple levels of MNE institutional activity, an approach to framing a field (DiMaggio & Powell, 1983) or, more precisely, a strategic action field (Fligstein & McAdam, 2011; Marano & Kostova, 2016) could contribute to the systematization of MNEs multiple-level activity. A *city-as-a-field-perspective* could address the lack of industry-focused IB research (Ahlstrom & Bruton, 2001; Estrin & Prevezer, 2011) as well as field-inherent, multi-level institutional complexity issues (Raynard, 2016). Simultaneously, most studies still idiosyncratically answer the question, “what is an institution?” (Hodgson, 2006), considering formal and informal characteristics, which could be better addressed by using a coherent definition.

3.2.2. Problem Definition

Having evaluated the theoretical grounds for the research endeavor, this chapter outlines the project’s epistemological reasoning and contributions to International Business scholarship and the management practitioner community. Synthesizing the previous chapters on institutional research in IB and building upon the propositions of Regner & Edman (2013), this research aims to analyze the determinants of MNEs’ institutional responses on a city level, applying a strategic action field perspective. More precisely, it asks the question:

*Why and how do MNE subunits cope with city-level institutional processes?*

The *why and how* account for the exploratory elements depicting the enablers and mechanics of institutional coping, accounting for all particularities, e.g. the process of identifying relevant institutional processes or action theorization and ally mobilization (Greenwood et al., 2002).

The term *MNE subunits* refers to units of an MNE focused on the introduction, maintenance, and spread of specific products or services in a city as part of a market-seeking strategy (Dunning & Lundan, 2008b). I choose the more neutral word of *coping* instead the term responding that most publications use. As outlined above, IB literature too often assumes MNE subunit agency comprises intention and insight, though empirically, agency involves a fair amount of experimentation (e.g. Regner & Edman, 2013).

*City-level* defines the primary level of the empirical institutional analysis, narrowing the scope of research. While acknowledging the relevance of institutional processes at various levels, this
scope places a distinct emphasis on global cities as markets, and helps define the strategic action field of all actors relevant to an MNE’s activity on a city level (e.g. key opinion leaders). This perspective moreover allows for a multi-level comparative analysis and assessment of organizational institutional prioritization.

The general denomination of institutional processes follows Oliver (1991) and allows an initial inclusion of various institutional aspects such as institutional orders, logics, and complexity.

### 3.3. Urban Mobility as a Strategic Action Field (SAF)

In order to address the above-defined academic problem through a strategic action field lens, it is sensible to pre-define the city-level field and MNE institutional strategy case prior to delineating the methodology. Transport in cities, or in broader terms urban mobility, presents not only an extensive market for mobility providers of all sorts, it is also a complex and heterogeneous strategic action field for various institutional audiences involved. MNEs seeking to serve this market of urban mobility may be specifically defined as Multinational Mobility Providers (MMPs), i.e. multinational “[f]irms that produce the inputs used by transport systems (vehicles, fuels, infrastructure, etc.) and transport services themselves (trucking, air transport, shipping, rail transport)” (WBCSD World Business Council of Sustainable Development, 2014, p. 23). Together with their “suppliers, resource and product consumers, regulatory agencies” (DiMaggio & Powell, 1983, p. 148) and other institutional audiences, MMPs such as Audi, Deutsche Bahn Arriva, Siemens, Uber, Zipcar form “shifting collections of actors… to define new issues and concerns as salient” (Fligstein & McAdam, 2011, p. 4), thus describing the strategic action field of urban mobility. Due to technology and societal change, once completely independent business models such as infrastructure provision, car manufacture, and urban transport system operation are increasingly interconnected, leading to the deinstitutionalization of old practices (Oliver, 1992) and “actors … being forced … to take one another into account in their actions” (Fligstein & McAdam, 2011, p. 11). This interconnection results in emerging green fields providing previously nonexistent practices and institutional processes, presenting a promising avenue for MNE institutional strategy analysis, from both academic and practitioner perspectives (Purdy & Gray, 2009).

In recent years, historically market-oriented MMPs have increasingly applied distinct institutional strategies on various levels. A prime example at a national institutional process level is the diesel scandal of German carmaker Volkswagen, which systematically manipulated diesel engine emissions in order to meet US regulators’ requirements (Economist, 2015). Many cities and metropolitan regions are designing impactful rules for mobility and transport: London introduced the congestion zone in 2003, Beijing has been restricting traffic through road space rationing since 2008, Oslo will ban cars from the city center by 2020, and Paris launched a bike-sharing system with more than 20,000 bikes in 2007. When it comes to empirically addressing the strategic action field of urban mobility, the analytical granularity thus needs to encompass specific MMP particularities and idiosyncrasies of the city under analysis.

This research primarily focuses on cities above one million inhabitants, most of which furthermore adhere to characteristics of a global city, i.e. high degrees of centrality and interconnectedness as well as influence on the world economy (Sassen, 2011). This delineation is common practice in MNE-focused research and suitable for this study, since in urban mobility terms, these cities present the most penetrated and technologically-advanced markets, where numerous MMPs currently implement sub-national operations (Goerzen et al., 2013). Moreover, particularly when
evaluating post-market-entry situations of MMPs’ subunits in global cities as specific units of analysis, recurring ties to city governments, urban society, and other field actors present complex interaction patterns and involve competing logics, such as automotive companies’ market logic and city authorities’ logic of reducing urban car traffic. Driven by urbanization and digitalization, global cities define strategic action fields constantly reevaluating and evolving a shared understanding of rules, and experiencing continuous hierarchical dominance shuffling of actors supporting and enforcing prevailing logics (Greenwood et al., 2002). The academic analysis and method assessing how and why such institutional processes affect MNEs needs to consider actors’ idiosyncrasies and holistically account for prevailing logics: a suitable situation for a case study methodology.

3.4. Methodology

3.4.1. Research Design and Conceptual Framework

As outlined throughout the academic literature, qualitative research strategies are a valuable “complement to strong quantitative methods focusing on explicit structures, practices, and outcomes in advancing institutional theory” (Dacin, Goodstein, & Scott, 2002, p. 48). When assessing institutional aspects and particularities, Zilber (2002, p. 250) notes that important elements “would have gone unnoticed with analysis by approaches that focus on the macro level and on structures and practices alone.”

MNE activity in foreign country markets and at various levels provides a complex setting in which causal dynamics may not be immediately apparent, and actors' motivations are unknown and undocumented. Moreover, actor agency and strategic measures are often grounded in historical processes with significant events influencing decision-making and requiring a disentangling approach (Greenwood & Suddaby, 2006). Accounting for the study’s exploratory character and intent to falsify, verify, and extend existing theory, this doctoral thesis answers the call for pluralist methodological approaches in International Business research (Birkinshaw, Brannen, & Tung, 2011). A case study approach (Yin, 2014), capable of tracing and thus explaining causal links over time rather than mere frequencies or incidences, allows for the application of pluralist elements, thus lending itself to addressing the aforementioned research question: why and how do MNE subunits cope with city-level institutional processes?

Assessing questions of company behavior vis-à-vis institutional settings and processes, extant publications successfully apply case study research following Yin (2014), and call for further application in IB realms (Ahistrom et al., 2008; Child & Tsai, 2005; Marano & Kostova, 2016; Saka-Helmout & Geppert, 2011). Consequently, I structure my approach on the model of Yin (2014), and adhere to the outlined steps in order to plan, design, prepare, collect, analyze, and share the case study and my findings. In the planning phase, I conceptualized the research design, determining the problem definition, unit of analysis, and propositions. Having analyzed the project’s theoretical grounds and epistemological reasoning in the previous chapter, I formulated a priori propositions to guide the research process.

Following a strategy Yin proposes (2014, p. 136), I based my analytic strategy on existent theoretical propositions rather than inductive approaches. This critical realist stance combines a qualitative design marked by an interpretivist position with the positivist aim of drawing out generalizable results (Bhaskar, 2013). As outlined above, the case studies’ objective and design,
and thus analysis, are grounded in the aforementioned publications’ propositions, particularly from Regner & Edman (2013), see Fig. 3.

![Diagram](image)

Regner and Edman (2013) findings serve as anchored propositions for predicted values and the respective multiple dependent variables, i.e. the variety of relevant outcomes. These proposed predicted values are accompanied by rival hypotheses deriving from both industry expert knowledge and complementary or even rival academic hypotheses (Kraatz & Block, 2008; Thornton et al., 2012a). Furthermore, in order to allow for case studies’ inductive nature in general, I depicted contextual conditions throughout the research process when the conditions posed a potential threat to the initial proposition’s validity. I collected and examined evidence of possible rival explanations, “proving the potency of the other influences rather than finding a reason to reject them” (Yin, 2014, p. 214), which permits the expansion or alteration of hitherto corroborated theory.

My aim is to identify reasonable threats to validity and to conduct repeated comparisons, showing how such threats can or cannot account for dependent variables. This logic is called “nonequivalent dependent variables as a pattern,” which Yin (2014, p. 143) regards as one of the “most desirable techniques.” “If, for each outcome, the initially predicted values have been found, and at the same time alternative, predicted values (including those deriving from methodological artifacts, or threats to validity) have not been found, strong causal inferences can be made” (Yin, 2014, p. 143). Applying Yin’s suggestions to my research question synthesized the proposition that subunits of MNEs’ enablers (multinationality, foreignness, and institutional ambiguity) and mechanisms (reflexivity, resources, and role expectation) lead to institutional strategies (innovation, arbitrage, circumvention, and adaption) in foreign urban environments.

As outlined in the previous chapter, my research’s main unit of analysis is the subunit of Multinational Mobility Providers based in a city above one million inhabitants, located outside of
that MNE’s headquarter country. In particular, and following the approach of extant IB publications (cf. Cantwell et al., 2009; Kostova et al., 2008), the research focuses on such units’ post-market-entry situations, including their managers who and departments that have introduced a mobility product or service in a city outside of the organization’s headquarter country. While the prime level of focus was the organization as an actor within a strategic action field, I included individual actor behavior (e.g. managers' reactions to institutional logics) through their input in the empirical research. Additionally, secondary units in my analyses of the respective strategic action fields included all relevant institutional actors and their representatives in the MMP’s institutional network, such as regulatory offices, city governments, urban planners, key opinion leaders, industry associations, and communal politicians (cf. Boehler-Baedeker, 2014; Economist Intelligence Unit, 2015; van Audenhove, Dauby, Kornichuk, & Pourbaix, 2014).

3.4.2. Research Process

I devised the research process as a twofold conceptual framework (Cooper & Schindler, 2014; Miles, Huberman, & Saldaña, 2013). Following a holistic and relativist reasoning, the first element is exploratory, including refining the research question through exploratory interviews with urban mobility experts as well as postgraduate colloquia at the Johannes Kepler University, Linz, to address methodological and content challenges a priori (Saunders, Lewis, & Thornhill, 2012). Furthermore, exploratory qualitative studies develop a deeper understanding of the strategic action field and inherent processes, since these factors are “institutionally defined and can only be identified on the basis of empirical investigation” (Thornton, 2012, p. 24). Additionally, such a methodology “controls for possible extraneous variations found in multiple industries” (Tan & Peng, 2003, p. 1254).

3.4.2.1. Empirical Investigation 1: Exploratory phase

In the empirical analysis of the exploratory phase, I assessed available grey and academic urban mobility literature as well as a focus group study with industry experts to yield a more specific list of ideas, shared understanding, analyzable data, and discourse (Birkinshaw et al., 2011; Cooper & Schindler, 2014; Feinberg & Gupta, 2009; Gadenne, 2001). In light of institutional analyses, Krippendorff (1989, p. 403f) among others consider a content analysis (i.e. “making replicable and valid inferences from data to their context”) a particularly useful research tool. It enables, for example, contextual analysis of strategic action fields, its interdependent logics and relevant institutional processes (Colyvas & Powell, 2006; Schneiberg & Clemens, 2006).

Given the content analysis’ broad exploratory potential and the institutional research’s barely tangible characteristics due to its “meta-theory” character (Thornton et al., 2012a), I applied a focus group study as a second qualitative research method, seeking to triangulate and validate the content analysis findings. A focus group study without a specific a priori hypothesis involving...
6-10 industry experts is an appropriate qualitative method to falsify or corroborate previous results, and to specify content analysis findings (Cooper & Schindler, 2014; Gadenne, 2001; Hoyle, Harris, & Judd, 2002). The group discussion also helps jointly define common institutional processes, key terms, and keywords. Adhering to the definition of overall urban mobility stakeholders above and as IB research suggests, my choice of focus group participants included representatives of MMPs, organizational institutional actors, and other relevant agents (Cantwell et al., 2009). The heterogeneity of sources and actors, content analysis triangulation, and focus group findings developed the binding forces contributing to defining the field of urban mobility (Cooper & Schindler, 2014; Jones & Livne-Tarandach, 2008).

3.4.2.2. **Empirical Investigation 2: Explanatory phase: Zipcar and AOD as case studies**

Developing an overview of potential field-level institutional processes in the first research phase provided the basis for the explanatory phase, comparative case studies of MNE subunit’s reaction to institutional processes on a strategic field level, following a replication logic (Eisenhardt, 1989; Yin, 2014). The extant exchange with potential MMP cases in the focus group study allowed for identification and intentional selection of the case company shortlist (Liampputtong, 2010). I selected the case companies based on defined a priori criteria in an attempt to maximize the fit vis-à-vis the conceptual framework, while overcoming potential barriers to participation (Miles et al., 2013). First and foremost, I considered cases in which the phenomenon of an MMP subunit’s response to an institutional process could appear. Following Pache & Santos (2013, p. 978), an MMP subunit might respond to an institutional process when a MMP has implemented or has been running a city-wide mobility product or service (i.e. a post-market-entry situation), since at this point, the “organization… need[s] to secure critical support from institutional referents in the form of social support (acceptance of settling in a new territory, endorsements, partnerships, etc.).” Although seeking comparable sample companies in terms of business model and operations in order to ensure openness and access to critical information, I contacted companies not directly in competition, operating in various cities, and displaying willingness to participate and provide necessary documents for academic analysis.

Two companies fulfilled the above criteria. First, Zipcar Ltd.’s London subunit presented the valuable case of a market-leading car-sharing company with promising results of institutional strategizing. Second, car manufacturer Audi AG’s San Francisco-based subunit Audi on demand (AOD) posed a new-on-the-market case of an on-demand car rental operation. Both cases' companies operate in global cities outside of their MNE headquarter country, having launched a city-focused mobility product. While Zipcar Ltd. has a long history, extensive international experience, and market leadership in London, AOD has been positioning itself in a niche luxury market in San Francisco. The two companies show similarities in terms of business models and resource-intensive backing of large parent MNEs. However, they seemingly varied in key dimensions of this research’s theoretical interest, such as multinationality (and related experience), foreignness, and institutional ambiguity. As previous IB research (cf. Pache & Santos, 2013) shows, this heterogeneity of case characteristics can improve the generalizability of the induced and/or corroborated theory. Both cases are thoroughly presented in Chapters 5 and 6 of this thesis.

**Evidence collection** focused on archival records, documentary information, and interviews, following usual procedures in the social sciences (Creswell, 2012; Filippini, Güttel, & Nosella, 2012). To corroborate the findings, strengthen the construct validity, and increase the research
approach quality, the research used triangulated, multiple-source of evidence, critically reviewing all findings. For both case studies, the data-gathering process was replicable (Gerring, 2004). Alongside the generally-identified institutional processes in the exploratory study, as a first step, I analyzed case-focused archival records as preparatory secondary sources. These sources included official business records and annual reports, press articles, statistical data, governmental publications, and conference proceedings. The records contributed to identifying case-relevant institutional processes, institutional referents, and other relevant artifacts to include in the inquiry. During on-the-ground research, I attempted to access further relevant records such as internal company documents, emails, and written reports of events. Even though these sources provided significant insights, the answers to the *whys* and *hows* of MMP institutional strategy were embedded in the knowledge and experience of human actors, the human affairs and related action. Since these sources are rarely documented, it was important to conduct in-depth face-to-face interviews (Yin, 2014) with local management representatives, relevant project managers, and informants of the institutional actors (see Table 4) in the strategic action field (Ahlstrom & Bruton, 2001).

<table>
<thead>
<tr>
<th>Zipcar interviews (8)</th>
<th>AOD interviews (9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director 1 (1)</td>
<td>Director 1 (2)</td>
</tr>
<tr>
<td>Director 2 (4)</td>
<td>Director 2 (1)</td>
</tr>
<tr>
<td>Director 3 (1)</td>
<td>Sales Manager (1)</td>
</tr>
<tr>
<td>Strategy Manager (1)</td>
<td>Expat Project Manager (2)</td>
</tr>
<tr>
<td>Marketing Manager (1)</td>
<td>Marketing Manager (1)</td>
</tr>
<tr>
<td></td>
<td>IT Manager (1)</td>
</tr>
<tr>
<td></td>
<td>Project Manager (1)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Zipcar – Field actor interviews (11)</th>
<th>AOD – Field actor interviews (14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GLA – Transport Manager (1)</td>
<td>AOA – Director (1)</td>
</tr>
<tr>
<td>TfL – Strategy Manager &amp; Mobility Manager (2)</td>
<td>AOA – Project Manager (1)</td>
</tr>
<tr>
<td>Car Plus – Director (2)</td>
<td>AOA – Business Development Manager (1)</td>
</tr>
<tr>
<td>Consultants from SteerDaviesGleeve, Chas Ball, Frost&amp;Sullivan (3)</td>
<td>Audi dealer SF – Director (1)</td>
</tr>
<tr>
<td>City of Westminster – Service Manager (1)</td>
<td>ABI - Project Manager (2)</td>
</tr>
<tr>
<td>BVRLA – Communications Manager (1)</td>
<td>Eddisons – Director (1)</td>
</tr>
<tr>
<td>London Councils – Director (1)</td>
<td>Eddisons – Project Manager (4)</td>
</tr>
<tr>
<td></td>
<td>City of SF – City Planner (1)</td>
</tr>
<tr>
<td></td>
<td>Tishman &amp; Speyer – Director (1)</td>
</tr>
<tr>
<td></td>
<td>Sixt – Director (1)</td>
</tr>
</tbody>
</table>

Table 1: Data Sources – Zipcar & AOD

As the most significant contribution to the case studies, the 45–90 minute face-to-face interviews followed a line of inquiry progressing from broad to specific questions. Attempting to trigger creative, open-minded thinking and related answers, I started the interview by hypothetically putting the interviewee in the situation of entering a city market without competition in place.
The first question was: imagine a situation in which Zipcar was not yet established in London, and there were no competitor. How would you proceed?

This question was followed by a description of the MMP subunit’s operation and broad assessment of challenges and pitfalls. In the second half of the interview, the questions were geared more towards the specific variables of theoretical interest such as multinationality, identity, institutional ambiguity, and these variables’ roles in dealing with other institutional audiences. While a questionnaire guided the semi-structured interview, I chose the order of questions, skipping questions or adding additional ad-hoc questions as per relevant conversation content. During the interview, I constantly aimed to produce narratives (Czarniawska, 2004), leaving substantial room for deviation of the interview structure to allow for exploratory artifact inclusion. Where possible, I also engaged in in vivo coding with the participants, as such procedure increases the authenticity and member checking of the research (Denzin & Lincoln, 2008).

Prior to the interview, I provided all interviewees with explanations of the study and general research process including confidentiality and research aims. Research participants also received a preliminary version of the institutional overview developed in the Empirical Investigation 1. Despite an element of priming the interviewees to focus on certain institutional processes, academic colleagues and my doctoral mentor at the Johannes Kepler University, Linz, approved such approach as a suitable means of introducing the general research and steering the discussion.

3.4.3. General Rules for Coding and Analysis

Prior to coding the narratives of the focus group, and empirical case studies, I assigned generalized job titles to the interviewees to ensure anonymity. Interviewees who belonged to the local board of management of an organization or oversaw other managers with disciplinary responsibilities were assigned the title ‘director’. Interviewees managing more specific day-to-day operations or distinctive departments were assigned the title ‘manager’, often with a preposition delineating the specific area of work, e.g. ‘Marketing Manager’ or ‘Project Manager’ (see Table 1 and 3). Throughout the content analysis, focus group, and empirical case studies, I generally followed matching and cohering coding rules where possible to increase coherence and validity (Dacin et al., 2002; Raffaelli & Glynn, 2014). I still took into account individual coding requirements that I further outline in Chapters 5 and 6.

Following the call from Miles et al. (2013, p. 71) to provide transcripts that are "clear to the reader," I transcribed the focus group and all interviews in a meaningful and understandable way, providing additional syntheses of the key contacts’ verification and additional comments. Moreover, I digitized all hand-written notes in Microsoft Word. Prior to coding and analyzing the data, I fed all primary and secondary data into Atlas.Ti, a qualitative data analysis software, which I used throughout the analytic process. As in extant research on organizational institutional strategy (cf. Jarzabkowski, 2008), I analyzed and coded the data manually and in a replication manner for all cases, since institutional processes represent semantically complex contents (Krippendorff, 1989). The analysis then built upon the idea of ideal types, i.e. the “distinct characterization of a particular meaning scheme” (Fuenfschilling & Truffer, 2014, p. 777). I assigned text parts and master codes to all possible institutional processes and related enablers, mechanisms, and strategies occurring in the strategic action field under study. Taking account of the broad theory and exploratory potential of the research, I then created sub-codes and merged them according
to coherent findings in a bottom-up manner if they were replicated in the oral discourse of the interviews (Jones & Livne-Tarandach, 2008). Finally, in order to visualize the content, I devised a graphic network of institutional audiences, institutional processes and the respective logics, adding content-analytical summary tables collating the triangulated data from the multiple sources and representative quotes from the narratives according to general guidelines of qualitative analysis (Miles et al., 2013; Saka-Helmout & Geppert, 2011).

3.4.4. Anticipated Ethical Issues

The opportunity to conduct in-depth empirical research in London and San Francisco was a great privilege and learning opportunity. The access to materials as well as stakeholders would likely have been impossible, had I not previously been an employee at Audi AG in Germany. Acknowledging potential for bias and reliability issues, research involving a prior employer constitutes acceptable practice in case-oriented institutional research, as shown with Anne-Claire Pache’s empirical research focus on French work-integration social enterprises (Batilana, Sengul, Pache, & Model, 2015; Pache & Santos, 2013). Nevertheless, I continuously tried to balance my privileged access and support with simultaneous precautionary measures to maintain academic rigor and a critical stance towards the empirical case.

For one, I intentionally used my private as opposed to Audi AG email address in all communication, strengthening the independent approach to the empirical analysis. While Audi AG provided financing for travel expenses incurred conducting empirical research, I received no other monetary support from Audi AG. Instead, to further ensure independence and ownership of my research project, I left my operational role at Audi AG for a self-funded 18-month research sabbatical, decoupling from any commercial interests of the organization. It is further noteworthy that no prior personal relationships existed with any of the case members or interviewed stakeholders, enabling me to independently manage my engagement with all involved stakeholders.

In every phase of the research, I took an informed consent approach with the all participants. Providing a suitable written overview of the scientific background, personal intention, sponsorship from Audi, and managerial relevance of the study, strengthened the participants’ understanding of and personal support for the research project and, simultaneously minimized potential bias. While transparency is a well-known issue in institutional and automotive research, I assured all participants privacy and confidentiality in the research, hoping to yield a trusting relationship and meaningful insights, even though the two case companies have been in partial competition. This approach was geared toward maximizing available resources, yet strengthening scholarly interests, maintaining academic rigor, and yielding revealing empirical insights.
4. Empirical Investigation 1: Identification of Institutional Processes in Urban Mobility

4.1. Content Analysis Documents

Aiming to depict the formal and informal institutional processes prevalent in the field of Urban Mobility, publications deriving from the state, the society and the organizations are consulted as a first step of Empirical Investigation 1 (Thornton et al., 2012a). These include research and grey literature from businesses, i.e. the MMPs, the urban government, such as city authorities, and related academic research as well as societal representatives (e.g. NGOs) and external experts, i.e. firms providing advisories and forecasts in the field of urban mobility (see Table 2).

<table>
<thead>
<tr>
<th>Author(s), Year,</th>
<th>Title</th>
<th>Organization</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boehler-Baedeker, 2014</td>
<td>National Approaches and Local Practice</td>
<td>GIZ</td>
<td>Government</td>
</tr>
<tr>
<td>Undisclosed(^2), UN Human Settlements Programme, 2013</td>
<td>Planning and design for sustainable urban mobility: policy directions</td>
<td>UN Habitat</td>
<td>Government</td>
</tr>
<tr>
<td>Dutzik &amp; Inglis, 2014</td>
<td>Millennials in Motion Report</td>
<td>Frontier Group</td>
<td>NGO</td>
</tr>
<tr>
<td>Tsay &amp; Herrmann, 2013</td>
<td>Rethinking Urban Mobility</td>
<td>Carnegie Endowment for International Peace</td>
<td>NGO</td>
</tr>
<tr>
<td>van Audenhove et al., 2014</td>
<td>The Future of Urban Mobility</td>
<td>Arthur D. Little</td>
<td>Advisory and Forecast</td>
</tr>
<tr>
<td>Cizmar et al., 2014</td>
<td>Cities of Opportunity 6</td>
<td>PricewaterhouseCoopers</td>
<td>Advisory and Forecast</td>
</tr>
<tr>
<td>Undisclosed(^2), Economist Intelligence Unit, 2015</td>
<td>Urban infrastructure insights</td>
<td>Economist Intelligence Unit / FCC</td>
<td>Advisory and Forecast</td>
</tr>
<tr>
<td>Wulfhorst, Priester, &amp; Miramontes, 2013</td>
<td>What cities want - How cities plan future mobility</td>
<td>MAN Group</td>
<td>MMP(^3)</td>
</tr>
<tr>
<td>Ecola et al., 2014</td>
<td>The Future of Driving in Developing Countries</td>
<td>IFMO Institute / BMW</td>
<td>MMP(^3)</td>
</tr>
<tr>
<td>Thynell &amp; Wolmar, 2014</td>
<td>Access and Mobility in Cities</td>
<td>Volvo</td>
<td>MMP(^3)</td>
</tr>
<tr>
<td>Undisclosed(^2), Arup and Siemens, 2015</td>
<td>Resilient Urban Mobility: A case study of Integrated Transport in Ho Chi Minh City</td>
<td>Siemens</td>
<td>MMP(^3)</td>
</tr>
<tr>
<td>Harringer, 2015</td>
<td>Informal Institutions as Drivers of the Automotive Industry</td>
<td>Johannes Kepler University Linz</td>
<td>Academic meta-study</td>
</tr>
</tbody>
</table>

Note:
\(^1\) If more than three authors are involved, et al. is added due clarity of display; complete information is available in the list of references.

\(^2\) Undisclosed describes the publications whose authors are unknown or undisclosed within the document.

\(^3\) Multinational Mobility Provider includes companies that publish directly as well as research that has been sponsored by a Multinational Mobility Provider.

Table 2: Content Analysis Data
Despite great variation in content and scope, ranging from 31 to 136 pages, common denominators were defined a priori. All publications were younger than 5 years at the time of writing my monograph and reflect elements of inter-modal urban mobility as well as MMP case-specific findings, using quantitative and qualitative empirical data. The list of publications was also checked for representativeness by an industry expert prior to starting the coding process.

4.2. Focus Group Participants’ Profiles

Adhering to the urban mobility stakeholders definition above and as suggested by IB research, the choice of focus group participants included representatives of MMPs, organizational institutional actors and other relevant agents (Cantwell et al., 2009).

Through purposive sampling, the participants were selected arbitrarily based on predefined criteria in an attempt to overcome potential barriers to participation (Liamputtong, 2010). First, participants were sought who possessed more than two years of experience in operating with or within international urban mobility organizations in either of the roles mentioned above. The MMPs and their representatives were carefully chosen in order not to involve directly competing MMPs as this was assumed to have an important influence on the openness of the group discussion. Furthermore, participants should derive from different national and urban backgrounds, potentially yielding diverse perspectives and opinions. Moreover, the participants’ fluency in English and the individuals’ willingness and openness to participate were considered important prerequisites.

<table>
<thead>
<tr>
<th>Position</th>
<th>Organization</th>
<th>Transport product/service</th>
<th>Geographical focus</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Manager</td>
<td>Beijing Transportation Research Center</td>
<td>Traffic policy management</td>
<td>Beijing, China</td>
<td>&gt;4 years</td>
</tr>
<tr>
<td>Cooperation Manager</td>
<td>Audi mobility</td>
<td>Premium car sharing services</td>
<td>San Francisco, USA</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>Project Manager</td>
<td>Audi Urban Future Initiative</td>
<td>City consultancy</td>
<td>Mexico City, Mexico</td>
<td>&gt;8 years</td>
</tr>
<tr>
<td>Director</td>
<td>MAN Truck and Bus</td>
<td>Trucks and busses</td>
<td>Various</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>Professor and Urban Planner</td>
<td>Massachusetts Institute of Technology</td>
<td>Consultancy and research</td>
<td>Latin America</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>Locations Manager</td>
<td>Zipcar</td>
<td>Car sharing</td>
<td>London; various</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>Trend Manager</td>
<td>Audi AG</td>
<td>Premium cars</td>
<td>Various</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>Director</td>
<td>Siemens AG</td>
<td>Transport infrastructure</td>
<td>Various</td>
<td>&gt;10 years</td>
</tr>
</tbody>
</table>

Table 3: Participant Profiles
Using social networks, industry and personal contacts, various potential participants were identified globally. Aiming at a maximum of 10 participants, 9 participants were selected and personally invited based on their professional and personal characteristics. The potential participants were incentivized to participate in a one-and-a-half-day workshop focusing on Institutional Strategy in Urban Mobility with top-tier participants from prestigious organizations and companies. Out of these 9, 7 eventually participated in this augmented focus group study (see Table 3). One expert from India dropped out short-notice and the Director of Siemens, belonging to the Siemens Mobility Consulting division, decided to feed in his input through a semi-structured interview a posteriori.

The participants were sent a preparatory document, introducing the general research, administrative details and the idea of institutions in urban mobility. Furthermore, and with the aim to spur an international rather than home-market oriented discussion, they were asked to prepare a presentation answering the following questions. For Mobility providers these were: What are the most important formal and informal rules for your business on an urban area globally and in emerging market megacities? How does your company respond to these (constraining or enabling) processes? Can you provide an example of such approach in an emerging market megacity? For other urban experts these included: How different are the cities in your country in terms of rules, regulations and the respective societies’ value sets and norms regarding mobility? What are prerequisites for mobility providers to successfully address these rules, regulations, value sets and norms? Do you know any best practices? What are the aims of policy makers? What would be the base of a good cooperation? Why and in what cases do mobility providers NOT cooperate with local governments?

I began the workshop, which was conducted in Munich in July 2015, with an introduction about the research, the aims, the participants, the schedule, the recording and the academic background. To explain the academic motivation and establish appropriate terms, I briefly presented introductory slides on institutional theory and institutional processes in urban mobility. During the one-and-a-half-day workshop, all participants then held a presentation of roughly 30 minutes on the topic. After each presentation, a 15-minute reflection time was used to gather all identified institutional processes and conduct in vivo coding on a flip-chart, i.e. jointly assorting the identified determinants into formal and informal processes, as well as their occurrence levels. These levels were supranational (e.g. the EU), national (both including the nation or federal state levels), and urban (including the city itself as well as the metropolitan area). At the end of the one-and-a-half-day workshop, all identified codes were again presented to all participants. Since it did not bias the focus group’s findings, I decided to display some preliminary content analysis results alongside the results of the focus group. I then requested all participants to juxtapose the developed potential codes with their personal opinions and identify the ten most important institutional processes. As done in extant research, this method was aimed at yielding a more specified group result as well as a validation, conversion and reflection of institutional processes, which had not been addressed in the focus group discussion but were deemed as relevant by the participants (Marshall, Cordano, & Silverman, 2005; Sutton, 1993).

Following Miles et al. (2013), the participants filled their roles well in reflecting their views depending on organizational belonging, the organization’s respective product or service, their occupation, geographical focus, and work experience (see Table 3). The group’s small size and length of the workshop lead to vivid discussions throughout the presentations. Over the one-and-a-half-day study, the participants’ input and contributions were well distributed and lead to
multifaceted views on the research topic. All participants allowed to be recorded throughout the entire workshop, except for the Transport Strategy Research Engineer of the City of Beijing, due to confidentiality issues. In this case, the findings were recorded via hand-written notes.

The Director of Siemens could not participate in the focus group discussion. I however valued his expert input on infrastructure and rail product provision in cities and thus conducted a separate two-hour, semi-structured interview in October 2015. Following the focus group’s structure, the questions were aligned with the topics discussed in the conference. In line with the focus group approach, I confronted him with preliminary findings of the focus group throughout the interview and with the preliminary content analysis results towards the end to further validate and contrast his view of relevant institutional processes with those gathered thus far. The interviewee answered openly and contributed valuable content, which further helped in refining the analysis of institutional processes in urban mobility.

4.3. Data Analysis: Institutional Process Configurations and Spheres

Most applied institutional research avoids or produces idiosyncratic definitions of an institution, institutional process or related ideal type. My analysis hence built on the assumption that institutional processes stimulate MNE reactions of any nature, e.g. ranging from discourse to proactive forms of action (for instance lobbyism) vis-à-vis a certain institutional process (Fligstein & McAdam, 2011; Scott, 2014).

Based on this reasoning, I followed the coding rule of assigning text parts to each individual institutional process that I believed affected one or more MMPs’ business model to an extent that it may stimulate and result in related MMP action or reaction (Miles et al., 2013). In contrast, I further distinctively demarcated other given exogenous factors, such as general macroeconomic factors, urban population density, historical developments (e.g. history of transport infrastructure), topographic aspects and climate conditions. Despite having an undeniable effect on the MMPs’ business models, I excluded these exogenous environmental conditions, as the focus group participants deemed them uncontrollable and not socially derived by the key urban mobility stakeholders. The key urban mobility stakeholders were defined following Boehler-Baedeker (2014), who includes the general public, private corporations, civic leaders, municipal department of public works, state road and municipal transport corporations, special purpose vehicle administration, non-governmental organizations, municipal corporation or the state department of roads and buildings.

Naturally, there is an element of interaction and interdependence between informal and formal institutional processes (Elg & Ghauri, 2015; Schubert & Wangenheim, 2006). As an example, a congestion charge was potentially introduced due to democratic societal pressures to enhance the quality of life in the inner city, but the action that eventually affects the MMP is of formal nature, governmentally-derived as a law or rule with regulative and coercive elements and will thus be categorized as such. On the other side, the societally perceived prestige and status of a mobility mode may affect politicians’ prioritization of infrastructural development, but it may in the first place constitute an informal, normative institutional process that drives the urban society’s expected mobility behavior and is therefore coded as an informal-normative institutional process.

Similarly, the degree of digitization of citizens’ lives and mobility choices is primarily an informal, cognitive process. While it affects legislation toward data handling and safety on a regulatory,
formal side, it primarily influences the citizen’s choice with regards to mobility behavior and related products and services. Since its primary influence on the MMP is an informal-cognitive one, it will thus be coded accordingly.

Building on this ontological background, I began with a start-list of three master codes – formal, informal-normative and informal-cognitive institutional process, or FIP, IIPN and IIPC for short – to indicate the institutional processes’ general nature (Miles et al., 2013; Scott, 2014).

Additionally, and in order to take account of the multiple institutional spheres, I added sub-codes, FIP-S, IIPN/C-S (formal/informal-normative/informal-cognitive institutional process on a supranational level), FIP-N, IIPN/C-N (formal/informal-normative/informal-cognitive institutional process on a national level) and FIP-U, IIPN/U-U (formal/informal-normative/informal-cognitive institutional process on an urban level). Supranational includes institutional processes on the levels above the nation state, e.g. the E.U. The national code is defined by nation and federal state derived institutional processes. Lastly, the urban level comprises the metropolitan region as well as city-level associated institutional processes. As some institutional processes occur on different levels, they were coded with S/N or N/U. The descriptive codes for individual institutional processes within the aforementioned categories were then specified progressively during inductive coding and constantly refined idiosyncratically.

Following a bottom-up approach, the respective codes were merged throughout the research process according to respective fit and defined as header codes. When merging codes, they were deemed legitimate and correctly linked to the discussed institutional context in case the focus group’s participants and the elite interview replicated them identically (cf. Jones & Livne-Tarandach, 2008). If an asymmetry was identified with regards to the specific nomenclature, more weight was given to the proprietary focus group research, which then lead to an adjustment of code and family naming. In addition, I placed an emphasis on a high explanatory power of each process and order as well as little perceived overlap with other institutional processes. If an institutional process was not self-explanatory, examples or further comments were added within brackets behind the actual code. In order to further address the issue of interdependencies between different institutional processes and due to the large quantity of codes and the consequential necessity of reduction, institutional orders were moreover introduced as code families, linking the identified institutional process to an overarching categorical order (Thornton & Ocasio, 2008).
4.4. Results and Display of Data

A content-analytic summary table was chosen as an appropriate means to collate the triangulated data from the multiple sources into a single, coherent form (Miles et al., 2013; Saka-Helmout & Geppert, 2011). The dimensions that interested me were the institutional orders as code categories, the inherent institutional processes, the level on which they predominantly occur, i.e. supranational, national and urban, and the institutional condition to which they may primarily be attributed, i.e. formal, informal-normative and informal-cognitive (cf. Regner & Edman, 2013). This also sorted the processes within a given institutional order, and thus does not provide a weighting or ranking.

As displayed in Table 4, representative quotes from the interviewee’s narratives and document discourse were added to illustrate the empirical basis of my analysis. Seeking to validate other hitherto derived institutional processes, I chose to primarily quote findings from the conducted focus group, the interview and publications from MMPs.

Even though it is common practice in qualitative institutional research to display the quantity of quotes per code (Elg & Ghauri, 2015), I chose not include them in the matrix. The literature review revealed that some publications highlight certain institutional processes, while others neglect them. This neglect is particularly the case for informal institutional processes like car culture, environmental awareness or knowledge-related aspects. As MMPs may identify the relevance to their business model idiosyncratically, the summary table and findings rather serve as an overview of potentially relevant institutional processes. Additionally, the summary table provides a general introduction for the case companies in the explanatory phase, Empirical Investigation 2.
<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Level</th>
<th>Institutional condition</th>
<th>Representative quote from narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standards and codes (data, technology, design, project management)</td>
<td>National/Urban</td>
<td>Formal</td>
<td>Professor, MIT: &quot;[…] product safety requirements […] a good example is the seatbelt of cars […] we have research saying that seatbelts for the children have killed more children […] than] children riding without [a] seatbelt. But then they created the tall seat. And the tall seat saved children's life, but not the necessary the seatbelt. But it was an industry safety requirement.&quot;</td>
</tr>
<tr>
<td>GOVERNMENTAL PROFICIENCY</td>
<td>Real-time information, travel demand management and dynamic pricing</td>
<td>Urban</td>
<td>Formal</td>
<td>Locations Manager, Zipcar: &quot;[…] when they (Paris) have the worst pollution days they ban cars from the city, they also at a certain time are giving free usage of their Autoliv car sharing system […]&quot;</td>
</tr>
<tr>
<td></td>
<td>Degree of formalization and liberalization of urban transport</td>
<td>Urban</td>
<td>Formal</td>
<td>Professor, MIT: &quot;[…] I still think they [Indians] have an informal fine distribution of goods that is impressive […] It's amazing, because they do use public transportation, they use bicycles, they use everything to make this kind of fine distribution.&quot;</td>
</tr>
<tr>
<td></td>
<td>Leaders' and elites' personal attitudes, political will and mobility mode preferences (preference of public transport vs. individual transport)</td>
<td>Urban</td>
<td>Informal - Normative</td>
<td>Director, Siemens: &quot;[…] but certain parties, which rather use distinct environmental goals [as part of their campaign], will highly prioritize other aspects in the city. The third mayor of Munich, Mr. Monatzeder […] did not push the topic ‘bike capital’ for nothing.&quot;</td>
</tr>
<tr>
<td></td>
<td>Staff training, management abilities and efficiency</td>
<td>Urban</td>
<td>Informal - Cognitive</td>
<td>Volvo - Access and Mobility in Cities (p. 13): &quot;Other factors that influenced projects were management's ability and the involvement of project champions.&quot;</td>
</tr>
<tr>
<td></td>
<td>Educational, promotional and communicative activities (citizens' mobility awareness and education)</td>
<td>Urban</td>
<td>Informal - Cognitive</td>
<td>Director Foresight, MAN: Take the example Copenhagen. I am very impressed how Copenhagen is promoting, supporting […] and it’s all about the user.&quot;</td>
</tr>
<tr>
<td>GOVERNMENTAL PROFICIENCY (continued)</td>
<td>Holistic foresight and mobility planning</td>
<td>Urban</td>
<td>Informal - Cognitive</td>
<td>Locations Manager, Zipcar and Audi Manager: &quot;Does the city look at it holistically, or are they just kind of hoping [for a new train station in Mexico to work without decided security measures]? - they pronounced that they would, but so far I don’t see it, to be honest.&quot;</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Sophistication of choice architecture and behavioral engineering</td>
<td>Urban</td>
<td>Informal - Cognitive</td>
<td>Locations Manager, Zipcar: &quot;[...] behavioral change incentives [...] how can government encourage people to do more of the right kind of behaviors and that’s certainly vital.&quot;</td>
<td></td>
</tr>
<tr>
<td>INSTITUTIONAL CAPACITY</td>
<td>City authorities’ decision-making structure, organizational set-up and bureaucratic environment</td>
<td>National/Regional/Urban</td>
<td>Formal</td>
<td>Transport Manager, Beijing: &quot;[...] the political structure of transport management, infrastructural planning and economic development is highly complex in Beijing and is influenced by national, regional and local departments [...]&quot;</td>
</tr>
<tr>
<td>Stability and continuity of political leadership</td>
<td>National/Urban</td>
<td>Formal</td>
<td>Project Manager, Audi: &quot;[...] the whole government within the City of Mexico City has been kicked out and renewed… you have one meeting, you schedule your next one and then your partner is not there anymore [...] So, one of the biggest problems.&quot;</td>
<td></td>
</tr>
<tr>
<td>Data, privacy and technology regulations</td>
<td>National/Urban</td>
<td>Formal</td>
<td>Siemens - Resilient Urban Mobility (p. 43): &quot;Global standards guiding and governing the collection and sharing of data are varying in their scope and stringency. Development of data management processes and regulations for data exchange and sharing require cooperation from government, private sector and individuals.&quot;</td>
<td></td>
</tr>
<tr>
<td>Stability, enforcement and transparency of legal, policy and code framework</td>
<td>National/Urban</td>
<td>Formal</td>
<td>MAN - What cities want (p. 13): &quot;[...] Bogotá is in urgent need of a legal binding framework that ensures the direction of the transport policy [...]&quot;</td>
<td></td>
</tr>
<tr>
<td>Prevalence of corruption</td>
<td>National/Urban</td>
<td>Informal - Normative</td>
<td>Director Foresight, MAN: &quot;[...] and all of the sudden the two translators had a fight about what we were saying. What the other one was bringing over as a message [...] talking about corruption.&quot;</td>
<td></td>
</tr>
<tr>
<td>INSTITUTIONAL CAPACITY (continued)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>
| Citizens' faith in their leaders and authorities | National/Urban | Informal - Normative | Professor, MIT: "[...] citizens started believing that the only way to manage a city was through technical staff or some technical decisions."

| MOBILITY POLICY AND REGULATION | | | | |
|---|---|---|---|
| Supranational and national urban transport policies | Supranational/National | Formal | Director, Siemens: "[...] National policies. That's a main driver of our business... When you know, that there probably will be a toll system in Germany, then you know that you should prepare yourself for it."

| Measures to restrict motorized transport access | Urban | Formal | Transport Manager, Beijing: "[The Beijing government officials] have introduced different measures: [the] number plate policy [allowing only certain numbers on number plates to enter the inner city]"

| Measures to prohibit motorized transport access | Urban | Formal | Director Foresight, MAN: "[...] Because I see a clear ban [...] the car from the city. Ban the diesel truck from the city. Ban the diesel bus from the city. Use other modes or use other silent vehicles or clean vehicles [...]"

| Parking management (policies, space use, allocation) | Urban | Formal | Transport Manager, Beijing: "There will be a parking law introduced in 2017 to gain the power back about hitherto uncontrolled and free parking [...]"

| Controls on the ownership of motorized vehicles | Urban | Formal | Director, Siemens: "[...] these policies] lead to immense shifts [...] for example [...] my mobility consulting manager [in China] needs to participate in a lottery [to register his vehicle]"


| ECONOMIC INCENTIVES AND DISINCENTIVES | | | | |
|---|---|---|---|
| Fuel price measures | National/Urban | Formal | IFMO - The future of driving in developing countries (p. 76): "[...] such as transportation policies that keep consumer prices for fuel more expensive than the market price"

| Car cost measures (import tax, subsidies, scrappage schemes, inspections) | National/Urban | Formal | Professor, MIT: "[...]one important formal institution is] subsidies for electronic vehicles for example"
### ECONOMIC INCENTIVES AND DISINCENTIVES (continued)

<table>
<thead>
<tr>
<th>Economic Incentives and Disincentives</th>
<th>National/Urban</th>
<th>Formal</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supranational and national support or austerity measures</td>
<td>National/Urban</td>
<td>Formal</td>
<td><em>Director Foresight, MAN:</em> “[…] because at the moment you are not allowed to do business in Russia […] Even if we would like to […]”</td>
</tr>
<tr>
<td>Road pricing</td>
<td>Urban</td>
<td>Formal</td>
<td><em>Locations Manager, Zipcar:</em> “[…] whether it’d be road pricing, whether it’d be congestions charging, whether it’d be emission-based charging. We absolutely see much, much more of that happening as cities are getting to grips the issues that they face…”</td>
</tr>
<tr>
<td>Parking cost measures</td>
<td>Urban</td>
<td>Formal</td>
<td><em>Siemens - Resilient Urban Mobility (p.46):</em> “[…] dynamic parking fees and automatic season ticket renewals are a few examples that can help to secure the flow of revenue required to support the system…”</td>
</tr>
<tr>
<td>Subsidies of public transport, biking and cycling</td>
<td>Urban</td>
<td>Formal</td>
<td><em>MAN - What cities want (p.23):</em> “[…] Additional incentives will encourage commuters to resort to bike-and-ride systems […]”</td>
</tr>
<tr>
<td>Governmental influence on employee commute</td>
<td>Urban</td>
<td>Formal</td>
<td><em>IFMO - The future of driving in developing countries (p.42):</em> “[…] The introduction of tax benefits for home-to-work trips longer than 6 km and low interest rates for auto loans resulted in increased ownership of vehicles”</td>
</tr>
<tr>
<td>Citizen’s economic consciousness and sensitivity (“smart consumerism”)</td>
<td>Urban</td>
<td>Informal - Normative</td>
<td><em>Locations Manager, Zipcar:</em> “[…] if you bought a car you tend to be quite irrational about how you do your trips. ‘I’ve invested in this car and I’m going to use it ‘dammit’ and I am going to try and get a value out of it. If you take that away, then people are actually very rational about each of the trips they need to do and instead of driving around the corner to the shops because I am lazy, I’ll walk, because it’s actually the right thing to do. Why would I use a Zipcar to do that? So people are very rational. And that leads them to do less driving and do more sustainable modes. And it’s on this basis that we managed to get some really good support from the cities that we work in.”</td>
</tr>
<tr>
<td>URBAN DESIGN, INFRASTRUCTURE AND LAND USE</td>
<td>Physical traffic calming measures</td>
<td>Urban</td>
<td>Formal</td>
</tr>
<tr>
<td><strong>Land use measures, zoning laws, redistribution of public space and value-added approaches to transport</strong></td>
<td>Urban</td>
<td>Formal</td>
<td><em>Director, Siemens:</em> “[…] livable city […] what does a technology contribute to that? […] it is about the design of public space.”</td>
</tr>
<tr>
<td><strong>Governmental prioritization of initiatives to improve non-motorized transport infrastructure, car infrastructure, rail services or bus infrastructure and fleet</strong></td>
<td>Urban</td>
<td>Formal</td>
<td><em>Project Manager, Audi:</em> “[… the infrastructure is] really car dominated […] one office building here, a shopping center, restaurants here […] it would be a 5 minutes’ walk but there is no way across the street. So people have to take their car, do a U-turn for 25 minutes to reach [their target destination…”</td>
</tr>
<tr>
<td><strong>Permanent road space allocation</strong></td>
<td>Urban</td>
<td>Formal</td>
<td><em>Professor, MIT:</em> “[…] in Sao Paulo, we have a problem now. Because the mayor is expanding the bicycle infrastructure and obviously taking space out of the road for bicycles. So car drivers are complaining that they’re losing space […]”</td>
</tr>
<tr>
<td><strong>Integration of land-use planning with mobility planning (Transport-oriented development)</strong></td>
<td>Urban</td>
<td>Formal</td>
<td><em>Professor, MIT:</em> “[…] in Curitiba, we say that they have three points: […] the transportation system, land use and a road system in parallel […]”</td>
</tr>
<tr>
<td><strong>Citizens’ willingness to regain the right of urban spaces and create green zones</strong></td>
<td>Urban</td>
<td>Informal - Normative</td>
<td><em>Project Manager, Audi:</em> “[…] in Mexico City it was this whole aspect of ‘okay, we can reclaim space’.”</td>
</tr>
</tbody>
</table>
| SAFETY, SECURITY AND HEALTH | Government's initiatives to improve and extend safety and security in transport | Urban | Formal | *Transport Manager, Beijing:* "If you want to transfer from one station to another one you have to walk a long distance. But it is because [...] the passenger volume on the subways is too big, and if you just change lines on the same platform it’s going to be very, very dangerous..."

Government's interest in having a healthier society | Urban | Formal | *Volvo - Access and Mobility in Cities (p. 37):* "[...] policies that stimulate and facilitate an active physical transport mode, such as walking or cycling, and counteract the use of private cars, would improve health more than those only aimed at reducing the carbon impact of vehicles [...]"

Citizens' feeling of security in transit | Urban | Informal - Cognitive | *Locations Manager, Zipcar:* "[...] security is going to have a fundamental effect on what the mobility solution looks like [...]"

Citizens' health consciousness when choosing a mobility mode | Urban | Informal - Cognitive | *UN Habitat - Planning and design for sustainable urban mobility policy directions (p. 7):* "Cycling and walking can also directly provide the daily physical activity required for a healthy lifestyle."

| ENVIRONMENT | International and national environmental targets | Supra-national/ National | Formal | *Director, Siemens:* " [...] In the transport sector, it is relatively clear. The CO2 regulations are not only city-specific. The electro mobility regulations are not only city specific. Therefore, [the national and international regulations] play an important role..."

Urban environmental targets and regulations (CO2, pollutants, greenhouse gases, NO2, PM10, noise, light and environmental zones) | Urban | Formal | *Director Foresight, MAN:* "I think [something that is] very important [is] the transport-related CO2 emissions [...]"

Quotas and specifications for green vehicles | Urban | Formal | *Locations Manager, Zipcar:* " [...] in London] the congestion charge is set at 75 g of CO2. They lowered it from 100 [...] in the middle of last year I think it was and [...] there are pretty much no IC (internal combustion) vehicles on the market that are sub 75g of CO2 so [...] London wants to keep reducing the thresholds to persuade fleets, car sharing companies, everyone to reduce [...] to improve their emission [...]"
| ENVIRONMENT (continued) | Citizens' environmental, societal and climate awareness and influence on mobility decision | Urban | Informal - Normative | Transport Manager, Beijing: "[...] rich people do not care about environmental impacts and the extra tax (e.g. pollution tax) they have to pay [...]"

| Governmental focus on environmental issues (staffing, reduction and quality plans) | Urban | Informal - Cognitive | MAN - What cities want (p. 15): "The goals set in the climate plan are taken seriously in Copenhagen"

| FINANCE | National funding programs and allocation | National | Formal | Transport Manager, Beijing: "[...one important institution is] national investment policies regarding public infrastructure spending [...]"

| National and local tax structure enabling local reinvestment | National/Urban | Formal | Siemens - Resilient Urban Mobility (p. 40): "[...the local fuel taxing] revenue stream alone would adequately fund both ITMS and smart card systems. A local tax structure would ensure that revenues are reinvested in the local transport network rather than being absorbed by central government [...]"

| City authority's availability of funding, financing sources and capacity | Urban | Formal | Director Foresight, MAN on city responses: "And I think not only in Germany it's like this: the cities have not enough staff, not enough money to really cope with this issue [provide traffic data to MMPs]."

| City authority's proficiency of financing methods and sophistication of financial principles | Urban | Formal | Siemens - Resilient Urban Mobility (p. 47): "At its foundation in 1997, the fund totaled nearly $13 million, rising to $39.75 million by the end of 2003. Given the operating successes of HIFU, Vietnam has set up 12 similar investment funds in other provinces."

| City authority's financial transparency towards all stakeholders | Urban | Formal | The Economist - Urban Infrastructure Insights (p.4): "Roughly half of all survey respondents assert that greater transparency around public spending would be the most efficient way in which to improve infrastructure and services in their cities..."

| Charges to indirect beneficiaries of public transport infrastructure | Urban | Formal | Arthur D. Little - Future of Urban Mobility (p. 49): "A number of different categories of indirect beneficiaries may be identified, and different schemes implemented to raise cash [...] Car users thus benefit indirectly from public transport [...] as well as] employers in terms of increased efficiency and attractiveness [and] property owners and developers as the value of their property may increase [...]"
| CONVERGENCE OF TECHNOLOGY AND TRANSPORT | City authorities' initiatives to establish an integrated, multi-modal mobility platform with inter-operator fare collection | Urban | Formal | Cooperation Manager, Audi: "[…] the city of Munich [is] trying to do so as a municipality. They invite Mercedes and BMW with their DriveNow service to become part of their app […] including different car-sharing activities of private companies. So they do a first step [towards] this central platform […]"

| Governmental initiatives to improve and extend the telecommunications infrastructure | Urban | Formal | Siemens - Resilient Urban Mobility (p.29): "The technologies […] rely on the availability of a telecommunications infrastructure with the robustness and capacity to handle data and command flows […] This infrastructure includes copper and fiber cable networks and wireless transmission infrastructure including radio and microwave systems such as GPRS, 3G and 4G networks and Bluetooth."

| Level of technological sophistication, responsiveness and transparency of transport management (ITS, ITMS, …) | Urban | Formal | Siemens - Resilient Urban Mobility (p. 18): "Intelligent control technologies […] help to secure redundancy in transport networks, ensuring continued flows and preventing unwanted stoppages"

| Technological investment policies and incentives | Urban | Formal | Director Foresight, MAN: "[…] Match mobility and innovative technology - that's a typical governmental issue to address. How can I promote the use [of technology]?"

| City authorities', MMPs' and citizens' willingness to share data | Urban | Informal - Normative | Locations Manager, Zipcar: "Transport for London […] publish their own data but they don't want to be the aggregator. So who is it? […] Are people willing to give a company the data? […] Moovel is a good example in Germany. Would we want to be a part of Moovel? Probably not because we would be telling Daimler everything […] so who is going to do it?"

| Citizen's virtual identity (readiness to embrace new technologies and digitalization) | Urban | Informal - Cognitive | Transport Manager, Beijing: "It's very hard to change peoples' minds, but you can use technology to change their behaviors. It's very much like Didi and Uber - they use a new technology to change people's view on […] mobility service"

| City authority's big data, urban informatics and IT knowledge ("terra incognita") | Urban | Informal - Cognitive | Volvo - Access and Mobility in Cities (p. 29): "The use of information technology for achieving more even flows on traffic routes and for making it possible to have flexible bus stops have also been studied through innovative schemes, such as Retbus in Barcelona."
| CONVERGENCE OF TECHNOLOGY AND TRANSPORT (continued) | City authority's innovation mindset ("living lab", pilot projects, policy testing, tech affinity, university cooperation) | Urban | Informal - Cognitive | Director Foresight, MAN: "There are a lot more of this kind of projects running at the moment. [There are] many European and Non-European cities where they will try to do this fine distribution [...] using cars, using people, using bikes, whatever there is."

| Coordination, cooperation and influence of different political stakeholders ("vertical cooperation"; politicians and mobility planning administration) | Urban | Formal | Project Manager, Audi: " [...] I mean seeing such a project [...] envisioned in one department within the city, and it's supposed to be ready there in 2017 [...] and you talk to the next department and they don't even know where the stop in Santa Fé would be [...]"

| Prevalence of public-private partnerships | Urban | Formal | Professor, MIT: " [...] Volvo can use Curitiba as a show case for Latin America. If our busses are running in Curitiba, why shouldn't they run in Bogota? [...] The point [is] that something that can start as a hummingbird effect [...] meaning that expectedly one side is benefitting from each other [...] you can build a co-benefitting strategy on this."

| Risks and responsibilities allocation to different stakeholders (authorities, operators, private actors, associations) | Urban | Formal | Transport Manager, Beijing: " [...] we would like to take in the data collected from the business companies [...] we don't have to collect the data by ourselves. So it's a strategy of the city [...]"

| Governmental scope of integration of stakeholders ("horizontal cooperation"; degree of overall consensus) | Urban | Informal - Normative | Transport Manager, Beijing: " [...] in Beijing's mobility environment, we don't see cyclists as important stakeholders [...] only when we are thinking of developing some traffic system [...]"

| Degree of stakeholder engagement, participation and legitimization of regulatory measures | Urban | Informal - Normative | Project Manager, Audi: "The city planned a 'passerelle' (pedestrian bridge) from the metro to the bus stop [...] there was a lot of local businesses [...] on this 'passerelle' (pedestrian bridge). This was forbidden to have [...] So what happened? [...] people just destroyed this 'passerelle' (pedestrian bridge)"
| COOPERATION (continued) | MMP partnership and network mindset | Urban | Informal - Normative | Director, Siemens: "[…] You still always have to put the quality behind [cooperations], that turn you into a partner. Just 'doing' it doesn't make you a partner [...]"

| Media behavior vis-à-vis mobility measures | Urban | Informal - Cognitive | Professor, MIT: "[…] But the issue is that the main newspaper who used to advocate for more bicycles in the city... now that the mayor is actually doing [it]... the newspaper has been pressured by car drivers 'come on, they are taking our space, it's not good."

| City authorities' knowledge sharing with other cities, governments and associations | Supra-national/ National/ Urban | Informal - Cognitive | Director, Siemens: "[…] the activity level of the responsible of the city is rising. You can notice this thanks to topics like the C40 (network of the world's Megacities)."

| MOBILITY CULTURE | Citizens' mind shifts from possessing to sharing ("sharing economy"; community sense and economic reasoning) | Urban | Informal - Normative | Locations Manager, Zipcar: "[…] We see it in a big way, from films to fashion, from music to travel, consumers are collaborating and sharing in a way that just wasn't possible before and it's all facilitated by that thing you have in your pocket: the phone [...]"

| Citizens' demand and attitude toward quality of transport | Urban | Informal - Normative | Director Foresight, MAN: "[…] travel times is the most important issue for public transport [...] followed by public transport service quality [...] looking at Sao Paulo [...] quality of transport for the user [...] what do I get for my money [in terms of time and security]?

| Citizens' perception of status and prestige of mobility modes ("car culture", peer group influence) | Urban | Informal - Normative | Transport Manager, Beijing: "From a traditional Chinese perspective, we are in a developing country [...] and we think the car is one of the key treasures to our family. We don't want to share it with other persons."

| Citizens' lifestyles (walkable communities, housing types, living preferences) | Urban | Informal - Cognitive | Project Manager, Audi: "[…] when talking to German cities, for example the guy from Hamburg [...] was saying: 'These guys on their bikes they all also own a car'. So they approach these people by being on the one hand bike [riders] and on the other hand car drivers. So he has huge problems in knowing how to actually address these people..."
### MOBILITY CULTURE (continued)

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Location</th>
<th>Style</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feelings and emotion in mobility</td>
<td>Urban</td>
<td>Informal - Cognitive</td>
<td>Trend Manager, Audi: &quot;[...] If you look at city traffic jams] in a positive way, they have a “reward” in the car. The [actor] economics is much connected to the physiology of the body... [in the traffic jam] you have a negative influence in the car... but you expect it because you learned daily, I will have a good [mood] later, just 5-10-15 min later, I will have a good phase again (when I get on the highway). This stabilizes the whole system.&quot;</td>
<td></td>
</tr>
</tbody>
</table>
| Citizens’ desire for personal space and privacy in transport | Urban | Informal - Cognitive | Trend Manager, Audi: "[...] in China we heard people say: 'For me it’s not a hassle to be in a traffic jam. I like being in my own car and having this personal period of time where I am on my own.' [...]"
| Citizens’ mobility habits (commuter profiles, treatment of public goods) | Urban | Informal - Cognitive | Director Foresight, MAN: " [...] Don’t talk in Los Angeles [about you] not using a car, because you are not anymore at the table. Period [...]"
| Citizens’ willingness to change travel behavior (e.g. interest in obtaining a driver's license) | Urban | Informal - Cognitive | Director Foresight, MAN: " [...] it is very difficult to push people from a cultural background to change from day of tomorrow [...] to ‘oh I take another mode’ [...]"
| Home and foreign governmental support for MMPs and own industry | National/ Urban | Formal | Locations Manager, Zipcar: " [...] We pay a permit fee which varies [...] But it's less than a normal business would pay because they buy the benefits of car sharing [...]"
| Mobility strategies of local businesses (carpooling, ticket discounts, telecommuting) | Urban | Formal | Trend Manager, Audi: "Actually this initiative by a private company (Google) lead to a change in regulations, because they had this problem that these busses were stopping at the central city bus stops. So the cities were saying 'Okay, sorry, it's not working anymore.' Now Google has to pay a certain amount of money, tax, too.

### INDUSTRY

<table>
<thead>
<tr>
<th>Description</th>
<th>Location</th>
<th>Style</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMPs' brand attractiveness, reputation for transparency, local image and trustworthiness</td>
<td>Urban</td>
<td>Informal - Normative</td>
<td>Transport Manager, Beijing: &quot; [...] Uber managed to reverse the criticism [...] they hired some [...] celebrities to say: [...] this is Uber actually [...] Uber just managed [the citizens] to see [...] there is a kind of discrimination and we need Uber [...]&quot;</td>
</tr>
</tbody>
</table>
| INDUSTRY (continued) | MMPs corporate responsibility activities | Urban | Informal - Normative | Project Manager, Audi: “We involved the local players because we understand more and more that it’s not enough to have a technology that is attractive [...] that there is a benefit for the city... but you need to also have the acceptance of the people living there otherwise it won’t work [...]”

MMP industry awareness of new, disruptive organizations | National/Urban | Informal - Cognitive | Cooperation Manager, Audi: “what helps us in this whole discussion […] is this pressure that new disruptive market players are putting on this topic”

Vision and definition of MMPs’ positions on mobility platform (operator with end-customer contact, oem and/or infrastructure provider) | Urban | Informal - Cognitive | Locations Manager, Zipcar: “[...] Some of the business models that are coming up they’re are capital light, they don’t own their cars and therefore they are a lot simpler to scale. They are platforms, which means you can roll them out far, far quicker and that’s why that model gains that speed. Our model is much slower. Because we are capital heavy we need huge fleets of vehicles and that will always make us much, much slower than Uber and so there is just some inherent advantages in models like that [...]”

MMPs awareness of externalities/holistic vision | Urban | Informal - Cognitive | Director, Siemens: “[...We position our technology holistically], no matter on which dimension, economy, ecology or quality of life, which are decisively lined out and compared in the offer package [...]”

MMPs offering technical assistance and education to city authorities and citizens | Urban | Informal - Cognitive | Director Foresight, MAN: “We are promoting [...] fight against noise [...] because we can build silent trucks that don’t make noise. It is possible. The technology is there. And this is what we discussed: awareness of innovative technology.”

MMPs pushing, setting and lobbying standards and rules (technology, legal, processes) | Urban | Informal - Cognitive | Director Foresight, MAN: “[...] The formal is really a new directive on weight and dimensions. How are we going to develop trucks in the future? And we did a lot of informal discussion with formal institutes to derive this new directive which is really [...] to have a right, dedicated solution for the future. So with this new directive, we are able to build dedicated trucks for the future [...]”

MMPs’ city focus and organizational alignment (stamina for long-term projects, knowledge of processes) | Urban | Informal - Cognitive | Director, Siemens: “[...] We have 60 city account managers, we have consultancy units for cities, we are leading in studies from Green City to Mobility Opportunity - that is something that nobody else has. And that’s why cities like to talk to us [...]”

| Table 4: Content Analytic Summary Table of Institutional Processes |
4.5. Preliminary Discussion

As in all applied institutional research, relevant institutional processes are highly issue-specific (Henisz, 2003; Kostova & Roth, 2002). The endeavor of bridging an IB perspective on institutional theory and applied urban mobility research results in complexity, overlap and potential conflict, thus requiring elements of simplification and generalization. Moreover, the notion and subtle distinctions of formal and informal institutions and their level of occurrence are often subject to idiosyncratic interpretation in qualitative research as one focus group participant noted: “the formal institutions get layered on top of the informal ones” (Director, MAN).

Nevertheless, and as all focus group participants confirmed, clear conglomeration tendencies can be perceived in the field of urban mobility, irrespective of the MMPs specific business models. Consequently, there is an element of isomorphism of MMPs and the respective formal and informal institutional environment.

The resulting overview of institutional processes, or the institutional profile of urban mobility (cf. Busenitz et al., 2000; Kostova, 1997) is categorically marked by the institutional orders, which were chosen as overarching thematic constructs, comprising the abundance of relevant institutional processes shown above. While analyzed discretely, the order of reporting of institutional orders is chosen due to thematic relevance and relatedness. The institutional orders include governmental proficiency, institutional capacity, mobility policy and regulation, economic incentives and disincentives, safety, security and health, environment, finance, convergence of technology and transportation, cooperation, mobility culture and industry.

In line with knowledge-based perspectives on institutional theory (Corredoira & McDermott, 2014), governmental proficiency incorporates all institutional processes surrounding the “know-how” and proficiency of governmental staff. Apart from some exceptions, institutional processes of this order are present on an urban level and are thus categorized as such. Since distinct technology related processes constitute another institutional order (see below), they were exempt from this one (e.g. big data savviness). The institutional order governmental proficiency includes formal institutional processes like the prevalence of technological standards and codes, real-time management of traffic and the level of formalization of urban transport. Informal institutional processes within the order of governmental proficiency include normative and cognitive aspects. The normative drivers comprise the individual politician’s values, while cognitive aspects encompass project management abilities, educational measures, planning abilities and sophistication of behavioral engineering.

IB literature (cf. White & Linden, 2002) and transport research (cf. Healey, 1998) stress the importance of institutional capacity. This order includes all processes defining the formal system’s degree of functionality, effectiveness and stability. A strong interrelationship exists between national, regional and urban formal institutional processes. These processes range from formal aspects like governmental decision-making structures, the stability of political leadership, regulations with regards to data, privacy and technology, the enforcement and stability of legal framework to informal institutional processes such as the prevalence of corruption and the citizen’s faith in their leaders.
MMPs face multiple policies and regulations in different cities around the world (Arregle et al., 2013). The institutional order mobility policy and regulation subsumes institutional processes of general character, which are neither infrastructural measures nor pricing measures as these are both assigned to specific institutional orders. While general policies may derive from national or supranational levels, most policies are city-specific and are thus only prevalent in urban areas. Without exception, they are of formal nature and include measures to restrict motorized access (e.g. number plate restrictions), prohibitions of motorized transport access, parking management measures, controls on the ownership of vehicles (e.g. license lotteries), vehicle occupancy, and load dependent priority.

Alongside those general policies and regulations, the urban mobility services’ relative price changes alter the incentives of individuals in human interaction (North, 1990). Thus, economic incentives and disincentives defines another distinct price-related order, which includes price leverages for end-users of mobility and the MMP on a business level. Mostly of formal nature, they may be distinguished between those that exist on both national and urban levels and those that prevail on an urban level only. National and urban level institutional processes encompass fuel price measures, car cost measures (e.g. service intervals and costs), supranational or national support or austerity measures (e.g. import restrictions on vehicles). Urban level institutional processes are road pricing, parking cost measures, subsidies of public transport, biking, cycling and general pro-car incentives (e.g. scrappage schemes). Opposing these formal institutional processes is the informal-normative institutional process of the citizen’s economic consciousness and sensitivity, hence defining the price elasticity and potential effect size of the formal measures and MMP’s customer price amendments.

Since infrastructure and institutions strongly interrelate on an international level (Hoskisson, Wright, Filatotchev, & Peng, 2013) and due to its rule-inducing characteristic, urban design, infrastructure and land-use is defined as the third regulative order. The inherent processes occur on an urban level, issued by urban authorities and are thus of formal character. The institutional processes include physical traffic calming measures (e.g. bollards), various land-use and allocation measures, the governmental prioritization of initiatives to improve non-motorized transport infrastructure, car infrastructure, rail services or bus infrastructure, permanent road space allocation and the integration of land-use planning with mobility planning. Juxtaposing these formal processes is the citizens’ willingness to regain the right of urban spaces and create green zones.

Showing extensive regional and local differences and drivers, safety, security and health describes another institutional order. As the Professor and Urban Planner from MIT expressed: “... here in Europe probably as in the United States, when we think of mobility choice, the only issue on the table is mobility. But in cities like [Mexico City] security comes first.” As safety, security and health constitutes a city-specific aspect, all institutional processes occur on an urban level. The analysis produces two formal institutional processes: the government’s initiatives to improve and extend security in transport as well as the government’s interest in having a healthier society. While the latter is at first of cognitive nature, this interest is assumed to result in formal institutional work and is thus classified as such. On the informal side, the citizens’ feeling of security in transit as well as the citizens’ health consciousness when choosing a mobility mode present the respective informal-cognitive equivalent institutional processes.
Dynamics between MNEs’ environmental strategies and institutional constraints are prevalent in many international industries (cf. Child & Tsai, 2005; Crotty & Smith, 2006). Likewise, in the field of urban mobility, the environment defines an institutional order and institutional processes on different levels that have an impact on MMP institutional strategy. The analyzed data included primarily formal institutional processes. These formal processes comprised national and international environmental targets, urban environmental targets and regulations as well as quotas and specifications for green vehicles. These regulations are supported by the informal-cognitive institutional process of governmental focus on environmental issues, describing the governmental staff’s orientation and opinion towards environmental policy making. On the constituent side, the informal-normative institutional process of citizens’ environmental, societal and climate awareness and influence on mobility decision is furthermore discussed ambivalently in a multitude of publications.

Subject to institutional and transport research, finance is another institutional order that is prevalent on many levels, but is mainly defined by the urban authorities’ access to and quality of funding, finance and its principles (La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1998). Of formal nature, the institutional processes include national funding programs and allocation, national and local tax structures enabling local reinvestment. On an urban level and therefore city-specific, the institutional order finance encompasses institutional processes of the city authority’s access to and availability of funding and financing sources, proficiency of financing methods and sophistication of financial principles, financial transparency towards all stakeholders and charges to indirect beneficiaries of public transport infrastructure.

The influence of digitization and automatization characterizes the convergence of technology and transportation as one of the major change agents for rules of the game in urban mobility. As previously shown by Li & Atuahene-Gima (2001), especially companies that introduce new technologies are confronted with moderating effects through institutions. In urban mobility, these institutional processes include formal and informal processes on an urban level. One of the most discussed formal processes and overarching buzzwords is the city authorities’ initiatives to establish an integrated, multi-modal mobility platform with inter-operator fare collection. More specific formal institutional processes include governmental initiatives to improve and extend the telecommunications infrastructure, level of technological sophistication, responsiveness and transparency of transport management, technological investment policies and incentives. On the informal side, the key institutional processes are the city authorities', MMPs' and citizens' willingness to share data, the citizen’s virtual reality, the city authority's big data, urban informatics and IT savviness.

While the relevance of inter-business and business-institution cooperation, business groups and alliances in international business environments is subject to various IB publications (Jiang & Peng, 2011; Khanna & Palepu, 2000; Zhao et al., 2005), the institutional order cooperation emphasizes the linkages between the city authorities, the MMPs and the citizens. Its processes thus mainly occur on an urban level. The formal institutional processes include coordination, cooperation, and influence of different political stakeholders, the prevalence of public-private partnerships as well as governmental risks and responsibilities allocation to different stakeholders. The informal-normative side contains the governmental scope of integration of stakeholders, the degree of stakeholder engagement and legitimization of regulatory measures as well as MMP partnership and network mindset. Lastly, there are two further influencers of informal-cognitive relevance, i.e. the media and other cities, which thus define the two informal-cognitive processes.
of media behavior vis-à-vis mobility measures and city authorities' knowledge sharing with other cities, governments and associations.

Categorized to be a purely urban and informal institutional order, mobility culture comprises all attitudes, beliefs and norms that affect a citizen’s mobility choice and thus have an influence on the MMPs' business models (Johansson-Stenman & Martinsson, 2006; Law & Evans, 2007). The informal-normative institutional processes include the citizens’ mind shift from possessing to sharing, the citizens’ demand and attitude toward quality of transport and the citizens' perception of status and prestige of mobility modes. The cultural-cognitive institutional processes encompass citizens’ lifestyles, feelings and emotions in mobility, the citizens’ altruism vs. desire for increased personal mobility, the citizens' desire for personal space and privacy in transport, the citizens' mobility habits and the citizens' willingness to change travel behavior.

Despite Peng et al.’s (2009) characterization as another “leg of the strategy tripod” alongside firm-specific resources and institutional conditions, the industry does itself account for relevant institutional processes. Within this institutional process, the focus lies on the MMP business’s drivers that do not directly derive from either resource-based or market-based aspects. Occurring on multiple levels, formal institutional processes include home and foreign governmental support for MMPs and their own mobility industry as well as mobility strategies of local businesses. The informal institutional processes revolve around the question of the organizational identity, i.e. the attributes that define an MMP as different from the other regarding institutional behavior (Kraatz & Block, 2008). With regards to informal-normative institutional processes, these are the MMPs' company and brand attractiveness, reputation for transparency, local image and trustworthiness as well as the MMPs’ corporate responsibility activities. Informal-cognitive institutional processes consist of a change in the MMP mindset due to new entrants to the mobility industry, the vision and definition of the MMPs' positions on a mobility platform, the MMPs’ awareness of externalities/holistic vision, MMPs offering technical assistance and education to city authorities and citizens, MMPs pushing, setting and lobbying standards and rules as well as the MMPs' city focus and organizational alignment (Saka-Helmout & Geppert, 2011).

There is no unanimity in the definition of the academic terms used when assessing the multi-level, complex interrelationships between actors and institutions or institutional processes (for differing examples please see Marshall et al., 2005; Stephan et al., 2014; Suchman, 1995). This comprehensive field overview thus poses the epistemological pillar necessary to operationalize the idea of institutional orders and institutional processes. This exploratory study paves the way for the Empirical Investigation 2, i.e. the empirical assessment of the inherent pluralism, complexity as well as the perceived effects on strategies and performance and the respective interactions between all relevant actors (cf. Greenwood et al., 2011; Kraatz & Block, 2008). More precisely, it enables the detailed analysis of process-specific strategies and their mechanisms and enablers of the two in-depth case studies Zipcar in London (Empirical Investigation 2a) and Audi on demand in San Francisco (Empirical Investigation 2b).
5. **Empirical Investigation 2a: Case Study of Zipcar in London**

5.1. **Industry and Company Description**

Car-sharing operators, also called car clubs, are organizations providing short-term rental of vehicles to members that can independently access these, usually 24 hours per day. While various models exist globally, run by large multinationals as well as small local non-profits, three main schemes prevail. Two of them are so-called station-based models: the *round-trip model*, “where each car lives in a dedicated parking bay, is paid for by the hour and always returned to its home bay at the end of a booking” (Zipcar Ltd. & Fergusson, 2014, p. 17); and the fixed one-way model, where the car can be parked at any dedicated parking bay. The third and newest is the so-called *floating model*, where cars are parked anywhere on street just as any regular car, without the need to return to the home bay or another designated bay (Marvel, 2012).

![Car Sharing Models](image)

**Figure 5: The Car Sharing Models**

*Source: Bewick & Steer Davies Gleave (2016)*

Founded in Boston, MA, USA, in 1999, Zipcar emerged to be the largest car club network on a global scale by 2016. That year, the organization operated in more than 500 cities across North America and Europe, including major operations in London, Barcelona and Vienna. Over one million “Zipsters” - the company’s gender-neutral term for their members - had been using their primarily round-trip model services. Enabled by evolving information technology, Zipcar set out to *enable simple and responsible living* and provide a new form of car access conveying “simplicity, cleanliness, a professional (but not corporate) look with a hint of ‘green’” (Hart, Roberts, & Stevens, 2005, p.7). According to the company’s data, “40% […] of their members…[,] either sell their car or halt purchasing decision after trying Zipcar” (Morgan, 2009), resulting in one shared car taking 7 privately-owned cars off the road. Zipcar’s disruptive momentum in the early part of the twenty-first century was acknowledged by car rental giant Avis Budget Group, which acquired Zipcar in January 2013 (Sundararajan, 2013). Avis Budget Group expected significant synergies through the purchase. These synergies however could solely be realized on the procurement, sale and aftersales of vehicles. Despite the usage of the US-developed product and IT infrastructure by Zipcar subsidiaries around the world, Zipcar’s reporting structure was focused on a national level; for example Zipcar UK reported the 12 months strategy and the financial plan that comes with it, allowing for certain degrees of autonomy.

In the UK, the then London-based organization Streetcar launched a station-based car sharing service in 2004, making itself the leader in the local car club market. By 2010 Streetcar was yielding a revenue of around £16.4 million and an operating profit of £ 1.5 million (Competition Commission UK, 2010). After trialing their London subsidiary independently from 2007 to 2009,
Zipcar acquired Streetcar. By 2016, Zipcar UK had grown to 150 employees generating a revenue of £35 million. While this accounted for around 9% of Zipcar’s global revenues, the company was “just about breaking even” (Director 2, Zipcar) in terms of profit. Although operations also existed in other cities such as Cambridge or Bristol, “London remained the UK’s primary market for car clubs with approximately four in five car club members residing in London” (Bewick & Steer Davies Gleave, 2016, p. 47), where Zipcar had a market share of around 80%. Zipcar’s London-based team was led by an American CEO, but primarily consisted of British employees. Several dedicated teams focused on the roll-out of the station-based model and the political as well as cultural challenges involved in the growth of the model. These dedicated teams included housing-development teams, lobbying specialists, marketing executives and technology-focused off spins such as Local Motion as well partnership programs, e.g. with local storage firm Lovespace.

5.2. Data Sources

Data is derived from three empirical phases: the focus group (Chapter 4), a one-week empirical study in London in July 2016, and confirmatory interviews in August 2017. While contributions of a leading member of Zipcar in the exploratory focus group were used, the study primarily builds on semi-structured interviews of 45-90 minutes length, held in London and Leeds among a wider group of Zipcar employees and relevant external field actors. Based on the document developed in the Empirical Investigation 1, which introduced potentially relevant institutional processes, Zipcar members identified relevant field-level participants, both within the organization but also in the wider London field. Attempting to assess the institutional complexity, the questions revolved around the different roles the actors played, the expectations they had vis-à-vis other field actors as well as know-how and resources that were available to them. The data was then complemented by own observations and archival documents, such as industry reports, company reports, press releases and accompanying case notes (see Table 5). The whole data set is available as a digital file, since a hardcopy would be too extensive.

<table>
<thead>
<tr>
<th>Zipcar interviews (8)</th>
<th>Field actor interviews (11)</th>
<th>Documents (11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director 1 (1)</td>
<td>GLA – Transport Manager (1)</td>
<td>Company documents (3)</td>
</tr>
<tr>
<td>Director 2 (4)</td>
<td>TfL – Strategy Manager &amp; Mobility Manager (2)</td>
<td>Industry reports (4)</td>
</tr>
<tr>
<td>Director 3 (1)</td>
<td>Car Plus – Director (2)</td>
<td>Press releases (3)</td>
</tr>
<tr>
<td>Strategy Manager (1)</td>
<td>Consultants from SteerDaviesGleave, Chas Ball, Frost&amp;Sullivan (3)</td>
<td>Case Notes (1)</td>
</tr>
<tr>
<td>Marketing Manager (1)</td>
<td>City of Westminster – Service Manager (1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>BVRLA – Communications Manager (1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>London Councils – Director (1)</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Data Sources - Zipcar
5.3. Analytical Process and Coding

The primarily interview-based approach aimed at producing narratives (Czarniawska, 2004) and comprised three consecutive analytical elements. First, by adopting a content analysis process, I plotted the field actors in a network display, based on the frequency of identified codes within the interview transcripts. This handcrafted appropriate data display (Miles et al., 2013) was then complemented with suitable tables and descriptions about the field actor’s role, power and field level signaling to describe the inter-organizational relations (Kenis & Knoke, 2002). Second, institutional processes were identified and classified based on previously developed second order categories of field relevant institutional processes such as economic incentives and disincentives or mobility culture (for an overview see Schneider & Hofer, 2016 and Empirical Phase 1). The institutional processes were given a coherent definition and described based on its centrality and compatibility, following Besharov & Smith (2014). Centrality delineates the degree the institutional process is central to and insinuated into the organization’s functions. Compatibility describes the degree of friction and derived necessity of constant and coherent action to address such institutional process. Moreover, the institutional process’ relevant field actors and the respective stakeholder complexity delineated its complexity. The institutional processes were then separated into those that were not strategically addressed by Zipcar, i.e. overarching institutional processes and those processes that invoked some nature of institutional reaction, i.e. ambiguous institutional processes. Third, by establishing the causal mechanisms, the strategic responses were analyzed. In consecutive steps, the analysis focused on what Zipcar did (the strategy), then how the organization did it (the mechanisms), and why it was able to do it (the enablers).

The three described analytical elements were analyzed by using coherent coding rules. For the first order codes, verbatim coding was applied, building on the interviewee’s wording and narratives, which were presented in all overview tables. The codes were then triangulated with extant empirical data as well as theoretical concepts, both hypothesized and emerging (cf. Girschick, 2016). As an example, the quote “You need a city identity […] Car sharing is a community in itself and it’s a part of the community. So you have to be part of that identity.” (Locations Manager, Zipcar) would be coded as E (for enabler) IDENTIFICATION. Equally, the quote “They got all the right people along and what that turned into, was the Car Club Coalition for London. So by bringing people together, they moved this higher up on the agenda of the politicians.” (Consultant 2) would be coded as M (for mechanism) CAPABILITY TO MOBILIZE, leaning on the merging theoretical construct of “mobilization of allies”, promoted by Battilana et al. (2009). For all categories, actors, strategies, mechanisms and enablers, the coding thus involved “iterating between the codified and sorted data, the narrative cases and pre-existing studies” (Regner & Edman, 2013, p. 282), also identifying rivaling theoretical hypotheses to the predicted values.
5.4. Mapping the Strategic Action Field of Zipcar in London

Consisting of several, multi-level sub-fields and groups, the organizational field of Zipcar UK was of dynamic nature. Although not claiming empirical rigor, the sizes of the dots delineating the stakeholders indicate the frequency of the occurrence in the narratives of the interviewees (see Figure 6).

The data suggests that London had seen an intensification of the entrepreneurial environment with the introduction of many start-up car sharing or car club firms. By 2016, due to various mergers, acquisitions but also exits, the market of competing car clubs had consolidated significantly. Then, most car club operators were subsumed into large Multinational Enterprises (see Figure 6). Rental firms or large Original Equipment Manufacturers (OEM) started providing the car clubs with sufficient resources and competences, e.g. vehicles and spare part buying power, IT infrastructure, maintenance and insurance contracts. Zipcar had a dominating market share of 75%, posing the second largest provider alongside Enterprise Car Club, with a market share of around 10%. The rest of the players were niche players, trying to introduce slightly different models and taking on different roles, such as floating services, pure electric vehicles or social enterprise schemes. Apart from Car2Go, which left the market in 2014, all car club operators joined allied ventures such as Carplus or the Car Club Coalition in an attempt to jointly define standards and grow the market for car sharing. While “grounded in that feeling of social enterprise”
(Director, BVRLA), most car clubs attempted to accentuate their local, sustainable identity and attenuate its potentially conflicting image of an MNE or OEM, “not hav[ing] a great reputation for transparency” and not the “purest motives” (Director 2, Zipcar).

<table>
<thead>
<tr>
<th>Actor</th>
<th>Role</th>
<th>Power</th>
<th>Field-level signaling</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bolloré (Autoliv)</strong></td>
<td>Station (charging) based-model</td>
<td>Moderate</td>
<td>Niche operator with ambitious goals</td>
<td>Strong lobbying activities, both individually and through coalitions</td>
</tr>
<tr>
<td></td>
<td>Blue City = Electric car club / Blue Point Source London = E-Charging Network</td>
<td></td>
<td></td>
<td>&quot;[T]hey lobby very, very hard.&quot; (Director 2, Zipcar) &quot;Bolloré were not seen very favorably because they would go and have their own meetings.&quot; (Consultant 1)</td>
</tr>
<tr>
<td><strong>Enterprise Car Club (Enterprise)</strong></td>
<td>Station-based model, formerly City Car Club, strong integration with and support by rental parent Enterprise</td>
<td>High</td>
<td>Second largest operator</td>
<td>Cooperative (Car Plus, Car Club Coalition), appearing very American</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&quot;[U]ntil Enterprise came along, they were a fairly weak competitor that would follow us.&quot; (Director 2, Zipcar) &quot;Enterprise is quite an American company.&quot; (Strategy Manager, TfL)</td>
</tr>
<tr>
<td><strong>CoWheels</strong></td>
<td>Station-based model, social-enterprise reinvesting all profits</td>
<td>Moderate</td>
<td>Small market share, social-enterpr.</td>
<td>Cooperative (Car Plus, Car Club Coalition), social enterprise</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&quot;CoWheels ... are now the only independent carclub in the UK... [they...] are a social enterprise, so there the pressures on them are different.&quot; (Consultant 1)</td>
</tr>
<tr>
<td><strong>E-Car Club (Europcar)</strong></td>
<td>Station (charging) based-model, electric vehicles only</td>
<td>Low</td>
<td>Pilot project character</td>
<td>Cooperative (Car Plus, Car Club Coalition), pilot project</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&quot;He was part British, part German [...] these guys are going to come in, but they're going to come in by working at how Britain is different from Germany, but they're bringing in some new ideas as well.&quot; (Consultant 1)</td>
</tr>
<tr>
<td><strong>DriveNow (BMW)</strong></td>
<td>Floating mode, higher price levels, small &amp; electric vehicles</td>
<td>High</td>
<td>Disruptor by introducing floating</td>
<td>Cooperative (CarPlus + Car Club Coalition), disruptive car sharing model</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&quot;[T]hey helped redefine what the industry was about and they employed good people [...] they and managed to convince four boroughs that were adjacent&quot; (Consultant 1)</td>
</tr>
<tr>
<td><strong>Car2Go (Daimler)</strong></td>
<td>Floating model, with &quot;smart&quot; vehicles; quit the market of London in 2014</td>
<td>None</td>
<td>Left the market</td>
<td>Not cooperative No local adaptation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&quot;Car2GO withdrew from London [...] they had very little engagement with the political process [...] I don't think [they] worked out [...]the] cultural differences [...] compared with Stuttgart&quot; (Mobility Manager, TfL)</td>
</tr>
</tbody>
</table>
GoDrive (Ford) | Floating model small and electric vehicles | Low Pilot project; not a commercial approach | Some cooperation within CarPlus | “Ford have got their GoDrive-Pilot running in London but is open to company employees only so far” (Mobility Manager, TfL)

Ubeeqo (Europcar) | Station-based model focus on business mobility | Low | Some cooperation within CarPlus | “Their user interface is awful.” (Consultant 2)

Hertz 24/7 | Station-based rental focus | Low | Some cooperation within CarPlus | “Hertz tried to do their own car sharing 24/7, it was just a disaster. I used it a few times and it was a horrible experience.” (Director 2, Zipcar)

Table 6: Zipcar UK’s Competitors

The Original Equipment Manufacturers, OEMs, did not only position themselves as competing car club operators, e.g. through DriveNow (BMW), Car2Go (Daimler) or GoDrive (Ford). They also provided Zipcar with vehicles and as such were considered a “tier 1” (Director 2, Zipcar) actor in the field. With 75% of Zipcar’s fleet being made up of Volkswagen vehicles, Zipcar had “a quid pro quo relationship where … VW want[ed] to make public their vision to have a certain proportion of all their cars as ultra-low emission vehicles” (Strategy Manager, TfL) and Zipcar wanted to benefit of “strong buying links” (Mobility Manager, TfL) through a sufficient scale.

In addition to traditional OEMs, software-based enterprises simultaneously penetrated the market for urban mobility, particularly in areas such as ride hailing. In the eyes of car club operators, these tech disruptors like Uber, Google or Apple did “not come in being collaborative”, making the car club operators’ life “more difficult” as public-sector actors became “more cautious because they [were] worried” (Director 2, Zipcar). “London was caught napping” (Director 2, Zipcar) in terms of regulating mobility services offered by such tech disruptors. The disruptors’ momentum was high due to the vast financial backings, increasing the speed of disruption of the mobility market and reconfiguring the relationships between public and private sector. The effects were both positive, such as reduced overall car ownership, as well as negative since the public sector actors were more cautious when building relationships and receiving lobbying work of car clubs.

The interests of car clubs and involved OEMs were represented in two associative organizations, namely the British Vehicle, Rental and Leasing Association (BVRLA) and Carplus, the association of car clubs. Founded in 1967, the BVRLA is a trade body that initially focused on representing the needs of leasing and rental firms and by 2016 included all OEMs and rental companies that ran car clubs. Its role amplified to further represent the issues of the car club sector, aiming for governmental support, better procurement from local authorities and an overall growth of the market. While the BVRLA had insufficient resources to “help [car clubs] get more bays in the boroughs” (Director, BVRLA), they provided a “lobbying function in Brussels” (Mobility Manager, TfL) and substantial “experience of working with national government” (Director, BVRLA):

“I took […] Zipcar, Drive Now and Enterprise in to see the transport minister to lobby at a national level […]” (Director, BVRLA)
Due to their powerful members, the BVRLA was “financially sound” (Mobility Manager, TfL) and did “not go capping hand asking for money” (Director, BVRLA). Public sector actors appreciated the role of the BVRLA, considering the organization “a better place […] to support for the industry […] than Car Plus have been able to do” (Mobility Manager, TfL). Car Plus, the other trade body, was founded in 2007 to represent a unified front of car club operators and create convincing evidence for the sector’s future growth. The organization’s focus laid on conducting research and gathering “information that [was] more independent about the sector as a whole”, such as the Car Club Annual Survey, “which collect[ed] the data about the size of the sector and about behavioral changes going on amongst the Car Club members” (Director, Carplus). Moreover, the Carplus membership required certain accreditation criteria for car clubs, such as “standards of vehicle cleanliness, vehicle age, how the operators deal with complaints” (Director, Carplus). Based on its research, Carplus engaged in advocacy, supporting the formation of the Car Club Coalition and “the things that [Carplus] … and TfL think are required” (Director, Carplus). With continuously decreasing financial support by TfL, the government of Scotland, and marginal member fees, Carplus “were a very small and still are a very small organization” (Mobility Manager, TfL), “not hav[ing] the resources” (Director, Carplus) to engage in wider lobbying activities or “fund the support activities that a Multinational or an OEM might wish for” (Mobility Manager, TfL).

Consulting firms provided a further source of research information. Their staff were considered “in the ear of policy makers” (Director 2, Zipcar) and were as such addressed not only by Zipcar but by public policy actors as well. Frost & Sullivan (F&S), a mobility-focused consulting firm, and independent consultant Malcom Ferguson had a good working relationship with Zipcar and issued the Car Lite London Report in 2014. This publication and subsequent studies such as Car Sharing in London 2020 highlighted “how big [the market] could be and what policy changes might be required… [by showing…] the latest data [and] latest trends” (Consultant 3). Steer Davies Gleave (SDG), another consulting firm, prepared the Annual survey of car clubs for Carplus and moreover individual car-club related work for boroughs such as the City of Westminster. Likewise, the aim was to create a trustworthy evidence base around car clubs. Additionally, the RAC foundation presented another motoring research organization that cooperated closely with the aforementioned consulting firms and governmental entities.

The public-sector constituted the most important field, ranging from the national government, i.e. the department for transport (DFT), to the 33 boroughs, i.e. London districts that idiosyncratically regulate parking.

“You’ve got the mayor on top, he’s only got a certain power. But he’s got money and he’s got the transport strategy […] So, if he thinks that car sharing is a good thing, he says to TfL: ‘We should do something with car sharing’. They’ve got lots of money, they can decide how they can incentivize it […] [E]ach one of those layers of the pyramid from the Mayor to Transport for London down to the boroughs, who actually execute and decide, they are vital. I don’t think there’s any private sector company […] that is even vaguely as important to us as those public-sector bodies.” (Director 2, Zipcar)

London’s public sector posed an interwoven political pyramid, strongly influenced by personal remits, preferences, political party alliances and resource availability. While the deputy mayor for transport held distinctive strategic power by advising the Mayor of London and conjointly devising his transport strategy, Transport for London (TfL) represented the organization executing its operationalization and deciding about funding allocation for car clubs. Even within these organizations, there were key actors influencing the direction of the car sharing agenda. For
example, at “TfL, … it [was] the spatial planners who [were] setting some of the key objectives about reducing car parking…” (Consultant 1), which are introduced into spatial regulations affecting housing developers and related parking on the premises. None of the aforementioned organizations however had direct power over the boroughs in terms of most car club related issues, particularly on-street parking (see Table 7).

<table>
<thead>
<tr>
<th>Actor</th>
<th>Role</th>
<th>Power</th>
<th>Field-level signaling</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department for Transport (DFT)</strong></td>
<td>Support the nation-wide transport network</td>
<td><strong>Low</strong> Provision of minor national funds for car clubs, CarPlus and grants for TfL (Transport for London, 2017)</td>
<td>Provides car club strategy support if in the same political alliance (Labour/Conservative) as the Mayor of London</td>
<td>“[CarPlus] are still very much dependent on funding from the DFT“ (Mobility Manager, TfL)</td>
</tr>
<tr>
<td><strong>Mayor of London</strong></td>
<td>Mayor’s transport strategy guiding TfL and boroughs</td>
<td><strong>Moderate</strong> No direct power over the boroughs, but can provide incentives/funding through TfL</td>
<td>Personal preference towards car sharing will influence TfL’s car sharing incentives/disincentives</td>
<td>“[H]e’s only got a certain power. But he’s got money and he’s got the transport strategy.” (Director 2, Zipcar)</td>
</tr>
<tr>
<td><strong>Deputy Mayor for Transport</strong></td>
<td>Policies, transport related aspects</td>
<td><strong>High</strong> Ultimate authority about London-wide transport decisions, but also no direct power</td>
<td>In favor of car clubs to reduce congestion and emissions; potentially sees back-to-base model more favorably than floating</td>
<td>“[D]ecisions on a day to day basis go to the deputy mayor … [he or she] has ultimately the authority.” (Strategy Manager, TfL)</td>
</tr>
</tbody>
</table>

Deputy Mayor: “[…] Some are looking to park cars all over the place […] We need to be careful; are they reducing modal shift or increasing it?” (Edwards, 2016)
| Greater London Authority | Consists of Mayor of London and 25-member London assembly: Transport, policing, economic development, and fire and emergency planning | Moderate Soft influencing on TfL and the Mayor: Signaling depends on transport strategy of the Mayor of London, currently favorable of car sharing | "We are [...] linked into TfL to influence what the mayor wants to achieve, to translate his vision with his teams (Transport Manager, GLA)"

"[M]y personal level of interaction with them is driven a lot by what the mayor’s team wants to achieve. If the mayor’s team told me, a strategic ambition is to have 1000 more car club bays by the end of the year, the amount of time I would have to spend with car clubs and how proactive I would have to be with them would increase exponentially.” (Transport Manager, GLA)

| Transport for London | Mayor, Deputy Mayor and GLA dictate TfL's strategy: Operationalization of the strategy: Management of all public transport modes in London but Car Clubs: Provide funding for relevant projects (e.g. Car Club Coalition): Information and data aggregation portal for all Londoners & research (Road Task Force Report) | High Extensive resources and influence on Londoner’s travel behavior: Complex, bureaucratic structure | Changed from a 'public transport operator' to 'transport authority': Supportive of car clubs & including logos on website: Car Club Strategy 2008-2012 provided funding to increase parking bays availability: Car Club Strategy 2015 stopped funding car clubs: Funds CarPlus | “TfL cannot dictate to the boroughs. But what they could do is create funding arrangements [... they] cannot fulfil these policies without the active support of the boroughs." (Consultant 1)

"Actors that are most important are those that hold the money: Transport for London" (Director 2, Zipcar)

"[W]e provide public transport and some of that is subsidized but the car club bit is not part of that" (Strategy Manager, TfL)

"TfL provides funding to CarPlus through a section 159 agreement. We fund them an annual report, data gathering, […]" (Strategy Manager, TfL)

"TfL’s overt Car Club strategy ended in 2012 – Resulting void has led to confusion and inaction” (Zipcar UK Ltd., 2014)
<table>
<thead>
<tr>
<th><strong>London Councils</strong></th>
<th>Interface, policy development and negotiation on behalf of 33 boroughs: on common interests, standard and code definition on parking, advising boroughs on interaction with local stakeholders</th>
<th><strong>Moderate</strong></th>
<th>Help defining common definitions around car club parking in the boroughs</th>
<th>Recognize the potential of car clubs but consider it a &quot;niche&quot; product</th>
<th>&quot;Both TfL and the government really much prefer just have one organization to talk to at the borough level not thirty three.” (Director, London Councils)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>33 Boroughs</strong></td>
<td>Strong financial and resource constraints</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Main interest is revenue, e.g. through parking permits and fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Heterogeneity between boroughs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Borough officers have many roles at once (e.g. ward members)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Differing political views (labour / conservative/...)</td>
<td><strong>High</strong></td>
<td>(specific) Control local parking have specific social/environmental agendas</td>
<td>Favorable towards car club if it brings revenues and fits the local political agenda</td>
<td>&quot;[T]hey have control over parking, so therefore they have control over the car clubs&quot; (Service Manager, City of Westminster)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&quot;[T]hey actually quite like car clubs because they can shape and influence the way they work within the borough. Whereas they can't do anything about Uber swarming the Westend on a Friday night and clogging the streets there.” (Consultant 2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&quot;[Zipcar] have really got a great relationship with the boroughs […] and are seen as almost like leaders.” (Director, BVRLA)</td>
</tr>
</tbody>
</table>

Table 7: London's Public Sector
As an example, one of the wealthiest boroughs was the centrally located borough of Westminster with around 233,000 inhabitants, considered as “crucial” (Director 2, Zipcar), “quite progressive” (Mobility Manager, TfL) and simultaneously titled itself “the most influencing power” (Service Manager, City of Westminster) in terms of rolling out car sharing products in London boroughs (Fleet News, 2013). Consequently, many boroughs were looking up to Westminster, following car club projects and pilots “very closely and once it [was] proven successful, they [would] say ‘we want some of that action’” (Service Manager, City of Westminster). While the borough of Westminster tried to align with TfL on emission charging policies, the borough’s managers simultaneously built on their political independence particularly with regards to parking and “lobb[ied] colleagues within government and also within London councils to try and influence [the development of car sharing]” (ibid.). Westminster’s council and a supportive cabinet member for parking and sustainability were “very instrumental in lobbying support from businesses, local businesses, associations” (ibid.). In June 2009, Westminster launched the Westminster Car Club, a white label car club scheme. Zipcar won the exclusive service contract for the borough, but only by agreeing to pay an undisclosed “marketing bounty” and removing its branding from the vehicles (Kavanagh & O’Doherty, 2009). Westminster initially intended to “have control over its brand, its image and what it does” (Service Manager, City of Westminster). Only in 2014, the executives at the borough of Westminster concluded that the “Zipcar brand [was] better, it [had] more profile than the Westminster brand for that type of service” (ibid.). Generally, the borough was well-aware of its flagship identity, “pushing [Zipcar] quite hard … to grow utilization” and stressing car clubs “to offer something for free and [… to] give the authorities some money so they can get something out of it or the residents” (ibid.).

These borough residents or constituents represented the wider society at the bottom of the political pyramid. The constituents were the car clubs’ target customers, which created the political background noise and vocally proposed or opposed car club schemes.

“[W]ithin quite a small area, there was going to be a 100 or so parking spaces taken out of commission because of re-servicing … You have residents raising that [issue], you have the ward members escalating that” (Service Manager, City of Westminster)

The field of car sharing was complemented by its neighboring field actors, which played an indirect role in the car club sector by serving as joint promoters or opponents of sustainable mobility. The supportive neighboring field actors included the London Cycling Campaign, which were influential promoters of sustainable transport and train companies, which engaged in partnerships with car clubs to enable seamless mobility for their customers. Lastly, insurance providers exerted further influence on the field by defining the insurance premiums for car sharing.

5.5. Strategic Actors

Within the field of car sharing as well as in neighboring fields, there were individual key opinion leaders on all levels and in all organizations, “some […] very pro-car, some very anti-car, a lot in the middle” (Service Manager, City of Westminster). Those single actors, which were not members of a car club operator, but motivated to politically endorse car sharing, shall be termed institutional champions. Their decoupled position in the field provided greater legitimacy for pro-car-club signaling compared to the messages from car club executives. Institutional champions appeared as credible leaders, with a certain influence in the field, courage, risk taking, experience as well as political backing. Examples include a pro-car-sharing deputy mayor, a borough officer in Wandsworth willing to engage in experimental parking as well as ward members in Islington asking
“people who were in favor [of car sharing] to consider writing [to the governmental representatives] and say they wanted it” (Consultant 1).

“[Wandsworth’s officer] has been there for 10 years […] he sits in-between the politicians, the senior officers and the operators and trie[d] to make it work.” (Consultant 1)

The messaging of these champions was assisted and amplified through collaborative efforts such as initiatives of Carplus, engaging in “advocacy on behalf of the car club operators” (Director, Carplus) and moreover the Car Club Coalition.

Figure 7: The Emergence of the Car Club Coalition

The Car Club Coalition can be described as a collective initiative consisting of the car club providers, the associations Carplus, BVRLA as well as the public sector, i.e. GLA, TfL and the London Councils. The aim of this working group revolved around the formulation of a Vision for Car Clubs in London, that is “a strategy which sets out the necessary actions to see the number of London car club members reach one million in the next decade” (BVRLA, 2015). As the financial and policy support through the mayor’s first Car Club Strategy waned by 2012, Zipcar commissioned Frost & Sullivan to issue the Car Lite London report, highlighting both current contributions of car clubs in London and necessary policy changes. Zipcar moreover mobilized all stakeholders, including its competitors to take part at an event held at City Hall in London, presenting the research and aiming to jointly tackle the raised issues. The Car Club Coalition was thereupon founded, and although there would still be “all the individual companies” (Consultant 3) competing for market share, a joint commitment to growing the sector passed within the Car Club Strategy in 2015 (see Figure 7).

“They were the absolute leaders. They did a really good report, [the] Car Lite Report with Frost and Sullivan […] When people were not stepping up and raising awareness and doing thought leadership stuff on it, they put their money where their mouth was and they almost forced TfL to do the coalition. And I think they wouldn't have done it if it hadn't been for Zipcar.” (Director, BVRLA)
5.6. Timeline

In time from 1999, then still named Streetcar, to 2016, Zipcar moved from an outsider and niche position towards a more embedded field position, increasing the frequency of transactions with a rising quantity of institutional actors, as can be depicted in Figure 8. The composition of various field actors was in constant flux, with key players, like Car2Go, coming and leaving, and acquisitions changing reporting and resource structures.

“You have to become part of the community and you have to abide by the rules and how the government wants to conduct business … It’s an evolution.” (Director 1, Zipcar)

Figure 8: Timeline of Zipcar UK
5.7. Changing Institutions on a City Level: From Car Owning to Car Sharing

On the venture to change the norm of car owning to car sharing, Zipcar’s institutional strategizing may be “associated with solving problems that have been identified in a field” (Hardy & Maguire, 2008, p. 203). Zipcar’s case exemplarily highlights how the organization acted within a distinct historical and cultural context and selectively deployed strategies available to the subunit (Seo & Creed, 2002). Zipcar identified various overarching institutional processes or master rules of society on different levels, but particularly within the city of London (Haveman & Rao, 1997). Of these overarching institutional processes (see Table 8), some processes were supportive, while others where constraining. However, Zipcar’s executives interpreted overarching processes either as resilient to change or of extensive stakeholder complexity, which the organization was not able to address.

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Key field actors</th>
<th>Representative quote from narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSTITUTIONAL CAPACITY</td>
<td>Stability and continuity of public sector</td>
<td>TfL, GLA, Boroughs</td>
<td>“The public sector environment is very unstable […] Everybody that I deal with seems to be going through a consultation for their job on almost a permanent basis […] The public sector cuts is just a fact of life at the moment.” (Director 2, Zipcar)</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td>Air quality requirements (e.g. Ultra-low Emission Zone)</td>
<td>EU, National government, TfL</td>
<td>“The threat of the EU fines on air quality has had quite a marked effect.” (Strategy Manager, TfL) // “Cities […] also […] have a maximum level of CO2 emissions, so we were limited in the choices [of vehicles].” (Director 2, Zipcar)</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td>Citizens’ environmental, societal and climate awareness and influence on mobility decision</td>
<td>Constituents</td>
<td>“We absolutely see consumers as far more socially and environmentally aware and in terms of how they consume any companies that match that value-set they will reward. So there is a real economic reason why companies like ours should be sustainable.” (Director 2, Zipcar)</td>
</tr>
<tr>
<td>CONVERGENCE OF TECHNOLOGY AND TRANSPORT</td>
<td>Self-service culture, smart consumptions</td>
<td>Constituents</td>
<td>“We’ve seen a huge trend away from ownership of assets towards sharing of assets. And the sharing economy gets towards that a lot.” (Director 2, Zipcar)</td>
</tr>
<tr>
<td>MOBILITY CULTURE</td>
<td>Urbanization and the desire for &quot;city livability&quot;</td>
<td>Constituents</td>
<td>“City livability - these new urban knights are proving to be a pretty demanding bunch […] they have quite a different value set to their predecessors. They want more livable, green spaces that are less dominated by the car.” (Director 2, Zipcar)</td>
</tr>
</tbody>
</table>

Table 8: Zipcar’s Overarching Institutional Processes
“There has been big societal and technological changes but that doesn’t mean that the cities are passengers in this … The most progressive cities are absolutely masters of their own destinies saying: ‘what do we want the mobility landscape to look like in our city and how can we affect that?’” (Director 2, Zipcar)

On the other side, Zipcar attempted to “identify the gaps” (Strategy Manager, TfL), i.e. the ambiguous institutional processes “particularly around the legal framework for car sharing” (Marketing Manager, Zipcar). The identified ambiguous processes varied in terms of centrality to and compatibility with the organization’s business model. Centrality (very high, high, moderate) is henceforth approximated by the number of relevant identified quotes, i.e. moderate <9 quotes, high 10-17 quotes and very high >17 quotes. On the other hand, compatibility (high, moderate, low), determining whether the institutional process would constitute an enabler or a constraint, was defined in conjunction with the Zipcar management. Additionally, the key stakeholders, i.e. field actors with regards to the respective institutional process and the related overall stakeholder complexity (high, moderate, low) indicate the identified logics and dependence on different field actors (cf. Besharov & Smith, 2014). The following chapter outlines Zipcar’s institutional strategies vis-à-vis the identified ambiguous processes in order of their strategic relevance and historical occurrence. Such analysis builds the base for the in-depth analysis of the respective mechanisms and enablers.

5.7.1. Concept Awareness of Car Sharing

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY CULTURE</td>
<td>Concept awareness of car sharing (general, one-way, back-to-base car sharing)</td>
<td>High (10) // High</td>
<td>Politicians and constituents // High</td>
<td>&quot;You have to explain to them what car-sharing is, how it can fit into their agenda, how elements of this service work, like 'what's included, what's not' there is no norm.&quot; (Director 2, Zipcar)</td>
</tr>
</tbody>
</table>

The informal-cognitive institutional process concept awareness describes the societal understanding about car sharing and its different varieties, such one-way/floating (e.g. DriveNow) or back-to-base (e.g. Zipcar). In the field of car sharing or car clubs in London and for Zipcar especially, two groups of field actors were particularly relevant in this regard: politicians and potential customers, i.e. London constituents. The understanding about how the car sharing concept works and how it can meet the needs of the involved actors was both highly central to and compatible with Zipcar’s operations and anticipated growth (see Table 9).

“The boroughs (…) probably [did] not understand at this stage, how by introducing more cars onto the streets, we can reduce car use. Because from a starting point, that's not entirely clear.” (Consultant 2)

Zipcar had to strategically address and educate the political side, but also the constituents:
“Currently less than 2 per cent of Londoners are members of car clubs and there are low levels of awareness amongst the general public.” (Transport for London, 2015, p. 23)

**Strategy: Concept awareness**

Building on the financial backing from the MNE headquarters of AvisBudget, Zipcar invested significant resources into the “marketing of its service” (Zipcar Ltd. & Fergusson, 2014) as well as other discursive rationales to foster the awareness of the car sharing concept instead of solely promoting the Zipcar brand itself. This way, and by showing reflexivity to understand other actor’s “agendas”, they “set up the norm” (Director 2, Zipcar) of car sharing and hence contributed significantly to engage in institutional manipulation.

“You have to explain to them what car-sharing is, how it can fit into their agenda, how elements of this service work, like ‘what's included, what's not’ […] there is no norm. So we’ve had to set that up […] through marketing, communications, that kind of thing. […] This year [2016] we’ll invest 4 million pounds of marketing in London. We spend a lot of money to get our aim out there. Part of it is brand awareness, but a significant part of it is concept awareness […] We had to start that from scratch. We’re not a service who can just go out there and market our brand because everybody already knows what we do. No one does.” (Director 2, Zipcar)

Furthermore, both collective sensegiving activities through associations like Carplus or later the Car Club Coalition, but also individual educating efforts of competing companies in London added to a raising level of awareness. Zipcar actively and continuously mobilized stakeholders and prevailed over opposition, particularly when addressing political actors such as TfL.

“TfL were kind of pulled kicking and screaming into [the Car Club Coalition] and we almost had to force them to draw off the strategy” (Director 3, Zipcar)

This cognitive societal and political transition was also supported by general institutional changes such as an emerging self-service culture or emerging digital business models from other sectors. These developments evidently supported the speed of awareness and “people […] becoming more comfortable […] with this service proposition rather than the ownership proposition […]” (Mobility Manager, TfL). However, other field actors and competitors acknowledged that in terms of awareness, “[…] about 75% of pioneering has been done by Zipcar” (Consultant 1).

“[T]here was no market at any scale whatsoever when we came along, so we created an industry and a demand that didn’t exist before we came along. We pushed it pretty much single handedly for many, many years.” (Director 2, Zipcar)
5.7.2. Citizen's Car Aspiration – Mind Shift from Possessing to Sharing

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY CULTURE</td>
<td>Citizen’s car aspiration – mind shift from possessing to sharing</td>
<td>Very high (24) // Moderate</td>
<td>Constituents // High</td>
<td>“We are trying to change the norms in cities away from the norm that I had coming down from university of thinking, you know, ‘I got to have my car’ to very quickly realizing that I really didn’t – and that’s what we’re trying to achieve” (Director 2, Zipcar)</td>
</tr>
</tbody>
</table>

Table 10: Institutional Process - Citizen’s Car Aspiration

While the cognitive awareness of the car sharing concept presented an important institutional process, car sharing or car clubs were not yet a social norm in the every-day transport life of most of London’s residents. As this process of institutionalization of the norm translated into customer or prospect acquisition and retention, it posed a highly central and compatible institutional process for Zipcar (see Table 10).

“We’re trying to change a social norm that you must own a car and that’s the way you get about and the way you live your life. Actually, the new norm should be: ‘Why would you own a car, when there is plenty of other ways you can access one?’ So the private car is absolutely a competitor of us.” (Director 2, Zipcar)

At the same time, Zipcar was confronted with the criticism by the public sector that the concept and resulting normative change of car sharing primarily occurred in the middle class. The public sector actors assumed that the middle class would already aspire less to car ownership than other social classes. Zipcar recognized that institutional change in social classes wanting “[…] to show their cars, the recognition that they’ve made it […] was actually a lot more difficult. [Zipcar did] not have the answer yet […]” (Director 2, Zipcar).

**Strategy: Citizen’s car aspiration**

Since less than 4% percent of Londoners had signed up to a car sharing provider by the end of 2016, it was difficult to define car sharing as an established norm. However, in addition to increasing the cognitive concept awareness, Zipcar engaged in various activities to help establish the norm and thus contributed to a larger normative change, i.e. an institutional manipulation. Generally, Zipcar strengthened its focus on mobilizing allies at all levels through building strong relationships and ensured continuity and persistence in approaching the relevant actors:

“You’d be pretty relentless. There is no magic answer to it, you just form strong relationships and then you just keep plugging away at it.” (Director 2, Zipcar)

Moreover, the organization incessantly emphasized a “community sense, which is crucial” (Marketing Manager, Zipcar). On the one hand, this meant that Zipcar ensured an increased dissemination of Zipcar’s stories by a wide array of internal and external stakeholders. On the
other hand, collective sensemaking activities with all stakeholders involved to strengthen the feeling of a joint norm:

“[…] there certainly is a community focus in what they do in terms of how they engage with their members, how they try to bring them together, they use the social media pretty good […] they’re on Twitter, Instagram… getting people engaged and talking about Zipcar, [which] is really good (Service Manager, City of Westminster)

As a result, Zipcar not only increased the field actors’ concept awareness, but car sharing itself also became “a conversational topic for these cities, for the municipalities” (Mobility Manager, TfL). In London, Zipcar, whose history was to “invent the model completely” (Marketing Manager, Zipcar), established “a good brand name […] advertising. They […] had […] a successful campaign […] that seem[ed] to be catching people’s imaginations.” (Strategy Manager, TfL).

### 5.7.3. Decision-making Processes

<table>
<thead>
<tr>
<th>Institutional capacity</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSTITUTIONAL CAPACITY</td>
<td>Decision-making processes in the city</td>
<td>Moderate (4) // Moderate</td>
<td>Public sector // High</td>
<td>“[I]t’s quite hard for a company such as Zipcar to do some of those actions. So an action might be … to do a review of the way that boroughs price parking. Zipcar can’t do that and Zipcar can’t tell somebody else to do it.” (Consultant 2)</td>
</tr>
</tbody>
</table>

Table 11: Institutional Process - Decision-making Process

The decision-making processes in the city posed a mostly formal institutional process, delineating how policies regarding car sharing were evolving, discussed and decided. Although not a very central element in the case interviews, the decision-making processes’ relevance indirectly resonated in all regulative decisions of the public sector with regards to car clubs. The extensive need for political decision making, e.g. with regards to parking, proved occasionally to be incompatible with the car club business model, particularly when comparing car sharing to the then evolving and mostly unregulated business model of ride hailing companies such as Uber.

“[…]It is crucial to know] how the city works, thinks and makes decisions about mobility […] because every city is organized differently in terms of decision making. And London is […] the most complex one that I have seen […], where you have 33 boroughs that decide on their own and there is no common thing yet. And then, understand who are the key decision makers, who do you need to speak to, to get their support if needed.” (Strategy Manager, Zipcar)

One of the key challenges of Zipcar was thus “progressing the actions” (Consultant 2). Stakeholders sensed that Zipcar found “the volume of groups that they ha[d] to go through quite […] difficult to navigate and a bit of a barrier […] They would just love to be able to get in touch with the mayor directly” (Transport Manager, GLA).
Strategy: Decision-making processes

“You look at the hierarchy […] and make sure you fully understand […] the pyramid for London […] and […] who the key players are […] coming up with a strategy that plays to that particular political [actor]… in London, you’ve got 33 different boroughs to convince […] the first one is understanding at a very local level, what makes that city tick, what are the external players that might affect it.” (Director 2, Zipcar)

By primarily engaging at the lowest level of the political hierarchy first, Zipcar developed *reflexivity* to understand the structural, multi-level nature of the city’s decision-making process. Within the structure, Zipcar’s members considered it “key to understand 1) who the champion [was] and 2) who the actual decision makers [were] throughout” (Director 1, Zipcar). This *identification of champions* consequently yielded a prioritized selection of like-minded supporting actors on all levels:

“We’re talking about 33 boroughs […] of which about only 10 were serious players in this whole game […] You need to understand how the parking people work, how the planning people work and […] how the political people work. So you need […] to find political champions.” (Consultant 1)

In addition to the “top-down” and “bottom-up” analyses, Zipcar *identified, prioritized and mobilized champion organizations in neighboring fields*. Zipcar realized that “politicians work better if the background noise from voters, businesses … is supportive” (Consultant 1) and that by getting “influential organizations in the city supporting what [Zipcar does], they then help […] lobbying” (Director 2, Zipcar). The RAC foundation, a research body, and the London Cycling Campaign could both be connected to and mobilized:

“There are some interesting ones that now support us. London Cycling Campaign - Hugey influential […] There is a] massive agenda to grow the adoption of cycling. […] they’re saying: ‘[…] the best way to get people on a bike is to get them out of private cars and that’s what these guys do!’ So, they now share a platform with us and we can […] leverage our messaging of theirs […]” (Director 2, Zipcar)

By producing *coherent stories* to “make policy makers care about what [they] do” (Director 2, Zipcar), and *mobilizing champions* at the political top, bottom and from neighboring fields, Zipcar “learned how to get decisions made quicker” (Director 2, Zipcar). Through their multi-level manipulation strategy, Zipcar was also “able to have influence at a higher level, i.e. politicians [and] to some extent bypass the normal decision-making process” (Director, Carplus).

“When they were putting in the charging points in Westminster, they did seek my help for helping to install the charging points because it was taking a lot longer than they would have otherwise envisaged. I provided what help I could […]” (Strategy Manager, TfL)
5.7.4. Rivalling Identities: Public vs. Private Transport Provision

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>COOPERATION</td>
<td>Rivalling identities: public vs. private transport provision</td>
<td>Very high (19) // Low</td>
<td>TfL, Competitors, Tech disruptors // High</td>
<td>“One of the arguments I have heard most over the years about why people can’t deal with us was: ‘no you guys are a profit-making company. We can’t seem to allow you to make profit out of us.’” (Director 2, Zipcar)</td>
</tr>
</tbody>
</table>

Table 12: Institutional Process - Rivalling Identities

Rivalling identities between public and private transport provision describe the cognitive institutional process delineating the expectations primarily of the public sector vis-à-vis Zipcar as a private, for-profit MNE as well as other influential field actors such as Tech Disruptors (e.g. Uber) and OEMs (e.g. BMW). The question “who and what are you?” and the associated roles and motives played a highly central role in the institutional strategizing of Zipcar, particularly because different, incompatible identity demands created a distinctive complexity (see Table 12). These included the conflict between a for-profit orientation and a social-enterprise identity, the identity of a public transport provider as opposed to an extended arm of automotive OEMs and a partner-identity as opposed to dominating behavior of tech disruptors.

“[An issue has been] the acceptance of authorities that their role isn’t just about providing busses and trains… First, they were like: ‘we don’t see why we should be talking to you guys’ […] Now, they very much get the fact that there is a huge mobility environment going on that they need to interact with.” (Director 2, Zipcar)

For-profit MNE vs. social identity

Apart from City Car Club, all London based operators were for-profit subsidiaries of MNEs, including Zipcar. The socio-demographic metrics were highly heterogeneous throughout London and its boroughs, resulting in differing market potentials. For Zipcar, this meant perceiving its service working “well in the more affluent western side of one borough, but [because the] eastern side of the borough is very poor […] it would never work [there]” (Consultant 1). Like most operators, Zipcar’s managers emphasized the social and environmental elements of their business model:

“The schemes were sort of altruistic schemes that they were delivering to help the boroughs with there not being an interest for the operators […] The maxim that they had at the time was ‘we are not making a profit with this’. Which obviously a lot of people didn’t believe.” (Strategy Manager, TfL)

The way the external actors would see Zipcar thus directly translated into expected behavior, which in Zipcar’s case primarily concerned two issues. One, the public sector’s “hesitancy of supporting” (Consultant 3) the infrastructure, marketing and overall measures to expand the model:
“Some people would argue that [electric charging networks are] TfL’s responsibility. We say that’s a commercial model.” (Mobility Manager, TfL)

The second issue directly touched on the provision of the service in more deprived locations with little market potential, mainly driven by local politicians:

“If you’ve got a labor authority […] officers want to feel that they’re being fair to the whole borough. They want to see a bit of movement into the more difficult areas.” (Consultant 1)

Zipcar’s status of a resource-rich, profit oriented MNE in the eyes of the public sector actors and constituents influenced the organization’s institutional strategizing:

“First […] would say ‘Oh you know, we haven’t made any money yet.’ Now they are part of these big companies, that's not an excuse anymore. So they have to engage a bit more” (Consultant 2)

*International vs. local, public transport identity*

In addition to the aforementioned friction, Zipcar was confronted with the challenge of balancing its International or American identity as opposed to a local, London-focused identity.

“One of the challenges as we grow is to come across as a local service that we want them to care about. When what we really are is a global corporate with Avis Budget. And if they start seeing us as that, they start caring less about how they treat the cars and us.” (Director 2, Zipcar)

Zipcar tried to distinguish its identity from the global OEMs’ as “there [was] a bias towards public transport. Therefore anything car related can quite possibly lead to an element of suspicion” (Mobility Manager, TfL). This suspicion was fueled by operators such as BMW, which repeatedly stated to public sector officials that they would use their car club model merely to market vehicles for consumers deferring new vehicle purchases.

“We’re not out here because we’re a car manufacturer […] realizing that people] in the urban centers aren’t buying cars. We’re here because we think this is a great concept […] What we’re trying to do isn’t very different, but […] we’re trying to come across as virtuous because we can have purer motives than being a big OEM” (Director 2, Zipcar)

At the same time, the field actors assumed that OEMs were directly linked to Zipcar through the vehicle provision. Consequently, the public sector stakeholders considered Zipcar to be affected by the “distrust because of the emissions report” (Transport Manager, TfL), impeding a decoupled identity.

*MNE Tech disruptors identification*

New tech companies such as Uber disrupted London’s transport environment and the strategic action field of Zipcar. These new mobility players penetrated the market with ride hailing, payment or data processing services that were not yet regulated. Consequently, the public sector felt “powerless in the face of a very large company, with much bigger resources” (Mobility Manager, TfL). While Zipcar had successfully established collaborative, partnership-like relationships with relevant actors in the public sector until the arrival of Uber in 2012, the car club then felt “held back by the way that [the public-sector actors were] petrified by bigger organizations that would come
in and be aggressive with them, like Uber was, like Google are being, like Apple are being” (Director 2, Zipcar). The relevant institutional actors generally had become “very weary” and “cautious” with regards to the possible future identity of Zipcar: “One of their comments was: 'What happens if you're bought by Apple?'” (Director 2, Zipcar). The advent of the aforementioned companies led to an increased awareness about innovative technology and simultaneously disrupted the idea of transport providers and car sharing companies “partnering with public authorities” (Consultant 1).

**Strategy: Rivalling identities**

It was a fine line between the for-profit interest of Zipcar as a company and “all the other roles” (Director, Carplus) that Zipcar needed to play. To meet the varying expectations of the roles, Zipcar’s actors had to align their displayed identity matching the expectations and goals of the respective institutional audience, and as such achieve a *compartmentalization of identities*:

> “Every single service in London is run by a private organization. We have to make profit, because that's the only way this city runs. Don’t be scared that we try to make a profit. Embrace it as long as it’s aligned with what you’re trying to achieve, let us. Don’t keep on trying to say that profit is a bad thing” (Director 2, Zipcar)

In real financial terms, like other car sharing companies, “Zipcar [was] just about breaking even” (Director 1, Zipcar). This financial situation led Zipcar’s staff to internally highlight the long-term goal of a for-profit business model that could as well be integrated in other forms of mobility services within the Avis Budget Group and should hence be seen as an innovative, opportunity-oriented sub-unit that could bear low profit margins. Equally, with other external stakeholders, not only did Zipcar attempt to mimic the identity expectations, but also chose *coherent storytelling* in addressing those audiences:

> “I have a very different conversation and presentation than when I talk to an OEM […] because with the OEM it’s an opportunity: ‘Do you want to go into this together’? With a city, I’m solving a problem. You have a problem, I have a solution: ‘How can we help each other with the solution’?” (Strategy Manager, Zipcar)

The narratives, both individual or as part of the *collective* Car Club Strategy, thus accentuated the respective identities, such as social or environmental contributions and simultaneously attenuating others, such as the economic interest.

Every actor that you come to in a city, there will be something different that they have on their agenda. So, […the] borough Islington […] it’s a Labour-run council. Their most important thing in life at the moment is around equality and accessibility for their residents. Labour authorities tend to be more that way inclined so they absolutely want to make sure that they look after the poorest in society as much as the wealthiest in society. So therefore […] if you’re designing an agenda for them you’re saying: “car sharing means that actually, your poorest residents don’t need to worry about the expense of owning a car anymore. We’re about the most egalitarian concept you can possibly imagine, because anyone can share that car there, it’s the same price, and so that’s how you would design your message. There would be another authority where air quality is the most important thing to them. So you would go in and say: ‘Here is the data that shows how people are driving less, here is what our emission look like’ […] The messaging could be so different. And it starts from being smart […] and understanding to who you’re talking to and what floats their boat and what doesn’t ‘[…]’ (Director 2, Zipcar)
By verbally aligning goals and identities and moreover involving other car clubs through associations, Zipcar “won quite a lot of friends in the decision making… because it [did] not seem quite so self-interested” (Consultant 2). This alignment of identities created a trusted partner identity with mostly favorable views and helped in augmenting support, like getting “reference to car clubs into the [mayor’s] manifesto”, considered by field actors as a “good lobbying effort” (Transport Manager, GLA). The combination of aligned identities and relentless mobilization of allies thus contributed to the general institutional manipulation around the norm of car sharing, as noted in the Car Club Strategy:

“Car clubs are one solution in providing for Londoners’ urban mobility needs, compatible with public transport, walking and cycling” (Transport for London, 2015, p. 13)

Equally however, a “mismatch between the expectations of the local authority and [the actions of Zipcar]” existed, which led Zipcar to leave some boroughs. As an example, Zipcar had to leave the borough of Redbridge or the western part of Ealing, where charges were too high and/or performance too low to be commercially sustainable. Consequently, “there [was] an element of commercial reality that ha[d] to be presented … at the same time, [Zipcar had] to respond to the political reality […to sometimes…] get a good compromise” (Consultant 1). Alongside the overall institutional manipulation, Zipcar also faced cases, where a compartmentalization of identities was not feasible. This was primarily the case when Zipcar had to identify more with the commercial logic of their model than the altruistic logic and could not overcome the frictions, e.g. because of limited financial power or the organization’s status as a private MNE subsidiary in the eyes of the public sector would not allow for a further inclusion and melting of such identities.

5.7.5. Integration of Car Sharing in Public Transport Identity

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>COOPERATION</td>
<td>Integration of car sharing in the public transport identity and other modes</td>
<td>High (17) // High</td>
<td>TfL, GLA, Boroughs // High</td>
<td>“Selfishly, it’s about stickiness, right? And if people can go from the tube to a car and it’s relatively seamless, that’s a good idea for us and for TfL. And so we’re looking at these things” (Director 1, Zipcar)</td>
</tr>
</tbody>
</table>

Table 13: Institutional Process - Integration of Car Sharing in the Public Transport Identity

The integration of car sharing in London’s public transport network included formal, processual elements such as TfL’s ticketing and charging systems (e.g. the Oyster Card), the brand of Transport for London and the presentation of car club information in TfL’s open data. Since Zipcar had a high interest in seamless transitions for customers from all transport modes to their model, the process was central to their operations and highly compatible (see Table 13). The key actors influencing this integration were the deputy mayor for transport, TfL, and the boroughs, regulating regards to on-site signage and borough-specific integration.
“The things that we’re pushing for at the moment is for them to push car sharing as if it’s treated like public transport to bring it into a much more formal transport environment. It gives it credibility, it gives it awareness.” (Director 2, Zipcar)

**Strategy: Integration in public transport identity**

When Zipcar addressed TfL single-handedly to use the TfL logo and achieve the oyster card integration, TfL and the Deputy Mayor for Transport felt that “[…] Zipcar was] badgering her to do a lot of things, when she felt it was more that Zipcar could do themselves and as a classic case of ‘Well, I am the Deputy Mayor, I’ve got the bigger picture. Zipcar are a small niche entity in the grand scheme of things.’” (Mobility Manager, TfL).

Realizing that Zipcar had insufficient influence and power to achieve the integration, Zipcar’s executives promoted the issue through the collective actions of Carplus, the Car Club Coalition and all written documents. In subsequent discussions, TfL raised the need for inter-operability between car clubs, fostering a move away from dedicated smart cards to using contactless nearfield technology, matching TfL’s approach. “Zipcar [was] helpful” (Strategy Manager, TfL) by being open and providing proposals. Moreover, Zipcar were capable of also mobilizing their competitors to promote the issue unanimously: “[…] Drive Now, Enterprise and Zipcar […] they were all in complete agreement in the same. They didn’t argue once. That presented a unified view which I think really helped” (Director, BVRLA).

Based on the collective action, the Car Club Coalition could accomplish the integration of car clubs on the TfL website and improved the signage of the parking bays at the borough level. More generally, however, neither the TfL logo for general branding nor an all-encompassing integration within the payment systems could be achieved, due to the persistent perception of the public sector that “commercial services [were] not publicly subsidized, so to a large extent some of the […] earnest need[ed] to be on Zipcar [and other operators]”. While attempts of an institutional manipulation could be noted, the aspect of integration in public transport has remained as an unresolved friction, primarily based on a clash of identities.

### 5.7.6. Parking Management

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY POLICY AND REGULATION</td>
<td>Parking management</td>
<td>Very high (39) // Low</td>
<td>London boroughs</td>
<td>“The most critical point in London for car clubs is parking. So whether it’s going directly through the borough to get the spaces or understanding the regulation […] that is the most important thing that they are working on […] to get approval.” (Consultant 2)</td>
</tr>
</tbody>
</table>

Table 14: Institutional Process - Parking Management
“What does Zipcar need from the local authorities? They just need space on the street, they
don't really need much more […] So [they] need to influence people who make policies about
parking on the streets.” (Consultant 2)

Parking management and policies particularly with regards to on-street parking demarcates the
formal institutional process that was core and central to the operations and future growth of Zipcar
and other car sharing operators in London (see Table 14). The responsibility for on-street parking
policies was mostly set locally and individually by the 33 boroughs, while TfL and the City of
London had a minor influence through funding or policy guidelines.

“We, as a borough, although we're not able to influence vehicles coming in […] the only thing
we can do is around the parking charges or the provision of space. So, we either make no
spaces available for parking, in which case they would have to go to off-street which we don't
[…] control. Or we try to influence it through creating certain number of spaces for visitors and
then charging a tariff for parking.” (Service Manager, City of Westminster)

By nature of their on-street operations, Zipcar and other car sharing companies had a vast interest
in expanding the number of parking bays dedicated to car sharing. Since London traditionally
lacked parking capacity, however, more spaces for Zipcar had “to be taken away from someone
else” (Director, London Councils). Thus, parking was a political and “incredibly sensitive issue”
(Service Manager, City of Westminster), with policies and changes touching other fields and
actors. Since “even boroughs, which have the same political leadership […] don't necessarily
agree with each other” (Mobility Manager, TfL), there was considerable variation in the boroughs’
parking policies. Parking policies particularly varied with regards to the allocation of parking bays
(public or car sharing) and the cost of parking permits (in comparison to resident’s permits), often
influenced by factors such as convenience, demand for parking or simply business interest.
Without one overarching, governing body devising parking policies and neither TfL nor the Mayor
of London having the power to dictate borough-level parking policy processes, Zipcar was hence
confronted with a multi-level, heterogeneous formal institutional process.

**Strategy: Parking management**

To accommodate for the multi-level nature and power structures of parking management in
London, Zipcar simultaneously engaged on multiple levels. Both, at the political bottom, i.e. the
boroughs, as well as the political top, i.e. TfL, GLA and the Mayor’s office, Zipcar addressed this
core institutional process. On the one side, and as historically done in the early 2000s at Streetcar
and since 2007 at Zipcar, the company directly engaged at the bottom with the individual boroughs
and borough officers to address respective parking policies. As the 33 London boroughs differed
greatly in terms of demographics, location, technological mindset and political orientation, the
bargaining power and Zipcar’s strategic dependence varied significantly, resulting in differing
institutional strategies.

“Zipcar had tried to […] get the level of parking […] fees […] that they pay to be appropriate for
the location. So there is a starting point where some boroughs think ‘this is a private company
working on our streets, we will charge a huge fee.’ And so they are trying to sort of demonstrate
that some of those fees aren't justified.” (Consultant 2)

Zipcar’s approach addressing the institutional process of parking management built on the
identification and mobilization of institutional “champions” (Director 1, Zipcar), who would support
the envisioned institutional change. The organization could mobilize vocal proponents of their strategy by emphasizing Zipcar’s identity and status as a local company as opposed to a large MNE. Moreover, Zipcar produced coherent stories, promoting the organization’s partnership approach through dedicated local staff. Combined this lead to a manipulation of the parking policies, e.g. through experimental traffic orders in the borough of Wandsworth:

“Weandsworth pioneered the concept of experimental on-street parking. And most of them got confirmed a year later. There’s an officer […], who’s got the backing to do it. And that was more a partnership with Zipcar than with anyone else […]. I don’t know exactly how [Director, Zipcar] did this, but […] I always looked at [him] as the ultimate professional doing this. And he concentrated almost entirely on London.” (Consultant 1)

Equally however, commercially attractive and thus powerful boroughs such as Westminster, which had substantially more power over Zipcar, could dictate institutional settings to a certain extent. This bargaining power led to Zipcar’s acquiesce of such rules, e.g. higher parking fees or removed branding:

“[We charge Zipcar] 10 times more [than residents]” (Service Manager, City of Westminster)

In most other boroughs however, Zipcar could negotiate mutual adaptations arbitrarily, achieving a compromise based particularly on a local identity of Zipcar and the organization’s status in the eye of the boroughs:

“We’re paying the same price as residents pay in London, in […] most boroughs. Because we’re saying: ‘Listen, it’s used by residents, they’re giving up their car. You can charge us a big price if you want to, but it will be billed through to the client and we will get less usage.’ So, we influence that [and] pay less than a normal business would pay because they buy the benefits of car sharing” (Director 2, Zipcar)

Particularly during the first years of Zipcar’s operations in London, the subunit’s institutional strategies at the borough-level yielded a local solution. While harder to address, Zipcar considered the top-level of the public sector to have an overarching influence on the 33 boroughs. Consequently, in addition to the efforts on the borough-level, Zipcar further built on its developed status as the “pioneer and teacher” (Consultant 2) amongst the field actors and a more embedded network position to engage on the top and become “less reliant on local authorities for parking” (Director, BVRLA).

Zipcar’s managers displayed substantial reflexivity to perceive that at the “top of the pyramid” (Locations Manager, Zipcar), i.e. at TfL, not only were there substantial financial resources available, but also an emerging interest in car sharing operations due to their potentially positive impact on air quality and congestion. By producing convincing rationales and mobilizing other car club operators through Carplus to increase the verbal power, Zipcar ensured that car sharing was taken up in the document ‘Mayor’s Car Club Strategy for London’. This move provided funding for car club related parking bays from 2008 to 2012. As such and in agreement with their competitors, Zipcar manipulated the institutional setting of parking management in London to provide more bays for car clubs:

“It was because of our pushing that we got the pull factors. TfL put out a funding pot in 2007 […] for the boroughs to put in on-street car sharing bays. TfL don’t control parking. What they
do have is quite a lot of money. And so they basically said, ‘okay […] we now understand’ […] It was a no-brainer for the boroughs to put in the bays, because it was paid for essentially. And the largest beneficiaries of that was us, because we were in the strongest position […]” (Director 2, Zipcar)

In 2015, in a similar fashion, Zipcar promoted the need to further address the streamlining of parking management in London by producing a document serving as a rationale named “Car Lite London”. This report was a legitimating study of car clubs conducted by the acknowledged and independent consultancy Frost & Sullivan. The issuing of the report deemed the starting point of yet another collective manipulation attempt, joining GLA, TfL, Carplus, and competing car club operators in the association Car Club Coalition. This coalition highlighted its collective and agreed parking approach in the paper “Car Club Strategy”:

“London Councils will set up a working group to establish roles and responsibilities. All members of the Coalition and boroughs will be invited to attend. This working group will meet quarterly. TfL will undertake a benchmarking exercise on parking permit fees across the boroughs.” (Transport for London, 2015, p. 34)

5.7.7. Incentives and Disincentives

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECONOMIC INCENTIVES AND DISINCENTIVES</td>
<td>Behavioral incentives (tax incentives, reduced membership fees, …)</td>
<td>High (15) // High</td>
<td>Public sector actors</td>
<td>“London knows it has a problem. So how is it going to solve it? On the one hand, it’s going with carrots: how can it work with models like ourselves […] it’s trying to encourage car sharing […] they can create policy that encourages it from giving free parking to giving fiscal breaks to organizations like car sharing companies.” (Director 2, Zipcar)</td>
</tr>
</tbody>
</table>

In the field of car clubs in London, behavioral incentives and disincentives was a formal institutional process that incorporated various rewards and punishments to induce behavior pro or con car sharing in general and for Zipcar in particular (see Table 15). These “carrots and sticks” (Director 2, Zipcar) were central to the organization’s and sector’s growth as they played “a major part in getting that behavior changed” (Director, BVRLA). The “carrots”, if encouraging car club use, were highly compatible with Zipcars strategizing, while the “sticks” could serve both as constraints and enablers. Mainly driven by the public sector in cooperation with the national governments, incentives included tax incentives, marketing campaigns, free parking, scrappage schemes, reduced membership fees or London-wide travel discounts. The disincentives mostly revolved around “punitive measures and restriction on cars” (Consultant 3). Alongside emission-based charges or inner-city car bans, particularly London’s congestion charge posited an impactful formal
regulation, disincentivizing inner-city car use by charging Zipcar fixed fees per vehicle. Moreover, due to Ultra Low Emission Discounts for vehicle emitting 75g/km or less of CO₂, Zipcar was constantly pushed to incorporate the most low-emission vehicles in their fleet. These mostly electric vehicles however came with the additional cost of a lower resale value on a national scale and therefore a long term “commercial trade-off” (Mobility Manager, TfL).

**Strategy: Incentives and disincentives**

Alongside the financial support of car club parking bays from 2008 – 2012 by TfL as part of the first Car Club Strategy, Zipcar could identify and secure some minor incentives. The winning of such incentives included reduced parking costs on a borough level. Zipcar achieved this through good connections with the borough and by identifying the local boundaries of the incentive and the eligibility to only few car club operators.

In a corresponding fashion, Zipcar achieved a compromise with the borough of Westminster on the “first larger scale trial of plug-in hybrids in London” (Director 2, Zipcar). This compromise was based on Zipcar’s embeddedness with the borough and the OEMs, Zipcar’s willingness to invest resources, and the leveled power structure between the borough of Westminster and Zipcar:

“We’ve used government funding and pots of money to electrify the car club. Zipcar provided the cars through their deal with Volkswagen and we provided the infrastructure.” (Service Manager, City of Westminster)

Similarly, Zipcar and the borough of Westminster cooperated to create a joint local scrappage scheme, despite being entirely financed by Zipcar:

“We currently offer […] driving credits and free membership for people to give up their residence permit and join Zipcar. […] Zipcar is paying for this […] it’s part of the contract that we have” (Service Manager, City of Westminster)

In addition to local compromises, Zipcar put special attention to overarching incentives as well as disincentives. Based on their London-aligned identity, their embedded network position and sufficient resources and know-how from their international operations, Zipcar developed reflexivity to identify potential incentives and disincentives supporting their case and the sector as a whole. These large-scale incentives included the introduction of scale scrappage schemes, achieving tax cuts for car club operators or London-wide travel discounts for car club members. Zipcar included those incentives in its narratives, while the organization and external consultancies promoted the initiatives through the collective associations Car Plus and the Car Club Coalition. While the mobilizing of allied organizations increased the power and the awareness of the sector with regards to these overarching incentives and disincentives, the political scope and resilience of these institutional processes was still too great and the collective power insufficient to amend regulation or create newly proposed incentives, leading to an acquiescence strategy:

“I do a lot of lobbying. I work with the Mayor’s Office and with Transport for London and I have wasted a lot of my breath on trying to get us off the congestion charge. […] They support car sharing because they say they understand it reduces congestion. And then you kind of go: ‘Okay, but you’re charging us a charge for the congestion charge. That’s not really a joined-up policy’ And they’re like: ‘[…] If we give exemptions, we are laying ourselves open to other people who also want an exemption. […] If they gave us an exemption, they’d be taken to the
European Court by the car rental lobby or whoever. So, we pay ¾ million pounds of congestion charge every year. It’s a big cost for our business, but we can’t get off it.” (Director 2, Zipcar)

Thus, the greater the stakeholder complexity of the targeted institutional process, the greater Zipcar needed to build up collective power to induce change. In case of the congestion charge, it was even “framed by parliamentary regulation” (Consultant 1) at the national level, involving extensive “political ratification” (Mobility Manager, TfL) and thus making it “too difficult” to address (Consultant 1), leading to institutional acquiescence.

5.7.8. Development Planning Section 106

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY POLICY AND REGULATION</td>
<td>Planning policies</td>
<td>Moderate (2) // Moderate</td>
<td>Housing planners</td>
<td>“Under Section 106 provisions, developers can be required to capitalise on this opportunity through the provision of car club bays or car club memberships as appropriate.” (Zipcar Ltd. &amp; Fergusson, 2014, p. 39)</td>
</tr>
</tbody>
</table>

Table 16: Institutional Process - Planning Policies

“Requiring new-build developments to include some dedicated car club parking spaces, rather than providing an individual parking space for each unit ensures that a growing population can be accommodated, without a significant rise in car numbers or space requirements. Under Section 106 provisions, developers can be required to capitalize on this opportunity through the provision of car club bays or car club memberships as appropriate.” (Car Lite Report)

The Development Planning Section 106 of the National Town and Country Planning Act 1990 was a formal institutional process that regulated the requirements of new-build developments in London (see Table 16). The regulation particularly posed obligations for vehicle access, use and parking. It involved the national government and was interpreted and amended through the London Councils, the boroughs and housing developers. With London’s population increasing by around 46,000 inhabitants per annum in 2016 (Mayor of London, 2016), potential mobility and parking solutions around these new developments defined a growing market for car clubs. Despite not being very central in the field actor’s interview statements, the Section 106 process was compatible in terms of a potential market opportunity for Zipcar.

**Strategy: Section 106**

The Section 106 regulation of parking saw numerous amendments in the early 2000s, particularly by the London Councils and respective boroughs. The regulation thus showed potential for further changes through field actors. Additionally, there were “examples where [...] an operator [could] deal directly with the housing developer and make [an] own agreement so long it’s within a broad framework set” (Consultant 1). To seize the opportunity, Zipcar used significant resources to build up a dedicated London-based property development team. These experts were tasked to identify institutional ambiguities and all future developments of both housing developers and the legislation.
around planning requirements. Zipcar was well embedded within the relevant stakeholder community and had the status of “thought leaders” (Consultant 3), which put “Zipcar in touch with developers solely” (Strategy Manager, TfL), excluding their competitors and thus resulting in a solitary manipulation strategy:

“There is now a specific planning policy written into every borough, that says you have to include car sharing. These exact terms that you need to be including in your planning requirements - we wrote them […] So, through that, car sharing is now on 150 sites throughout London, it's a good source of revenue for us.” (Director 2, Zipcar)

5.7.9. Rivalling Technological Logic (Floating)

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONVERGENCE OF TECHNOLOGY AND TRANSPORT</td>
<td>Rivalling technological logics (floating, ride hailing)</td>
<td>High 16) // Low</td>
<td>Floating car sharing providers, tech disruptors, public sector</td>
<td>“[T]he models of car sharing are changing so quickly. How do we set up to respond to that? Whether it’d be free floating, whether it’d be EVs, trying to stay ahead, particularly when the dynamics have changed. There is players coming into the market that don’t necessarily have the same pure motives that we do.” (Director 2, Zipcar)</td>
</tr>
</tbody>
</table>

Table 17: Institutional process - Rivalling Technological Logic

“Car sharing has evolved. It’s not sort of fixed bay, A to B anymore, it’s different […] There is a nervousness around the floating model […]” (Service Manager, City of Westminster)

Alongside the introduction of electric vehicles and ride hailing services like Uber, the advent of the floating or one-way model in 2014 operated by Car2Go and DriveNow posed a rivalling, potentially more flexible and technologically different car sharing model to Zipcar. Floating vehicles could be parked anywhere on-street as opposed to the back-to-base or station-based model of Zipcar, where the vehicle had to be returned to a dedicated parking bay. According to the interviewees the floating model was a highly central topic and considered “a collisional threat” (Mobility Manager, TfL), i.e. not compatible with the current business model of Zipcar (see Table 17).

“Zipcar was successful because […] it was like owning a private car that you need to bring back to where you got it from, and people accepted that […] Car2Go and DriveNow coming in with the One-Way-Model is a bit of a game changer. They are setting an expectation amongst consumers that they can pick it up from one place and drop it off at another and that is a risk to us […] because people are assuming now that they can take a Zipcar from one place to the other and drop it somewhere.” (Director 2, Zipcar)

The public-sector side and the boroughs had an ambiguous stance toward the floating model and expressed interest as well as concerns. These concerns primarily revolved around the anticipated
effects on the parking situation in the boroughs and whether the floating model “would end up predominantly cannibalizing public transport use” (Director, London Councils).

**Strategy: Rivalling technological logic (floating)**

Zipcar defined the cognitive institutional process of the acceptance of floating car sharing as a potential threat, as it posed “interesting questions” (Director 2, Zipcar) and demanded an organizational response. External field actors noted that Zipcar remained “wedded to the fixed model” (Service Manager, City of Westminster) and “dismissive of BMW’s flexible system […] by being negative about the usage” (Mobility Manager, TfL). To an array of relevant audiences - they particularly “persuaded a lot of boroughs” (Director, BVRLA) - Zipcar built on the fact that rationales were neither established nor independently validated. Zipcar’s members continuously stated: “this flexible system is unproven, it might be bad for things” (Mobility Manager, TfL):

“We were convincing the boroughs at that time not to do it, because we were protecting our market. And we were showing: ‘Hey, we get 15-20 cars off the road. Ask them how many they got off the road. So, you know, what is your goal as the city? It’s pollution, it’s congestion, it’s emissions. We have proven that to you! You should help us get more on-street parking. So we can get more members, grow faster etc.’” (Strategy Manager, Zipcar)

The stories were not only disseminated by various Zipcar members, but also through the Car Lite London report, issued by the independent consultancy Frost & Sullivan in 2015:

“There is lots of evidence and research having been undertaken for round-trip carsharing services, there is relatively little for one-way car-sharing. Undoubtedly, there are use cases and demand for one way car-sharing in London. However, from a city and transport planning perspective, recent initial surveys suggest the outcomes and modal share are less positive.” (Briggs, 2014, p. 21)

In the field of car clubs in London, field-level actors thus regarded Zipcar as “slower at getting around to thinking about flexible” (Director, London Councils) and “trying to hold on to the traditional model […] because they just wanted to be a monopoly” (Mobility Manager, TfL). The partial capacity to prevail over the opposition by this defiance strategy lead to a deference of the general acceptance of the floating model for some time. Equally however, field actors showed growing suspicion on Zipcar’s abilities and technical resources to implement a floating model: “Look, you don’t really believe that. You’re just saying that because that’s the model you operate at the moment” (Director, BVRLA).

With first media coverage appearing of floating operations by other international Zipcar subsidiaries, e.g. Brussels in 2016, stakeholders started being more aware “that [Zipcar were] trialing flexible systems […]” (Mobility Manager, TfL). In preparation for its own launch of a flexible service in London envisioned for 2017, Zipcar eased its resistance and focused on building up the necessary resources that the organization hitherto had lacked.

“The only reason why we really haven't introduced floating in London yet is simply because we didn’t have the systems […] the back-office and technology […] in place. But of course we had to communicate it in a different way.” (Director 2, Zipcar)
5.8. Zipcar’s Multi-level Institutional Manipulation Strategy

To change the general norm from car owning to car sharing, Zipcar applied manifold strategic approaches, in some cases even differing strategies to address the same institutional process (see Table 18). Zipcar’s strategies included institutional manipulation, i.e. shaping or creating new institutions, both collectively (collective manipulation) but also individually (solitary manipulation). The institutional acquiesce describes instances where the company adhered to the given rules. In some cases, Zipcar could furthermore arbitrage a solution, i.e. find an institutional compromise. Particularly in the case of the introduction of floating into the market, Zipcar proactively contested and assaulted the logics around it, employing a defiance strategy. Lastly, in the case of reconciling the public vs. private identity, no common solution could be found, creating an unresolved friction.

<table>
<thead>
<tr>
<th>Institutional strategies “What did Zipcar do?”</th>
<th>Examples</th>
</tr>
</thead>
</table>
| Collective manipulation | Concept awareness through Car Club Strategy  
Citizen’s car aspiration through Car Club Strategy  
Parking bay funding through Car Club Strategy  
Redefinition of the decision-making process through the mobilization of allies |
| Solitary manipulation | Concept awareness through individual marketing  
Experimental parking in the borough of Wandsworth  
Writing the Section 106  
Defining the accreditation criteria of Carplus |
| Acquiescence | Paying 10-times more parking charges than residents in Westminster  
Paying the full congestion charge |
| Compromise | Paying the same price as residents in most other boroughs  
Local shared-cost incentive (scrapage) scheme in Westminster |
| Defiance | Contesting the idea of floating car sharing |
| Unresolved friction | No integration of car sharing in public transport environment due to private/public friction |

Table 18: Zipcar Institutional Strategy Overview

In addition to providing an insight about “what” Zipcar did strategically vis-à-vis the identified institutional processes, the above analysis moreover indicated parameters that answer the questions “how did they do it?” and “why were they able to do it?”. The following will thus first put an emphasis on the analysis of the mechanisms, i.e. reflexivity, coherence of stories and the capability to mobilize allies. Thereupon, light shall be cast on enablers of strategy such as identification, status, network position and power.
5.9. Mechanisms

5.9.1. Reflexivity

"[...] you don't only have to understand Automotive, you have to understand local government and parking [...] and public transport." (Consultant 1)

Embedded within Zipcar members that had leading, externally-facing roles, Zipcar’s reflexivity comprised three elements: the reflexivity to perceive institutional ambiguity as well as the reflexivity to identify and to prioritize institutional champions. Reflexivity to perceive institutional ambiguity describes Zipcar’s ability to pro-actively and critically assess the institutional environment. Zipcar was able to distinguish between “uncontrollable” (Director 2, Zipcar), overarching institutional processes and those institutional processes that were ambiguous and potentially manipulable. This reflexivity included the ability to specify what the institutional process entailed and to articulate its importance. Moreover, high reflexivity comprised Zipcar’s ability to assess and foresee the emergence of institutional processes within and outside the field of car clubs. Zipcar could depict the centrality and compatibility of institutional processes vis-à-vis the organization’s business model as well as the process-related stakeholder complexity:

“If they say: ‘We have a massive air quality issue in the center of London. We’re going to do some power-style restrictions on when people can drive and when people can’t. If they say: ‘All cars are involved in that’ - massive issue for us. If they say: ‘[…] actually, car sharing is part of what’s allowed’ – then: big opportunity. So, I think we’re trying to make sure we know what is being considered and make sure we’re factored into that mix [...]” (Director 2, Zipcar)

Zipcar’s reflexivity further extended to the ability to identify institutional champions “that are pro-car sharing” (Strategy Director, Zipcar) within the organizational field. Zipcar's members knew about the resource endowments of organizations such as TfL or stakeholders’ personal opinions towards or against car sharing at the borough officer level as done in the borough of Wandsworth. In addition, Zipcar showed reflexivity to prioritize institutional champions with regards to their decision-making power in the field, their attitudes towards car sharing, their capacities and their general capabilities:

“Zipcar would work with officers who were able to concentrate on Car Clubs and who were good at the job.” (Consultant 1)

As opposed to other field actors, Zipcar’s executives were considered “a bit more savvy in understanding who they need to speak to. In terms of getting certain politicians on board for example, briefing them, pushing them to show them what the benefits are of car clubs” (Consultant 1).

“I met the new deputy mayor for transport yesterday [...] a lady called Val Shawcross, she’s brand new in role, she’s got a big transport background, and she’s very favorable towards us, she’s great.” (Director 2, Zipcar)

The prioritization also included a certain diversification of resources allocated to mobilize these champions:
“When the new deputy mayor comes in, Val, you can go and lobby her as well. But don’t put all your eggs in her basket, because frankly, she is not going to be there for long. Same with the boroughs, don’t deal with one individual [only…]” (Director 2, Zipcar)

The building-up of reflexivity to understand the stakeholder’s agendas occurred on “all the right levels” (Service Manager, City of Westminster), i.e. the top, “meeting the deputy mayor early on” (Director, Carplus), “put[ting] a lot of effort into [the] relationship with TfL […]”, the side “speak[ing] to other lobby groups […] and the bottom, emphasizing that[…]” “residents can write to their local politicians” (Consultant 1).

5.9.2. Coherence of Stories

In their institutional approaches, Zipcar’s executives continuously attempted to align their narratives to the expectations of the field actors associated with the identified institutional processes. With the focus of disseminating a “city identity”, the Zipcar employees “tr[ied] to be as local as possible and play down [their American] roots” (Strategy Manager, Zipcar). As opposed to other car club operators, Zipcar was “much more in line with what politicians want[ed] to hear” by “looping into the green […] or the […] social agenda” (Consultant 1) and “persuading the city that there would be some common good there” (Director 2, Zipcar). These coherent stories built on four elements: 1) the production of rationales 2) the validation through external actors 3) the creation of linguistic identities and the 4) dissemination of the stories.

5.9.2.1. Production of Rationales

To align with the goals of relevant field actors and “demonstrate to them where [Zipcar was] at” (Director 2, Zipcar), the London subunit engaged in gathering, analyzing and providing data serving as rationales for their case and “meeting any concerns” (Director 2, Zipcar) of public sector actors. Zipcar focused on conducting and documenting several local pilot studies to build up an evidence base.

“We decided to put in off-street bays, we surveyed our members every year, and that is how we built up the evidence base to start with and say: ‘you can clearly see that our members are selling cars when they join us, they’re driving less, they’re doing walking, cycling and public transport more. This concept is entirely aligned with what you are trying to achieve as a city. What do you reckon guys, don’t you think this is a good thing? And that was how we built the case for them to get more involved. But it needs to be a data driven approach and it needs to be specific.” (Director 2, Zipcar)

Apart from an effort to prove the benefits of the general car sharing concept, Zipcar also pushed further London-based pilot schemes, e.g. on new technologies such as electric vehicles in the City of Westminster, or the shared-use of vehicles between the Croydon Council employees and the general Zipcar members. Zipcar put a stress on producing and promoting a London-specific evidence base as opposed to building on their vast international experience, realizing that the expectations of public sector actors had a strong London focus:

“Car2go came in and said: ‘We’re really good at car sharing and we’re in great cities in Germany, we work fantastically in Berlin. Look what we’ve done…’ And frankly, London authorities said: ‘we don’t really care. We want you to show us why this is good for London.’” (Director 2, Zipcar)
This behavior made other car clubs such as DriveNow or Car2Go “automatically seen more international than Zipcar” (Consultant 1). Based on their focus on London and extensive “data analysis skills” (Consultant 1) Zipcar “provided some of the earliest data” (Director of Service, London Councils) on a local level. As the company was furthermore considered “very good in terms of sharing […] data” (Service Manager, City of Westminster), the public-sector actors became “much more comfortable” with the proposition and realized that this could “be an essential and a growing role” (Director of Service, London City Councils).

5.9.2.2. Validation through External Actors and Documents

“They engage at all the right levels, with Carplus obviously, with sharing their data […] some of the stuff they have done with Frost&Sullivan, SteerDavisGleeve … they participate and certainly because they do that […] they have quite an influential role […] they’re good at that.” (Service Manager, City of Westminster)

To increase the legitimacy of their data and answer the public sector’s call for “an independent entity […] and academic rigor” (Mobility Manager, TfL), Zipcar officially commissioned the validation of their data and research papers through independent associations and consultancies. Zipcar particularly targeted and supported “highly respected” (Director 2, Zipcar) actors, which they considered “the people that are in the ear of policy makers” and made sure that Zipcar’s “messaging is their own message” (ibid.). The initially important “independent third party” (Carplus, Director) was Carplus, the association of car club operators founded in 2007, whose formation and accreditation criteria were mainly put in place by Zipcar. Their Annual Survey of Car Clubs, of which “Zipcar has been a very strong supporter” (Consultant 2), served as legitimating accounts for Zipcar’s data and those of other car club operators. Carplus constituted a channel to feed “the evidence […] to TfL, GLA or […] the Mayor [and] to demonstrate the benefits of the sector as a whole” (Director, Carplus). Another influential publication was issued in 2013 by the independent consultant Malcom Fergusson under the title Car Lite London, mimicking a term coined by TfL’s Road Task Force. This report merged primarily Zipcar data and findings into one document, claiming to provide “a central source of independent evidence, international case studies and transport statistics to create a vision for how car clubs can have a significant role to play in delivering a Car Lite London” (Zipcar Ltd. & Fergusson, 2014, p.7). It showed the results of Zipcar’s local pilot studies, such as the aforementioned Croydon Council case as well as international best-practice cases and articulated policy recommendations geared towards all identified ambiguous institutional processes:

“Behavioral incentives: […] Londoners could be given discounts on car club membership when they demonstrate that they have sold a private car and not replaced it.” (Zipcar Ltd. & Fergusson, 2014, p. 37)

The Car Lite London report provided the basis for the Car Club Coalition’s strategic direction and policy guidelines issued under the Car Club Strategy in 2015. Resulting from a cooperation between the public sector and car club operators, the report included responsibilities for projects as well as distinctive demands for further integration into public transport, behavioral incentives, stronger leadership and development planning. Furthermore, Zipcar commissioned the consultancy Frost & Sullivan in a subsequent publication Car-sharing in London Vision 2020, outlining a market forecast and painting a vision for the car club market, again using the ‘Car Lite’ brand. Although “people have challenged [the] perspective” (Consultant 1) and robustness of the data, the reports and research studies were considered “really good” (Director, BVRLA) and “tremendously helpful” (Director of Service, London City Councils). The validated research, associated
texts, and documents thus served as important frames for the articulation of Zipcar’s institutional strategy.

5.9.2.3. Linguistic Identities

“The US approach didn’t really suit the UK market in terms of the language that was being used […] the way the website was worded, the way their communications were worded […]” (Service Manager, City of Westminster)

Both, written and orally, Zipcar learned to attune to the language of respective field actors and fostered a London-focused linguistic identity. Since Zipcar’s aim was to “position the company as a local partner in the mind of citizens” (Director 2, Zipcar), it was “not just the spelling with the ‘ou’ or the ‘o’ or the ‘z’ […]that the organization changed, but[…] also the tone” (Strategy Manager, Zipcar).

“In Britain we talk a bit more mature to our members whereas in the US we talk a bit more like ‘yo, how are ya?’ like, playful, exactly, because that’s the tone that worked here better.” (Strategy Manager, Zipcar)

Having primarily Londoners working at the office and facing the field level actors of the public sector, Zipcar perceived that “[public sector actors] liked that [Zipcar] played on the factor that it was a local, British company based here in Wimbledon” (Director 2, Zipcar). Consequently, Zipcar “[…] continued to try to accentuate that [the organization was] run by a British team, yes, using an American platform” (Director 2, Zipcar). However, “the messaging [in the field] could be so different” (Director 2, Zipcar). Zipcars executives realized that the subunit needed to develop multiple linguistic identities to accommodate for the diverse goals, expectations and particular languages of field level actors. Such difference in linguistic identity was exemplified in the application of the Car Lite brand. While entirely funded by Zipcar, the website www.carlitelondon.org promoted the general benefits of car sharing to the City of London in neutral wording and without a single mention of the Zipcar brand. Equally, the presentations held by Zipcar’s members at official events with representatives of the GLA and TfL did not show the Zipcar Logo, creating the idea that Zipcar spoke for the whole sector as opposed to promoting their own interests.

“[…] The management of Zipcar talk the language of London politics. They understand the challenges of London. And actually, if you hear someone from TfL talking about transport policy [and] you hear someone from Zipcar, they are almost speaking the same language. Obviously, the guy from Zipcar has got a bit of the gloss on his side of things and they’ve been very clever in the way that they approach it. So they approach it the way Zipcar really is, they say ‘London has got a problem. We are part of the solution.’ Whereas some of the other operators are a bit less understanding of some of these issues.” (Consultant 2)

The dissemination of the stories through members and other field-level actors was primarily based on the marketing to theorize the vision and the efforts of the Locations Manager, Zipcar. These efforts included an “awful lot of advertising, promotional stuff” (Mobility Manager, TfL) through different channels such as the TimeOut Magazine, online advertising on Facebook, Linkedin and other social media, or the “brandy exercise and scheme ‘Zipwagen’ working with Volkswagen” (Strategy Manager, TfL).
5.9.3. Capability to Mobilize

The capability to mobilize was essentially grounded in both, Zipcar’s reflexivity to identify institutional champions and the capacity to produce coherent stories with regards to these actors. While practiced internally within the international Zipcar organization as well as externally and on all political levels, Zipcar’s capability to mobilize field actors was developed through distinct aspects: recognizing the need for support, employing political and social skills, the sentiment of being capable, collective sensemaking, a collective identity, events and documents and continuity and persistence.

As a first step, Zipcar needed to recognize and specify the need of support to address identified ambiguous institutional processes. The higher the stakeholder complexity of such institutional process, the greater was the identified need for collective action and support:

“The previous deputy mayor of transport said: ‘I’m not really interested in just your voice. I want to hear what your sector wants. I want a coherent picture.’” (Consultant 2)

Due to such instances, Zipcar realized “that by bringing people together […and speaking in one voice…] it was better for them than trying to do it by themselves” (Consultant 2), simultaneously “hoping their longevity and […] market presence […]would give them some advantage” (Consultant 1). Zipcar encountered a significant lack of understanding of the car sharing concept and the public sector actor’s unwillingness to invest, particularly in the realm of parking. Responding to such lack of understanding and investment, Zipcar developed political and social skills to educate and convince public sector actors as well as their competitors to engage in cooperative action.

“I spent a lot of my time almost trying to make friends with borough officers and saying: ‘we’re trying to do something good and positive for you. What do you need? Yeah, we will try and do that. We’ll come to your event. We’ll do this and we’ll do that.’” (Director 2, Zipcar)

These skills thus revolved around the establishment and cultivation of meaningful relationships, building up “a good lobbying network” and knowing “some very influential people […] at the right level” (Service Manager, City of Westminster). Moreover, there was an element of feeling capable, i.e. “know[ing] what it takes to convince people” (Director 2, Zipcar):

“You will always have the ability to influence the agenda and someone’s personal preferences.” (Strategy Manager, Zipcar)

By promoting the coherent messages attuned to the field level actors and emphasizing the shared benefits of a growing car club market, Zipcar pro-actively engaged in collective sense-making processes:

“[…] what we had to persuade them over the years is that they’re not taking away bays, what they’re doing is actually providing for many, many more of their residents. That’s the journey we had to take them on.” (Director 2, Zipcar)

These efforts were then complemented by the aforementioned rationales in the form of independent research documents such as the Car Lite London Whitepaper and joint events, like the Car Lite Conference, bringing together the relevant field level actors and promoting their agenda.
“Zipcar had an event […], which was held at the City Hall, so the GLA, and it was called Car Lite London. There was a TfL review of the road network called the ‘Road Task Force’ and in there they mention this idea of Car Lite neighborhoods. Zipcar took this idea and talked to the mayor's transport advisor, had an event launching their Car Lite Strategy, which was all about growing the market for Car Clubs. They got all the right people along and what that turned into, was the Car Club Coalition for London. So by bringing people together, they moved this higher up on the agenda of the politicians.” (Consultant 1)

Zipcar put an emphasis on forming a collective identity by supporting the establishment of the two organizations: Carplus as the association of all car clubs and more importantly the Car Club Coalition, involving both, the public sector and the competing car clubs. On the one side and with the aim of inducing cooperation and shared responsibilities, they gave the powerful actors of the public sector the impression of deserving the merits of bringing together the actors and defining a strategy:

“It’s interesting: [the Car Club Strategy] is not a TfL strategy but it was brought together by TfL” (Consultant 2)

On the other side, Zipcar would also make sure to take a leading role enabling them to “set the pace and define the agenda” (Director 2, Zipcar). Since “Zipcar presented the case for the whole sector”, public sector actors regarded them as “leaders in presenting […] the policy benefits’ of car sharing” (Consultant 1).

“In some of those meetings, [the Director 2, Zipcar] would lead the conversation, but he would do so implicitly by me stepping to the side and then saying, “I will let [him] lead on this” […] I feel that he was often speaking with a tacit approval of everyone else in the room” (Consultant 1)

The approval of the competitors was not only due to the significant resources Zipcar decided to invest in the growth of the sector as a whole, but also due to the fact that Zipcar promoted competition.

The Car Club Strategy […] specifically states that there should be competition in boroughs […] I have recognized that it is in their interest in places where they are not the only one, in places where they are not in place that that would be helpful.” (Consultant 2)

Zipcar’s executives also used their influence on the strategic documents to support agreements that would ostensibly introduce standards to the sector but primarily benefit Zipcar:

“[There is the discussion of an] Operating commitment […] about how Car Clubs will operate in London. And Zipcar is pushing that because I think they believe they meet certain standards that other car club operators don’t.” (Consultant 1)

The decision to address and change the institutional processes conjointly and particularly create a market for car sharing was “a slow process […], expensive, [and made it] harder to get people to buy in” (Director 2, Zipcar). The proactive institutional strategizing required Zipcar to be continuously persistent about their mission and thus “put more energy into that than some other car clubs” (Transport Manager, GLA).
“The electrification project […] they really stepped up in terms of making it happen. If they hadn’t been, it could quite easily not have happened. They really had to sort of ‘push, push, push’.” (Service Manager, City of Westminster)

While it was one of Zipcar’s advantages to be able to speak for the car club sector as a whole, the organization furthermore had to continuously prevail over opposition, coming from the public sector but also their competitors, who thought that Zipcar was “flexing their muscles and trying to force others into a back seat” (Consultant 2).

“DriveNow complained not to have a share, but fair enough, we said: ‘put in the energy and build the size and contribute equally’. They said: ‘Zipcar seem to speak for the sector, when really, they weren’t.’ (Director 2, Zipcar)

When the persistence and efforts were not meeting the ends, Zipcar engaged alone to push its goals, showing the commitment for the subunit’s mission.

“Sometimes they would get frustrated by the collective need and do it themselves. And then say: ‘we felt we had to take it and move’.” (Consultant 1)

5.10. Enablers

The presented mechanisms reflexivity, coherence of stories and the capability to mobilize characterized Zipcar’s triggers to the multitude of depicted institutional strategies. The foundations of these mechanisms laid in specific enablers, i.e. identification, status, network position and power.

5.10.1. Identification

“We are very conscious of how we’re perceived going into these kind of lobbying meetings and will do whatever we can to create the correct perception” (Director 2, Zipcar)

In response to the differing expectations emitted by the field level actors, Zipcar developed multiple identities and scripts. The question “who are we?” was thus answered in the light of various actors asking: “who are you?”. The conformity-seeking messages disseminated by Zipcar’s members were enabled by its member’s rational and emotional grounding in Zipcar’s organizational identity.

Key to displaying multiple identities to the institutional audiences were Zipcar’s members representing “the London face and the London offer” (Mobility Manager, TfL), which have been the Director 2, Zipcar and the Director 3, Zipcar. Both were considered “quite smart people” and “extremely competent to understand the job […] which is partnership builder, relationship manager” (Consultant 1). As in all European Zipcar subsidiaries, the two managers were highly-committed city locals, with an extensive personal network and history in the field of car clubs in London. Moreover, the internal structure gave them the possibility to focus entirely on the institutional work in London and to build up “very good […] teams” (Director, Carplus) for distinctive institutional tasks, such as a dedicated London property development team.

“Our mission is that we have car sharers outnumber car owners, and we’re talking with everyone” (Strategy Manager, Zipcar)
The disseminated organizational identity revolved around their slogan “to enable simple and responsible urban living” and the differentiation from competing field-actors by promoting “purer motives” (Director 2, Zipcar). One of their core identities was the collaborator/partner identity, seeing “the city as a customer, […] providing] a great solution to some of [its] issues […] and being pragmatic” (Director 2, Zipcar). Zipcar considered itself “just one option for you not to own a car” (Director 2, Zipcar), hence positioning itself as complementary and socially aligned product with regards to the public transport offerings and goals.

“How we work with those actors, how we get them on board, how we become their partners, is central to everything that we want to do. We do not see that fighting against cities is good for anyone.” (Director 2, Zipcar)

This collaborator identity also made Zipcar reach out to their competitors, based on the conviction that growing the market could only be achieved in cooperation with competing car clubs:

“[If] we had another big provider, yes that would have acted as a big competitor for us, but it would have helped us push the overall market, which is really the big price.” (Director 2, Zipcar)

Complementary to this, Zipcar emphasized its status as a local service, not wanting to “come across as American in any shape or form” (Director 2, Zipcar). While generally seeing itself as a “British/International company” (Marketing Manager, Zipcar) the organization moreover aligned itself to both, the city and the industry identity demands.

“It has to be a local product […] Forget the ‘who you are globally, where is your headquarter’” (Marketing Manager, Zipcar)

In conjunction with the for-profit nature of the MNE, Zipcar was in constant need of displaying a commercial identity towards the various stakeholders. Zipcar continuously defended the for-profit when meeting with public sector actors. In discussions with the Avis Budget Group, suppliers or other business partners however, Zipcar emphasized the long-term profit expectations, the organization’s market leadership and continuous need for investment to grasp future profitability:

“[…] Avis is quite a traditional car rental company […] they’re very focused on EBITDAR and that’s their main driver in life. And to try to adapt to a company that’s all about growth and investment is quite a mind-stretch for them.” (Director 2, Zipcar)

Zipcar considered itself as “one of the main disruptors to say: actually, there is another way there” (Director 2, Zipcar). The company’s executives perceived that “the city looks at [Zipcar] as innovators […]and[…] thought leaders” (Director 1, Zipcar) having introduced and established car clubs and related technology in London.

“I don’t think it’s arrogant at all to say that we’re the ones that pushed along the sector, trying to get the boroughs excited about car sharing, trying to get TfL to extend their agenda when it comes to mobility, so I think we’ve done an awful lot.” (Director 2, Zipcar)

Balancing the different identity demands, Zipcar attempted to compartmentalize their organizational identity into the different depicted identities, creating a quiver of identities to choose from, largely dependent on both, the expectations of the field actor and the Zipcar executives’ adherence to the respective identity demand. If perceived as a benefit, the Zipcar members accentuated certain identities in the conversation with field-level actors.
“I think [Director 2, Zipcar] was quite […] forthright […] staking their claim: ‘look, we need to do it differently in the UK. This language doesn’t work, doesn’t appeal to the UK market […] they were quite successful in the UK arm to stamp their mark on the business.” (Service Manager, City of Westminster)

On the other side, Zipcar attenuated their financial backing by the Avis Budget Group and even the fact that the organization was a market leader in other cities:

“What's quite interesting is that in the case of Zipcar, they appear […] to have managed to be an identity within, identity of their own […] they don't come ‘hey, here is Mr. Avis, pleased to meet you. Here’s my multi-million pound backing.” (Consultant 1)

“Yes, we're part of Avis Budget group, but I will downplay that. Do you see any feel of Avis Budget in this office? There is none!” (Director 2, Zipcar)

To further strengthen the accentuating and attenuating of certain identities, Zipcar also contrasted and created field-level identities, i.e. stating not only ‘who Zipcar is’ but also ‘who Zipcar is not’. Zipcar particularly displayed the ambidextrous identity management by promoting their “ulterior motives” (Director 2, Zipcar) as opposed to those of other actors such as OEMs, which were considered “want[ing] to sell more cars” (ibid.).

5.10.2. Status

“The people […] are pioneers, thought leaders, you know the guys I was talking about, the [Director 2, Zipcar], the location’s team, […] they are not interested in doing anything else apart from improving mobility in London, making carsharing successful.” (Consultant 3)

Zipcar’s status, i.e. how Zipcar was perceived and evaluated by external audiences, was highly dependent on the interpersonal relationship between the field level actors and Zipcar’s organizational members. The Director 2, Zipcar and the Director 3, Zipcar shaped Zipcar’s status in London and were able to “ […] create a personality that [was] more respected […]” (Consultant 1) than other car club operators. Both managers would be described as “really passionate people […] very honest […] very magnanimous […]” (Director, BVRLA), “vocal proponent[ss] of the [Car Club] strategy” (Strategy Manager, TfL) and having “[…] good local contacts […]” (Service Manager, City of Westminster).

“I think they’re honest. They don’t hold anything back, they’ll share information, they’ll share data, they’ll share research.” (Service Manager, City of Westminster)

While Zipcar strongly identified with the role of the collaborator/partner, the external perception was slightly tainted. Some stakeholders perceived Zipcar to be “running a monopoly in a couple of the boroughs” (Director, BVRLA) and “wanting things from the GLA and the Mayor that [they] are not in a position to give” (Transport Manager, GLA). Although competitors occasionally criticized Zipcar's dominance and public-sector organizations noted Zipcar's pushiness, the general tone towards Zipcar was appreciative and respectful. Key players primarily described Zipcar as “positive and worthwhile” (Director, London Councils), “very accommodating” (Service Manager, City of Westminster) and “a trusted long-term partner” (Director, BVRLA). Zipcar hence largely met their aspired identity as a collaborator vis-à-vis their institutional audience.
“They don’t try to throw their weight around. They’re not in the Coalition saying: ‘we’re the biggest, so, either do what we say or we’ll go off and do our own thing’. They don’t act like that and that’s quite important.” (Director, London Councils)

In terms of appearing as a local service vis-à-vis the institutional actors, the London subunit was also able to bridge their American background with a local, London face. Most public actors knew of the American parent firm Avis Budget, and partly considered the organization “a multinational like anybody else” (Mobility Manager, TfL). Zipcar still managed to “have a London feel” (ibid.), mostly building on their “advantage […] to have longevity in London”, providing “London evidence”, “car[ing] more for its community” (Consultant 1) and being owned by an “American parent [that] is aware […] that local circumstances […] differ” (Director, London Councils). Although numerous field actors did not think of the national heritage of companies “in an either repulsive or negative way” (Consultant 3), most stakeholders noted that Zipcar was “in tune with […] British ways of doing things” and appeared as “quite British as opposed to other competitors” (Transport Manager, GLA).

“The Zipcar guys, they often book the pubs in Wimbledon. You can’t get more English than that, can you?” (Strategy Manager, TfL)

The collaborator and local service status implied that Zipcar’s social agenda was aligned with the goals of the public sector. This expectation has conflicted with the for-profit, commercial identity that Zipcar inevitably emitted as it was “owned by a bigger cooperation […] that was profit making” (Consultant 3). The general perception was that Zipcar managed to “retain that […] corporate social enterprise feel” (Director, BVRLA) but changed “into this much more commercial operation” (Mobility Manager, TfL).

“[W]hen you get acquired by a big company Avis Budget Group and they pay half a billion dollars for you, then the expectation from the city authorities is: ‘Fantastic, you got this new owner now you don’t need our help, they’ll write the checks.’” (Director 2, Zipcar)

While still subject to debate amongst stakeholders, Zipcar appeared to have achieved a status, allowing the organization to justify the commercial nature of their organization and thus their commercial identity, while “still hav[ing] positive benefits for the city” (Mobility Manager, TfL).

“There is a business model that needs to be sustainable, but at the same time, it’s a green business” (Strategy Manager, TfL)

Since Zipcar was “the biggest and the longest serving car club in London” (Consultant 1), the subunit gained “the deepest understanding of what makes the model work, but also what makes the city and the politics work” (Consultant 3). Particularly in collaborative action through Carplus or the Car Club Coalition, Zipcar took a “leadership role […] and 8 times out of 10, what [Zipcar] did was accepted by everyone else” (Consultant 1). Such leadership role was primarily based on Zipcar’s legacy and dominant share in London’s car club market. Technologically, Zipcar was not considered “at the bleeding edge” (Director, BVRLA) compared to other MMPs such as DriveNow or Uber, positioning more dynamic and technologically advanced products in the market.

“It’s inevitable that I would ask Zipcar for their opinion, simply because they are the market leader.” (Director, London Councils)
Zipcar compartmentalized and contrasted the different identities—collaborator, local service, for-profit orientation vs. social benefits and thought leadership—to reflect a specific status in the valued dimensions of institutional audiences (see Fig. 9). These institutional audiences compared other car clubs accordingly in terms of their objectives and priorities.

“Those organizations are very different [...] Zipcar has the experience [...] clearly, its objectives and priorities are very different to the likes of DriveNow and Car2Go [...] Zipcar are not an OEM and are not selling cars.” (Service Manager, City of Westminster)

Through their collaborative, locally-aligned identity, Zipcar attenuated their for-profit orientation and showed thought leadership. This higher status compared to large MNEs provided Zipcar with a certain freedom to evoke changes in existing institutional settings.

5.10.3. Network Position

“A big challenge is to recognize where you are.” (Consultant 1)

From the very start in 2004 under the name of Streetcar to the time of this thesis’ empirical analysis in 2016, Zipcar’s network position gradually moved from very fringe to very embedded, with a continuously increasing stakeholder network, iterative interactions and exchanges of beliefs and values.

“When we first started, there was no competitors at all. But equally, there was no knowledge of car sharing [...] We couldn’t go to a London borough and say: ‘give us some on-street bays’ because they would be like: ‘why? I don’t know who you are and what you do!'” (Director 2, Zipcar)

The gradual shift and integration into the London network were directly related to the increased decoupling and autonomy of Zipcar London vis-à-vis the Avis Budget Group’s headquarters in the UK and the US. Initially, “it took a lot from the London team […] to do that because the US team may have had different views” (Consultant 3). The headquarters recognized that what Zipcar did “[was] different to what they [did]” and so they “kept [them] at arm’s length” but still provided “the facilities to grow with” and only did “the things that make sense to do together (Director 2, Zipcar).

“I never hear anyone from Avis talk about Zipcar and I’ve never heard anyone from Zipcar talk about Avis.” (Director, BVRLA)
Until 2016, Zipcar managed to establish close relationships with the boroughs, TfL, the deputy mayor and other important field actors. The relationships went beyond the formal relationships growing into an “informal relationship with a couple of colleagues” (Transport Manager, GLA) and even the joint organization of “private events” (Director, London City Councils). This personal approach increased interwoven nature of Zipcar’s network and frequency of interaction with the relevant stakeholders and enabled the organization to “know who [was] pro and who [was] con” (Director 2, Zipcar).

“The fact that they’ve got a close relationship with our team and with TfL gives them some of that insight to […] see what the direction is” (Transport Manager, GLA)

Moreover, it led to access to “all car club policy meetings in London” (Director 2, Zipcar), enabling Zipcar to retrieve, assess and react to more information than less-embedded competitors.

“[T]hey are pretty savvy of what funds are available for local authorities to bid for. They are quite aware of the political dynamics around those potential opportunities for funding.” (Service Manager, City of Westminster)

Concluding, the embedded network position empowered Zipcar to bridge and mobilize diverse stakeholders, like the London Cycling Campaign, to join collective sensemaking and like-minded action.

5.10.4. Power

“Trying to shift peoples’ behaviors and […] change and influence car use - there is a recognition that going on that journey isn’t cheap. So, they don’t hold back in terms of being open and honest about that.” (Service Manager, City of Westminster)

Another enabler of Zipcar’s institutional work was its relative power, i.e. access to both tangible and intangible resources that could influence an institutional actor’s course of action. Financial resources, international know-how transfers and technological platforms thus played a role. However, it was Zipcar’s longstanding experience, embedded within local staff, their sentiment of being able to change the current institutional setting and the overall organization’s willingness to invest into institutional action that marked the organization’s most relevant power sources. Zipcar was endowed with relatively sufficient financial resources, presumably with “far more resources available to influence government than [Carplus]” (Director, Carplus), however less than OEM-backed competitors with “bigger budgets” (Director 2, Zipcar) or even ride-hailing giant Uber, having “the power […] to be demanding of cities”. The financial backing, largely provided by the AvisBudget Group and other investors, enabled the organization, as opposed to other operators, to heavily invest in marketing, events, lobbying, and to answer specific tenders. A tender of the borough of Westminster stated the explicit call to pay a marketing bounty to win the parking permits, which at that time, no other car club operator was willing to pay:

“There was a bounty in there, they offered us a pot of money to say ‘alright, there you go Westminster, you can use this to promote the scheme’ (Service Manager, City of Westminster)

While other Car Club operators such as Car2Go or DriveNow relied heavily on their international know-how and generated data, Zipcar realized that an international evidence bases provided resources of little relevance in London. Zipcar’s US operations operated a different business model founded on off-street parking and hence did only little lobbying work in the cities.
Furthermore, the city of London only occasionally requested international data as additional information in the written reports, preferring a local evidence base.

“The institutional framework that we’re looking at doesn’t take you very far if you’re moving from Vancouver to San Francisco to London. The conditions are so different. If you don’t adjust to the local environment, you’re lost.” (Consultant 2)

In terms of technological platform as a resource, Zipcar had built its business model on the planning, management and servicing of back-to-base car fleets in cities. While the organization developed “a better assessment system [of market demographics]” (Consultant 1) than their competitors and running a stable vehicle management platform, the system’s rigidity and inadaptability to newer forms of car sharing like the floating model quickly devalued the resource.

“[O]ur platform hasn’t allowed us to be as responsive to the changing car sharing picture, mobility picture as we like. We have a plan and […] it's to be much more nimble about the products we can offer and have a platform that enables us to do it. But as I’ve looked at it over the past few years, we’ve been very constrained with what we could do” (Director 2, Zipcar)

By creating single teams that addressed aspects like housing development or OEM negotiation and simultaneously assigning the subunit’s most senior staff to do the direct lobbying work at all political levels, Zipcar distinctively developed and structured their staff as a power resource. The staff’s longstanding experience created invaluable knowledge about the car club model and more generally an organizational understanding of “a city like London while things are changing quickly with regards to other mobility modes” (Consultant 3). Likewise, being the pioneers, Zipcar managed to “represent 80-something percent of the business in car sharing in London” (Consultant 1). This gave Zipcar “the legacy of consumer base” (Consultant 3) that created a distinct market power, outperforming all competitors.

The most central element of Zipcar’s relative power however was the willingness and conviction to invest resources to grow the “sector as a whole, wanting to achieve some change” (Consultant 1) as opposed to just their growing its own business.

“When it came to the business itself I think what we did that City Car Club didn't back then was be very ambitious from day one and invest heavily. So we invested in growth and that's buying cars. It's growing the membership through marketing that all cost millions of pounds.” (Director 3, Zipcar)

Be it for marketing, awareness campaigns, research, events, documents or borough tenders, it “cost [the organization] money, but [Zipcar] led the industry” (Consultant 1) and it was “the only [car club, which was] prepared to pay that sort of money” (ibid.). While field actors acknowledged that Zipcar could do it on their own, field level actors equally felt that they could make their voice heard and push their motives through joint cooperation, as noted in the Car Club Strategy:

“This unprecedented demonstration of cooperation, solidarity and positive action underpins the Strategy and marks a change of gear in the car club sector which will help bring car clubs to a mainstream audience." (Transport for London, 2015, p. 11)
5.11. Discussion of Empirical Findings

The study of Zipcar in London reveals numerous insights on MNE subunit institutional strategizing on multiple levels, towards various, at times conflicting institutional processes. Zipcar’s institutional perspective was twofold. The organization identified overarching institutional processes that were regarded as ‘given’, to which it was only loosely coupled and did not recognize a need for strategic action. On the other side and as opposed to national or supra-national institutional processes, Zipcar acknowledged ambiguous processes, mainly prevalent on the city-level, which the organization addressed strategically.

While the multinational background of Zipcar was of minor importance, the identification of Zipcar’s members with prevailing logics played a key enabling role in driving multiple forms of pro-active institutional strategies. Zipcar mostly managed a compartmentalization of identities by aligning with the London-level, dominant logics (see DOM in Table 19), while still adhering to the HQ vision for the venture (see HQ in Table 19). Only in the case of an integration of car sharing into the public transport realm, this identification could not be achieved, resulting in an unresolved friction. As opposed to foreignness attributed to the company because of the company’s American background, Zipcar’s status was rather defined in categories of field-level norms. A high status, which in the eyes of city-level actors was the image of a collaborator and local partner, enabled proactive strategizing such as defiance or manipulation of institutional processes. A low status on the other side, i.e. the audiences’ perception of Zipcar as a resource-rich MNE or monopoly, rather triggered passive strategies, such as the acceptance to pay excessively high parking fees in Westminster City.

Zipcar’s network position always had to be examined vis-à-vis the respective institutional process and involved actors. As the organization generally had a highly embedded network position in the strategic action field in London, the organization was mostly able to leverage this position and engage in proactive strategizing such as compromise or manipulation strategies. In rare cases, such as the discussion on the congestion charge or the introduction of the floating technology, Zipcar found itself in a fringe network position due to an increased stakeholder complexity, supporting defiance or acquiescence strategies respectively. Generally, the case exemplifies how Zipcar could leverage its highly embedded positioning to mitigate its potentially weaker resource endowments or relative financial power, e.g. compared to large OEMs or Silicon Valley Tech giants. Through AvisBudgetGroup, Zipcar in London received enough financial resources to sustain and gradually expand the London operations. Nevertheless, their technological platform lacked behind in terms of the market standard, and international know-how of other subsidiaries could not be leveraged due to inherent differences between the urban fields. In terms of power, Zipcar thus rather built on its longstanding experience embedded in its members and moreover the market power the company had achieved throughout the years. The relative power with regards to specific institutional processes then helped the organization to apply pro-active institutional strategies such as compromise, defiance or manipulation strategies, as was the case when writing the Section 106 legislation or finding a compromise on parking fees in most London boroughs.

Building on the described enablers, the case analysis produced three distinctive mechanisms which triggered and further amplified institutional strategies. These include reflexivity, coherence of stories and the capability to mobilize allies.
Only in cases of acquiescence or unresolved frictions did Zipcar display little capability to fully analyze and depict the ambiguity and stakeholder complexity of institutional processes. Primarily enabled by a strong identification with field-level logics, Zipcar’s members had developed extensive reflexivity to see institutional ambiguities in all other displays of institutional action. This reflexivity in turn allowed for the intentional leveraging of necessary enablers and mechanisms to drive institutional strategizing. High reflexivity hence posed a key mechanism for pro-active institutional strategies, such as the capability to gerrymander London’s decision-making structure by identifying and prioritizing institutional champions and thus evoking favorable decisions such as the placement of Zipcar’s logo on TfL’s website.

The analysis of Zipcar’s institutional approach reveals moreover that the organization developed pro-active as well as reactive strategies only when the organization and consequently its internal members collectively developed coherent storytelling. This coherent storytelling included the joint production of convincing rationales, validation of such through external actors and an aligned linguistic identity vis-à-vis the institutional processes’ relevant actors. When one common language could not be achieved, e.g. through multiple members not being able to identify with competing rivalling logics, the organization could not engage in a discernible strategy, resulting in an unresolved friction. An unresolved friction could be depicted in the tug of war between the private and the public transport identity and the identity positioning of Zipcar as a car sharing company.

Enabled by a strong identification with certain logics, a deeply embedded network position and moderate power, in combination with the mechanism reflexivity and coherent storytelling, the capability to mobilize marked Zipcar’s most important mechanism to engage in institutional manipulation strategies. Moreover, the greater Zipcar’s members evaluated themselves on such capabilities, i.e. political and social skills, its continuity, persistence and collective sensemaking activities, the higher was their chance to overcome the limited resources and only moderate power position in the field. The capability to mobilize thus contains two central elements: the capability and the sentiment of such and the ability to mobilize allies in the interest of the organization, eliciting a favorable institutional change or creation, i.e. institutional manipulation (see Table 19).

<table>
<thead>
<tr>
<th>Enablers</th>
<th>Identification</th>
<th>Status</th>
<th>Network Position</th>
<th>Power</th>
<th>Reflexivity</th>
<th>Coherence of Stories</th>
<th>Capability to mobilize</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dom</td>
<td>Low</td>
<td>Fringe</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>Acquiescence</td>
</tr>
<tr>
<td></td>
<td>Dom</td>
<td>Moderate/Low</td>
<td>Embedded</td>
<td>Moderate</td>
<td>High</td>
<td>High</td>
<td>Moderate</td>
<td>Compromise</td>
</tr>
<tr>
<td></td>
<td>HQ</td>
<td>Moderate</td>
<td>Embedded</td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>Moderate</td>
<td>Defiance</td>
</tr>
<tr>
<td></td>
<td>HQ/Dom</td>
<td>High/Moderate</td>
<td>Embedded</td>
<td>Low/Moderate</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Collective Manipulation</td>
</tr>
<tr>
<td></td>
<td>HQ</td>
<td>High</td>
<td>Fringe</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Solitary Manipulation</td>
</tr>
<tr>
<td></td>
<td>None</td>
<td>High/Low</td>
<td>Fringe</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Unresolved friction</td>
</tr>
</tbody>
</table>

Table 19: Zipcar’s Institutional Strategies
5.12. My Position as a Researcher towards Zipcar

Zipcar in London underwent the transition from a niche car sharing start-up in the late 90s to a market-leading new mobility corporation by 2016, providing a tech-enabled car club all over London. The organization’s ascent mirrored a societal move away from car ownership in urban areas. Rather than taking a passive stance towards this transition however, Zipcar addressed both formal as well as informal institutional processes decidedly and pro-actively. As opposed to other tech upstarts that reshaped the field of urban mobility by sheer financial power, Zipcar wrought institutional change without triggering regulatory backlashes, but by partnering up with competitors and city level regulators. Equally transparent, the top management of Zipcar in London opened itself up to my research proposal, providing a paradigm research ground to academically assess institutional strategizing at an urban level.

The fundamental belief of Zipcar’s management that more car sharing competitors in the field would only help speeding up the transition and grow the market also facilitated my research endeavor. My professional background at Audi and the funding by Audi were appreciated by the interviewees. Nevertheless, I continuously stressed my academic independence as a researcher and took various measures to substantiate this, such as university PowerPoint templates or the usage of my private email address.

Unlike other MMPs, which replicated their standardized business models and institutional approaches in cities around the globe, Zipcar decidedly moved towards the center of the city-level field, nursing its local identity and stakeholder relationships. The case analysis hence provides unprecedented insights into the political structure of London’s public transport and related field-level actors, of which many were only discovered during the ongoing empirical research process. The interview-based method showed the high level of nuance of institutional analyses, often inherent with and personally driven by few dedicated field-level actors. Not only did this situation necessitate decided deviations from the semi-structured interview guideline, it also demanded high reflexivity and reading between the lines, as some highly relevant remarks were only stated in off-the-record conversations.

Following its mantra of enabling smart and sustainable urban living, Zipcar provided an outstanding example of an MNE subunit that simultaneously engaged in multiple institutional strategies on a city level. While some theoretical predictive values such as the network position or resources could be corroborated by the empirical research, other, new empirical insights particularly on the organizational identity required highly attentive susceptibility and further theoretical exploration. The combined results were then presented to Zipcar’s General Manager UK in early 2017, posing a basic case study research with stakeholder advice (van de Ven, 2007). Moreover, the analysis also disclosed empirical as well as theoretical artifacts, which provided further variables for the subsequent case study at Audi on demand in San Francisco.
6. **Empirical Investigation 2b: Case Study of Audi on demand in San Francisco**

6.1. **Industry and Company Description**

Traditionally, car manufacturers’ or Original Equipment Manufacturers’ (OEMs) business models have been based on the concept of vehicle ownership. As rental, car-sharing and ride-hailing firms started to proactively enable short-term vehicle use-cases from a minute to a few days, the notion of on-demand mobility in OEMs’ boardrooms increased. Confronted with vast technological progress on the one hand, and urban dwellers turning their backs to vehicle ownership on the other, OEMs such as Audi started facing “the most dramatic change and shift in direction - becoming a digital company and a mobility company - that [the organization has] seen in 30 years” (Sales Manager, AOD). Additionally, growing societal environmental awareness and OEM emission scandals, such as Volkswagen’s Diesel engine manipulation revealed in 2015 (Economist, 2015), have been moving new forms of mobility into the medial spotlight.

Audi’s competitors, Daimler and BMW, embraced such new mobility trends by introducing free floating car sharing schemes. While Daimler had launched Car2Go in 2008, followed shortly after by BMW’s DriveNow in 2011, Audi only stepped into on-demand mobility in 2015 with the pilot of its “Audi on demand” (AOD) service in San Francisco (SF). Instead of distinctively tapping into the market for station-based or free-floating car sharing, Audi aimed at positioning AOD in an exclusive car rental niche, “taking on Enterprise and Hertz with a rental service that delivers luxury cars to your door” (Robinson, 2017). AOD’s offer thus consists of a selected fleet of Audi vehicles, which can be ordered for daily rentals via an iOS-App and are delivered to SF customers by Audi-own concierges (Audi AG, 2017a).

Founded in 1909 and since 1964 part of the Volkswagen Group, the Bavarian OEM Audi has a long-standing history of producing and selling luxury passenger cars on a global basis. The roughly 89,000 employees, spread across twelve production facilities in Europe, Asia and North and South America as well as its sales subsidiaries in more than 100 countries, create a turnover of 60 billion Euro (Audi AG, 2017b). Perceiving the advent of global on-demand mobility and consumer shifts away from vehicle ownership, Audi created an internal working group, “Project House Mobility” in 2010, evaluating various future mobility concepts, particularly geared towards urban markets. Amongst these concepts, the AOD idea was prioritized and subsequently turned into an official project, constituting “one of Audi’s first steps into mobility” (Baldwin, 2017).

In an attempt to decouple the new mobility approaches from the traditional OEM headquarter operations, Audi launched Audi Business Innovation (ABI), the mobility subsidiary based in Munich, Germany. From 2011 onwards, ABI conceptualized and steered the AOD project and started operations in SF in April 2015. The project was set up within a complex network of internal and external stakeholders, including the US importer of Audi, Audi of America (AOA), its dealerships as well as external service providers such as fleet operations specialist Eddisons. The complexity was also reflected in the composition and contractual situations of the 30 SF-based employees. These included German expats from the Audi HQ, local SF talent as well as staff from the external service providers. Led by a German CEO, the AOD unit in SF placed an emphasis on ensuring technical functionality and establishing standard operating procedures of the app-based, on-demand rental delivery service. At the same time, the marketing and sales executives attempted to increase awareness and conceptual understanding of the service in the eyes of the
customers, but also other stakeholders involved. Although further launches of AOD were announced for London, Munich and Hong Kong in 2017, the SF unit was flying “under the radar” (Baldwin, 2017) since the start of its operations, yet moving Audi “as fast as they have ever gone” (Sales Manager, AOD).

6.2. Data Sources

Following the data collection approach of the Zipcar case study, the AOD analysis stems from a triangulation of multiple data sources, both empirical and archival. Initial exploratory interviews at Audi HQ and ABI took place in the first half of 2016, yielding preparatory insights for the in-depth empirical study in SF in August 2016. For this phase, the findings of the focus group outlined in *Empirical Investigation 1* were sent to the CEO of AOD, who then passed the research goals onto his team members and furthermore introduced the project manager responsible for stakeholder management at the subsidiary. The empirical study lasted two weeks and consisted of mainly semi-structured interviews of 45-90 minutes length. Since the subsidiary granted me a desk and office facilities, the participatory and observatory element of the research was high. As the AOD subsidiary revealed only limited external stakeholder interaction on the city level but a complex intra-organizational network, the scope of the institutional analysis was broadened to include relevant Audi-related actors (see Table 20). While most interviews were conducted face-to-face, some identified actors had to be interviewed via Skype, due to availabilities or physical distance, e.g. with employees of the AOA subunit in Washington, USA. The collected data was then complemented by meaningful company documents, press releases and regulatory documents. Due to the distinct exploratory and observatory nature of this case, verbatim records were furthermore written. To confirm and present the study findings, confirmatory interviews were conducted in November 2016 and April 2017.

<table>
<thead>
<tr>
<th>AOD Interviews (9)</th>
<th>Field Actor Interviews (14)</th>
<th>Documents (11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director 1 (2)</td>
<td>AOA – Director (1)</td>
<td>Company documents (6)</td>
</tr>
<tr>
<td>Director 2 (1)</td>
<td>AOA – Project Manager (1)</td>
<td>Press releases (2)</td>
</tr>
<tr>
<td>Sales Manager (1)</td>
<td>AOA - Business Development Manager (1)</td>
<td>SF City regulations (2)</td>
</tr>
<tr>
<td>Expat Project Manager (2)</td>
<td>Audi dealer SF – Director (1)</td>
<td>Case notes (1)</td>
</tr>
<tr>
<td>Marketing Manager (1)</td>
<td>ABI - Project Manager (2)</td>
<td></td>
</tr>
<tr>
<td>IT Manager (1)</td>
<td>Eddisons – Director (1)</td>
<td></td>
</tr>
<tr>
<td>Project Manager (1)</td>
<td>Eddisons – Project Manager (4)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>City of SF – City Planner (1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tishman &amp; Speyer – Director (1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sixt – Director (1)</td>
<td></td>
</tr>
</tbody>
</table>

Table 20: Data Sources

6.3. Analytical Process and Coding

To ensure methodological rigor, the analytical process and coding followed the one described in Chapter 3.4.2. and following, allowing for further empirical insights to be incorporated. In a pattern matching method, this approach replicates the same three consecutive analytical elements.
First, field actors were identified (code: STKHLDR), delineating a network display. The visual network was complemented by a detailed actor description in the field, highlighting the actor's role, power vis-à-vis the subsidiary and field-level signaling (cf. Kenis & Knoke, 2002; Miles et al., 2013). In order to take account of the myriad and complex connections of the AOD subsidiary and its intraorganizational subfields, I opted to provide written descriptions of the actors’ roles, power and signaling as opposed to the table display in Zipcar’s case study (see Empirical Investigation 2a).

In my second analytical step, I identified relevant institutional processes based on the developed second order categories, e.g. “car culture” as developed in Empirical Investigation 1 (see Chapter 4). The empirical analysis revealed institutional processes on a field level as well as within the organizational construct of Audi AG – AOA – AOD. All identified institutional processes were defined based on centrality, compatibility and institutional complexity. Such categorization enabled a separation between overarching institutional processes and ambiguous institutional processes that AOD addressed strategically.

Third, AOD’s strategic responses were analyzed. This analysis focused on what AOD did (strategy), how the organization did it (mechanisms) and why it was able or unable to do it (enablers). Verbatim coding provided the first order codes, which were then triangulated with theoretical as well as empirical data and cross-referenced with the Zipcar findings. As an example, the quote “(...) we are relatively small, we don't have the buying power to make things change in SF” would first be used as a first order code, to then be refined as E (for enabler) POWER / RESOURCES. Moreover, new empirical codes arose, e.g. “as you get more stakeholders, yes, the vision changes completely with almost every department that you talk to” added the code E NETWORK POSITION – STAKEHOLDER COMPLEXITY.

6.4. Mapping the Strategic Action Field of Audi on demand in San Francisco

The AOD subsidiary positioned itself as an entity promoting a niche product, vis-à-vis external but also internal audiences within the international Audi corporation.

Internally, AOD formed an integral part of Audi’s extensive OEM value chain, ranging from the German headquarters to the US importer and the local dealerships. The role of the Audi headquarters in Ingolstadt and its sales steering department, internally called VS, was revolving around the general maintenance and exploitation of the traditional business model focused on the production and sale of premium passenger cars. Additionally, this department was tasked to develop and fund innovative, service-oriented products. The Audi headquarters and its board of directors were highly powerful as they allocated financial resources and demanded “a lot of approval steps” (Project Manager, AOA). Although providing financial resources for the AOD project, the German top management had not visited the SF unit in the first two years of its operations, resulting in mixed signaling of support and disinterest towards the local AOD employees.

Attempting to develop new mobility services, the headquarters established a separate entity based in Munich, called Audi Business Innovation (ABI). This entity was “where the vision [was] coming from" (Director, Eddisons) for Audi's mobility products and the Audi on Demand SF unit. ABI was founded to provide strategy and conceptual guidance to the international mobility subsidiaries and moreover create “awareness about what is important for the brand” (Project Manager, AOA). Since ABI controlled the allocation of budget, the organization held considerable power over the
maneuverability and direction of the Audi on demand subsidiary. ABI’s field level signaling constantly mitigated the headquarters logics based on increasing vehicle sales through dealerships, while taking up the role as an innovative mobility spearhead of the whole company. Moreover, the ABI unit was closely tied to surrounding service-providers such as AKQA, building app-based solutions and providing these for the international mobility subsidiaries.

In the US, Audi was primarily represented by the importer Audi of America (AOA), managing the import and sale of Audi vehicles throughout the USA via 290 Audi dealerships. Focusing on increasing vehicle sales, AOA’s business strategy deviated from AOD’s on-demand service strategy conceptualized by Munich-based ABI. Within the AOD project in SF, ABI restricted AOA to “the role of a support system” (Business Development Manager, AOA). AOA’s support of AOD’s venture included service loaner business through dealerships, a financial funding channel via service level agreements as well as legal, financial and marketing advisory. AOA’s associates felt uninvolved in the definition of its role in the AOD project, resulting in adverse field-signaling:

“They are forcing this project on us. And they are actually giving us a little to no opportunity to participate in it.” (Project Manager, AOA)

At the same time, AOA had powerful market capacities through their US-wide dealership network. The dealers’ stance toward the AOD project was ambiguous. Managers at Audi dealerships considered ABI and AOD not to be “leverag[ing] the dealers” (Director, Audi Dealer SF). As a result, “no promotion [for AOD was] coming from the dealers” (Director, Eddisons). AOA associates assumed that the dealerships and AOD would follow rivaling business models, since ABI and AOD “… haven't even developed a business model in which [dealers] are involved” (Director, AOA). AOD acknowledged the rivalry, assuming that its business model could “possibly take away car sales from Audi San Francisco” (Director 2, AOD). Within the value chain ranging from the German headquarters to the differing US-based subsidiaries, the roles were thus not steered and defined:

“We still haven't quite figured out, what's everybody’s role. Who wants technology, who wants customer experience, what's the role of the dealers etc." (Director, AOA)

The SF unit of Audi on demand (AOD) itself situated a distinctive field, incorporating internal as well as external actors. Belonging to different organizations, these actors jointly vied to create hitherto unavailable service competences and comply with US and local regulations. The most important and powerful partner in this conglomerate of organizational actors was Eddisons, a service firm “operat[ing] and staff[ing] car rental operations in 36 locations throughout America” (Project Manager, Eddisons). At AOD, Eddisons overlooked the provision of the AOD concierges delivering vehicles to and retrieving them from the customers. Moreover, the Eddisons project manager, who physically sat at the AOD premises, also managed AOD’s regulative challenges in SF. Although Eddisons was not involved in the strategic decision making within the ABI organization, the organization held significant power over AOD’s institutional maneuvering.

“I have provided like all of the policies. I did tons of research, the first two years it was mostly research and consultation and the laws, regulations, other mobility studies here. Definitely with the cost, I even gave them analysis of looking at other markets such as Miami.” (Project Manager, Eddisons)
Senior management of AOD acknowledged Eddisons’ responsibility in the conglomerate of stakeholders and exerted pressure onto Eddisons’ associates to resolve ambiguous institutional processes. While Eddisons was considered to have “helped [AOD] with all the formal regulations” (Expat Project Manager, AOD), stakeholders from the US-importer AOA had a negative perception. AOA actors voiced distrust in Eddisons’ staff and processes and demanded their replacement by internal or external solutions. As Eddisons also operated for competing car rental companies, the field-level signaling of Eddisons implied multiple frictions, attempting to balance the stakeholder complexity, the representation of the Audi brand towards institutional audiences and its business orientation towards Audi’s competitors.

To mirror and enable functional operations of the complex internal Audi stakeholder network, the Demand Solutions LLC was set up as an organization providing general services for ABI and the SF unit (see Fig. 10). Demand Solutions employed staff from different organizations and granted these shareholder rights. Alongside the Audi entities, external stakeholders, Eddisons and its parent company EDS as well as the IT service provider BFFT all formed part of Demand Solutions. The construct also represented an organization called Dako, which served to employ further local Audi employees. This construct resulted in employees having different contracts and conditions with different company affiliations, all forming part of the AOD project.

“We have employees from Eddisons, Demand Solutions, BFFT, Dako, and expats from Audi HQ. That’s five entities that we have. And one could surely merge some of them.” (Director 1, AOD)

In addition to the internalized stakeholders, AOD mobilized further external stakeholders providing dedicated services and advice to cope with institutional demands. These external stakeholders included law firms Legal Advisory 1, which were recommended by Eddisons, and Legal Advisory 2. Despite investing substantial resources into the legal services, “to find out what [AOD] may do and what [AOD] may not do, they could not give [AOD] a clear answer” (Director 1, AOD). Similarly, the external provider for billing, invoice and payment, Aria, was chosen but considered as “simply not working for [AOD]” (Director 2, AOD), because of a wrong business model fit. Moreover, AOD engaged CSC to file business licenses, document the registration process and ensure corporate compliance with the differing local laws.

With regards to its competition, AOD was placing itself within the field of rental car and car sharing companies. Competitors however did not perceive AOD as “getting in the way [since AOD …] focus[ed] on different target groups” (Director, Sixt). AOD attempted to distinguish itself from the
traditional rental sector by emphasizing its digitized, on-demand offer, no strings and hassles attached. On the other side, the digitally enabled car sharing firms, both station-based and floating, were evaluated as “self-determined” (Expat Project Manager, AOD) and hence lacked a premium element in the eyes of AOD executives.

Despite being a niche player and focused on airport car rental business, Silvercar was considered the fiercest and most discussed competitor of AOD. This competitive stance was primarily based on two reasons: one, Silvercar operated a digitally accessible, Audi-only rental fleet. Second, Audi AG in Germany had a majority stake in their business. Since AOA was given the opportunity to be their exclusive fleet provider, the American importer regarded Silvercar as a major sales outlet and as an “incredibly reliable, fast and professional partner” (Expat Project Manager, AOD). Silvercar ran a static fleet of “around 12-14 hundred vehicles - all Audis - over about 15 different airports” (Director, AOA), which gave them substantial power within the AOA organization. This trade power was primarily reflected at the Audi dealerships, which also saw Silvercar as a preferred rental solution over AOD:

“I wanted to take every function that was fulfilled currently by an external provider and basically hire Silvercar to do all of it, right? So, basically, we'd have Audi on demand operated by Silvercar in SF. That's what I wanted to do [...] I think Silvercar will take their spot.” (Director, Audi Dealer SF).

Silvercar’s field signaling was contradictory and competing due to the strings within the same organization. The relationship between Silvercar and AOD was described as “very delicate” (Project Manager, Eddisons) and not aligned:

“In the family tree, I explain it to people that they are a cousin of ours [...] You see them at the family reunions, you see them on Facebook. You know what they do but you don't really know them.” (Sales Manager, AOD).

Other rental companies included corporates like Sixt, Enterprise or Hertz, which had vast experience, a widely-spread sales network and started establishing luxury vehicle oriented rental schemes, like Enterprise Exotic Cars. As a niche service, smaller high-end membership clubs offered luxury vehicle rentals at yearly subscription fees. Tech-enabled, self-service and on-demand short-term rental or car sharing companies like Zipcar and DriveNow were further identified as competitors of AOD, albeit lacking what Audi termed the “personal contact” and “premium approach” (Expat Project Manager, AOD). The large rental companies exerted strong market power with regards to vehicle availability and sales network. Driven by new technology and through Silicon Valley based tech companies, the long- and short-term rental market signaled and anticipated institutional change and the need to increase cooperation.

“Hertz [...] [t]hey're already planning a concierge-type delivery. They are already now with Uber and Lyft to provide the vehicles to those. And then you have their investment, [...] in Luxe, so they are also thinking, it's a change.” (Director, Eddisons)

The urban mobility field was particularly marked by Silicon Valley tech giants, disrupting hitherto established mobility business models, such as taxis and fostering the continuous thirst for innovation of the Bay area’s citizens (Jaconi, 2018). Also coined as the “tech industry” or “tech disruptors”, dominant players in the mobility sector included ride-hailing companies like Lyft, Getaround, Turo or Uber. Considered as the most powerful player, Uber was pushing on-demand
ride hailing services throughout US cities and signaled a disruptive, challenging approach to institutional settings regulating crowd-based ride hailing services. The company started shaping the cultural understanding and expectation of mobility services, such as on-demand availability and seamless, app-based transactions.

“[T]he tech industry has a big influence on it just in general because they are setting certain standards [...]” (Marketing Manager, AOD)

The technological thought-leadership position of the Bay Area as well as its continuous cultural significance had led to an influx of workers and tourists alike. Real estate developers such as Tishman & Speyer or Brookfield, which build and manage the largest buildings and condominiums in SF, exerted considerable influence on the city’s building requirements, particularly on parking. Together with the hotel industry in SF, real estate developers had a “powerful hand” (Director 1, AOD). They also signaled interest in introducing new, premium mobility products such as car sharing for their residents and guests. Similarly, the San Francisco Travel Association, an organization of around 1500 local businesses of travel, tourism, hotels and the airport, posed a potential broadcaster and valuable intermediary to promote AOD.

Another important stakeholder in this light was the SFO airport, channeling millions of travelers per year from and to San Francisco and providing a frequented transfer site for car rental customers. With a mix of government and airport employees involved requiring different permits such as business licenses or the Ground Transportation Unit Permit (GTUP), SFO airport constituted “a whole separate system and [with] its own set of challenges” (Marketing Manager, AOD). Alongside the regulations, AOD was faced with airport-focused car rental companies such as AVUR, Firefly, Sixt, Payless or Silvercar, which already had permits and vehicle parking secured for their businesses. SFO airport and their staff were characterized as “[being] all about business” (Project Manager, Eddisons) and powerful due to the high market demand, signaling little openness for AOD: “There’s no kind of friendly decorum there” (Project Manager, Eddisons).

In the city of SF, the public-sector constituted another important field, involving the “planning commission, board of supervisors, planning department, transportation, and Municipal Transportation Agency, public works” (City Planner, City of SF). The public sector regulated and planned transport related matters in the Bay area and consisted of a highly complex political and regulative construct:

“There is just so many layers in this city, there is the planning code, there is the general plan, there is the area plan, political sentiment of the community, there is the broader area plan, that’s being considered and developed. As planners, we have to like sit beside all of this and never mess up... I can’t imagine a city being more layered than this one.” (City Planner, City of SF)

For AOD, the primary contacts in the public sector consisted of the San Francisco Planning Department and its city planners due to their role of issuing business licenses and the interpretation of regulatory documents. These documents primarily included the mayor’s general plan, describing the vision for San Francisco, the area plan, which developed the overall objectives and policies of an area and then translated them into specific standards, and the planning code, where the standards were adopted. The planning code constituted the most important document, regulating, amongst other things, maximum parking requirements in buildings in SF and car sharing standards. In so-called hearing committees, city planners and other government officials
prepared, discussed and decided the cases of individual companies like AOD and whether they would adhere to outlined standards. Moreover, the commissioners and decision makers weighed the “sentiment of the community [as] another piece of evidence” (City Planner, City of SF), positioning the constituents as an important factor in public sector level policy making. The extended public sector thus held extensive power in providing business licenses to AOD and on categorizing their business. The related officials emitted neither preferential nor discriminatory signaling with regards to AOD or other companies.

In summary, the strategic action field displayed in Figure 11 reflected the entity’s tug of war between the traditional Audi OEM and headquarter demands and the dynamic sub-fields in San Francisco. Since the market was difficult to define and AOD’s operations had only been in place for since April 2015, market shares and secondary market data were not available by the end of 2016. The field rather exemplified Audi’s positioning at the crossroads between a market of vehicle sales compared to a market of mobility services. Without claiming empirical rigor, the sizes of the dots in the Figure 11 indicate the frequency of mentions in the narratives of the interviewees.
6.5. Timeline

Since the initial idea of a concierge-type, on-demand car rental service as part of the Audi Project House in early 2010 (see Fig. 12), AOD’s interaction with institutional audiences was twofold. On the one hand, the complex web of internal Audi stakeholders required intra-organizational political maneuvering. On the other, the entity needed to secure support of external partner companies like research consultancy Boston Consulting Group or the fleet operations specialist Eddisons. Upon launch, the SF-based entity had significant struggles with the in-car technology and an unsuccessful business model, which tied resources and restricted further external institutional work. Consequently, touchpoints with governmental or city-level stakeholders were at a minimum, compared to other urban mobility focused businesses.

“We were at one stage running at 2% [utilization] because we give the option of all these fantastic cars. And the A4 might be used a lot, that’s maybe running at 80% utilization. But then the Allroad sits there, so brings our whole percentage down because we didn’t have the luxury of: ‘no we’re not going to buy a new car until this is used. No, the business model is: you have a whole fleet to choose from.’ But it didn’t matter, because we were funded and fine at the time.” (Project Manager, Eddisons)

Figure 12: Timeline of Audi on demand
6.6. AOD’s Institutional Acquiescence on a City Level

The AOD entity in SF needed to play in more than one institutional game. The case exemplifies the rivalry between local institutional demands in the city of San Francisco and the normative frames encountered within the larger Audi organization. It highlights that the entity’s “subjective appreciation of the normative strength of plural institutional logics in a particular context is an important determinant of an organization’s response” (Skelcher & Smith, 2015, p. 445). The AOD decision makers identified various overarching institutional processes, which they deemed unambiguous or unchangeable (see Table 21). These overarching institutional processes comprised general permit processes, labor legislation or earthquake regulations. With 18 quotes, the respondents particularly highlighted the prevalence and difficulty of differing regulations and norms between and even within US cities.

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Key field actors</th>
<th>Representative quote from narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY CULTURE</td>
<td>City-level differences in institutional settings</td>
<td>Constituents, Public Sector</td>
<td>“You also get new answers at each city […] what the culture is like there, what is the wealth is like there? […] you can’t just say ‘oh yeah this concept is great, let’s take it to New York’” (Marketing Manager, AOD)</td>
</tr>
<tr>
<td>MOBILITY CULTURE</td>
<td>SF citizens’ demand for high-quality transport</td>
<td>Constituents</td>
<td>“Our customers, they want to see new stuff, that’s what they’re expecting just being based in San Francisco constantly seeing innovation in every release” (Project Manager, AOD)</td>
</tr>
<tr>
<td>MOBILITY POLICY AND REGULATION</td>
<td>Doing Business, LLC and labor law in the USA</td>
<td>National and Californian legislators</td>
<td>“On the red tape: […] AOA] can’t also deal directly with the general public […] because of the importer rules, they can’t go straight to the consumer.” (Director, Eddisons)</td>
</tr>
<tr>
<td>MOBILITY CULTURE</td>
<td>Citizens’ interest in moving from vehicle ownership to vehicle sharing</td>
<td>Constituents</td>
<td>“You share everything peer to peer […] you’re not having to buy a car. That’s perceived as smarter and more hip, more socio-economically savvy because it’s not what you’re doing; it’s what you’re not doing. That’s kind of San Francisco.” (Sales Manager, AOD)</td>
</tr>
<tr>
<td>GOVERNMENTAL PROFICIENCY</td>
<td>General transport related legislation in SF</td>
<td>Public Sector SF</td>
<td>“The laws in SF do not play well with the change in mobility here in SF. The way everything, the codes are written and how they classify businesses don’t translate to what actually is transpiring here.” (Director, Eddisons)</td>
</tr>
</tbody>
</table>

Table 21: AOD’s Overarching Institutional Processes
“Government is government. They make their paycheck whether from you or John Doe [...] the hard part is that there is no influence on that.” (Director, Eddisons)

On the other side, AOD identified and targeted ambiguous institutional processes that the entity deemed central to and compatible with its business model. Replicating the method applied within Zipcar’s case study, the analysis below approximates centrality (very high, high, moderate) by the number of relevant identified quotes, i.e. moderate <9 quotes, high 10-17 quotes and very high >17 quotes. Equally, the compatibility (high, moderate, low) to AOD’s business model is determined in conjunction with the interviewees’ statements. Taking account of the prevalence of plural institutional logics, the relevant stakeholders are furthermore stated, and the complexity is outlined (high, moderate, low). As opposed to Zipcar, AOD’s identification of institutional processes was of opportunistic rather than strategic nature. Although considering institutional strategizing as important, AOD focused its strategic resources on operational issues and internal political work.

“We are slowly digging into the local market. But these are things that do not have the highest priority when starting a business and struggling with other things. For which you have to take your time. And now we’re slowly getting into a phase in which I can take more time to address these strategic considerations.” (Director 1, AOD).

Based on this explication, the following will outline Audi’s institutional responses and strategies to both SF-field level and organizational level institutional processes, providing a base for the prevalent mechanisms and enablers.

### 6.6.1. Parking Management

“[T]hat's what you saw with DriveNow trying to come here and why Car2go would not come here. [...] Those companies would not operate in SF is because they could not get around the parking and the regulations with the parking. There is so many people that make those decisions and there's nothing they could do to influence it.” (Director, Eddisons)

As with any car sharing or rental product, parking posed a central institutional process to AOD. While most US cities had a minimum parking spot count required for newly built properties, SF was the opposite. The Californian city mandated a maximum parking requirement, defining a maximum amount of parking per footprint of the building. As the SF jurisdiction was “seeking for various methods to chip away the issue of congestion” (City Planner, City of SF), the respective institutional actors reinforced initiatives to cut down on parking spaces and close potential loopholes.

“The city has only a finite amount of space so when it comes to parking […], they will only allocate so many spots to these types of programs. And as AOD grows, that will be a challenge that we ultimately will face.” (Director, Tishman&Speyer)

These developments decreased the availability of parking, increased its price and rendered related issues more complex. AOD needed to address three distinct institutional processes. First, AOD needed to obtain a suitable parking garage to station their vehicle fleet. Second, AOD required a so-called Conditional Use Permit for their property, allowing AOD to exceed the minimum parking requirement in the building. Third, AOD desired to obtain the SF car sharing status that would result in favorable parking conditions by the legislators.
6.6.1.1. Parking Management – Obtaining a Parking Garage

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY POLICY AND REGULATION</td>
<td>Parking management – Obtaining a parking garage</td>
<td>Very High (25) // Moderate</td>
<td>SF Transport Department, Housing developers // Moderate</td>
<td>“[F]inding a garage here, it was almost next to impossible, it took like about a year to negotiate and try to find” (Director, Eddisons)</td>
</tr>
</tbody>
</table>

Table 22: Institutional Process - Parking Management: Obtaining a Parking Garage

A mix of factors influenced the institutional process of obtaining a parking garage in San Francisco. Formal regulations as well as informal expectations with regards to Audi’s assumed funding along with safety and security issues rendered the institutional process of obtaining a parking spot complex. As parking for the vehicles was core to the business model of AOD, it posed a highly central institutional process (see Table 22). While other car sharing operators ran a fleet with medium priced vehicles parked on-street, AOD’s fleet consisted of luxury vehicles, increasing the need for a centrally located, guarded garage:

“We have four R8s parked here, one of them is worth 200.000 USD. Where can you still park these cars without something happening to them?” (Director 1, AOD)

A complex mix of stakeholders, from the city’s regulators to more importantly the real estate owners of garages, made it “next to impossible” (Director, Eddisons) to obtain a parking garage. The stakeholders defined specific parameters such as the opening hours of the real estate, the total on-street parking surrounding the building and the overall parking utilization.

**Strategy: Parking Management – Obtaining a parking spot strategy**

As a newly established subsidiary primarily run and coordinated by Germans, AOD occupied a fringe network position in the City of SF. This fringe network position hindered the entity from accessing and finding out about potential parking garages. Building on their experience in Europe, AOD’s project managers identified with a German setting as opposed to the logics prevalent in SF. The managers anticipated that finding a garage would demand less time. To overcome their lack of understanding of the SF market, AOD allocated resources to mobilize service provider Eddisons and tasked the firm to build up the intelligence about potential parking garages, prices and related regulations.

“We searched for a garage for one year. One whole year. If there hadn’t been Eddisons, I don’t know if we would have found one in reasonable time.” (Director 1, AOD)

Eddisons possessed the reflexivity to display to the AOD staff that the parking issue was of low ambiguity. Eddisons also highlighted that AOD needed to be persistent and cooperative with the landlords, due to them having higher market power. Once a potential garage had been identified by Eddisons, AOD had to “fight […] a tough fight” (Director 1, AOD) with the landlord owning such
garage. AOD needed to achieve a specific parking rule for the building, allowing for an uninterrupted, frequent exchange of vehicles, which would not affect other occupants of that building. Since AOD had already established its offices in the same building, AOD’s managers were more embedded vis-à-vis the relevant institutional actor, i.e. the landlord. The already established office lease increased the negotiating power and resulted in the introduction of a valet service, providing a compromise for the landlord, AOD and other building occupants.

Consequently, with regards to obtaining a parking garage, AOD’s strategies were twofold. The organization achieved *institutional acquiescence*, finding a parking garage and complying to all local and state laws, such as earthquake regulations. Moreover, the subunit established a *compromise* with the landlord, establishing an in-building rule for all users of the building on how to park the vehicles, enabling AOD to run their business the way it’s executives had envisioned it.

### 6.6.1.2. **Conditional Use Permit**

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY POLICY AND REGULATION</td>
<td>Business license (Conditional Use Permit)</td>
<td>High (10) // Low</td>
<td>SF Transport Department, Neighborhood representatives // Moderate</td>
<td>&quot;We have no guarantee what the CUP allows us to do. We have a certain amount of squarefeet, which we can use for cars that go out. Now, there is different ways to interpret that […] Nobody can give us an answer.&quot; (Director 1, AOD)</td>
</tr>
</tbody>
</table>

Table 23: Institutional Process - Conditional Use Permit

In addition to finding a suitable garage building and coming to an agreement with the landlord about the specific parking rules within the building, the SF Planning Department required a so-called Conditional Use Permit (CUP). The CUP was a *formal institutional process* (see Table 23) regulating certain business uses, which would not be permitted in a SF Zoning District. AOD required accessory parking, exceeding the regular maximum parking requirements of business uses. The maximum parking requirement was defined by a ratio of square feet of office spaces and respectively allocated parking spots in the building. Exceeding such ratio required a Conditional Use Permit. Each Conditional Use Permit needed to go through a Public Hearing, involving the SF Planning Commission, City Planners and other relevant stakeholders. Organizations needed to demonstrate that their CUP would not interfere with any of the public stakeholders’ interests, future developments (such as planned car sharing schemes) or the city’s overall strategy, i.e. The SF General Plan. This moderately complex constellation of stakeholders then decided on the case-specific process and interpretation of the CUP, thus displaying a moderate degree of ambiguity. The Conditional Use Permits were allocated to specific locations and not the businesses themselves (cf. SF Planning Section 155, 157).

„The area permit would cost us 100.000 USD […] That’s a development fee. But if we move somewhere else, [we] have to pay again, because it’s an area fee. Absolutely crazy! […] But my operations partner, the Eddisons guys, they tell me that as long as we can show that we..."
are in the process of getting the permit and as long as we don’t exploit the best interpretation, we should be fine. Very difficult.” (Director 1, AOD)

**Strategy: Conditional Use Permit**

The German AOD staff neither identified with the necessities of the CUP nor did they feel capable of strategically addressing the institutional process. The organization hence invested resources in two law firms and the operations specialist Eddisons to assess the ambiguity and strategic potential of the CUP setting.

„The permit process – a German, one of us, could never have worked through this jungle.” (Director 1, AOD)

In addition to the “thousands of lawyers’ fees” (Project Manager, Eddisons), the AOD team suspected the status of the Audi organization as a resource-rich MNE to further drive up the CUP cost demanded by the City of SF:

“They heard the name Audi on it, and then that was it. They just saw money.” (Project Manager, Eddisons)

AOD’s management considered the unknown additional charges and long duration of terminating the CUP process a “plague […] posing a significant financial challenge […] to maintain[ing] the stamina in scaling the business” (Director 1, AOD). At this time, Eddisons interpreted the field position of AOD as fringe, which could have helped AOD to avoid the CUP process all together.

“To be honest I think it was really silly applying for it in the first place. No one knew we were there.” (Project Manager, Eddisons)

On the other side however, AOD’s Director felt unconfident and uncapable of avoiding the CUP. The senior management hence emphasized to build up reflexivity and possibly challenge the institutional process, if necessary.

„Probably – so they [Eddisons] tell me – nothing will happen. But I’m rather someone, who prefers to establish liability and planning reliability.” (Director 1, AOD)

The entity’s project managers attempted to achieve institutional manipulation by proactively addressing the CUP stakeholders and enforcing the granting of the CUP:

“We were trying to fight it. We sat in a room with them with a team of lawyers. That's intimidating. It was like: Well, you didn't tell me so now we're going to come at you with lawyers! He [City Planner, City of SF] was like, 'What do you want from me? The code is the code!'” (Project Manager, Eddisons)

Despite the lawyers’ fees and Eddisons’ Project Manager being “very proactive in asking any questions about the process during the review phase” (City Planner, City of SF City), AOD could not build up a satisfactory level of reflexivity with regards to the CUP and thus could “not produce a clear answer on what [AOD] may do or may not do” (Director 1, AOD). Eventually, and despite the efforts to speed up the process, avoid the costs and achieve a clear interpretation, AOD opted to institutional acquiescence. This acquiescence meant accepting a
two-year long process until the CUP was issued as well as the payment of associated costs. AOD’s managers were still uncertain about the number of vehicles that could be used in their fleet and in the parking garage. With the potential damage to the brand in mind, AOD stuck to the most conservative interpretation of the CUP accounting for the total number of vehicles in the AOD fleet.

After the first year of operations however, the AOD office was moved to another premise. Since the CUP belonged to the first premise, a move of addressed would have required a re-filing of the CUP. Fearing extra costs and another long reregistration process, AOD decided not to file an extension of the CUP to the new address. Instead, the subunit opted to keep the car parking space at the old premises where the CUP was initially issued, and a company was still registered. The subunit only moved the office space to the new address. Still having a fringe network position, and a low power sentiment with regards to influencing the CUP legislators, the subunit increased their reflexivity by consulting lawyers who confirmed that the punitive risk through not re-filing the CUP was bearable, which led to an institutional avoidance strategy.

“When we then moved to the new office, the CUP was still based on the old office. There, not much had changed in terms of the office size proportionately […] Thus we said, if we only updated the office size and said it is a new office space, then it probably would have taken another year to update the permit […] We discussed this case with legal, […] who advised us: ‘It’s not that important, because proportionally it is only a small share’. If it had been about also parking the vehicles somewhere else […] then I think it would have been different.” (Expat Project Manager, AOD)

6.6.2. Car Sharing Standard – Section 155

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY POLICY AND REGULATION</td>
<td>Parking Car Sharing Standard / Planning Code 155</td>
<td>High (16) // Low</td>
<td>Public sector, SF Transport Department, Zipcar // High</td>
<td>“In newly constructed buildings containing residential uses or existing buildings being converted to residential uses, if parking is provided, car share parking spaces shall be provided in the amount specified in Table 166.” (City of SF – Planning Section 155)</td>
</tr>
</tbody>
</table>

Table 24: Institutional Process - Car Sharing Standard

In addition to the maximum parking requirement, the City of SF had issued a car sharing requirement for newly constructed buildings, which was “based on various land uses exceeding certain thresholds to then trigger a minimum car share requirement” (City Planner, City of SF). Which companies qualify as car sharing companies was furthermore defined, reflecting the business model of the leading station-based car sharing companies such as Zipcar. A key element and hindrance for AOD was the required access and availability 24 hours per day for all members, which AOD could not guarantee due to its necessity to park vehicles in a closed garage.
"A ‘car-share service’ is a mobility enhancement service that provides an integrated citywide network of neighborhood-based motor vehicles available only to members by reservation on an hourly basis, or in smaller intervals, and at variable rates. […] Car-share vehicles must be located at unstaffed, self-service locations (other than any incidental garage valet service), and generally be available for pick-up by members 24 hours per day [...]” (Planning Section 166, City of SF)

AOD interpreted this formative institutional process as moderately central, explicating high compatibility since being accepted as a car sharing company could enable AOD to position its product as a car sharing service at newly built residential sites with car sharing requirements (see Table 24). AOD’s management considered that this way they could “let the condominiums such as the Lumina take a share of the responsibility” (Director 1, AOD) of finding parking spots and scaling the business. The most important stakeholder was the Department for Transport of the City of SF. The Department for Transport would decide whether AOD complied with the car sharing provision in the planning code. The real estate developers posed further important stakeholders due to their need for car sharing provision in new buildings.

**Strategy: Car Sharing Standard**

AOD’s staff attempted to be accepted as a car sharing company, by first adapting to the identity of regular car sharing firms.

“I told him [City Planner SF]: ‘in principle, we are just more efficient car sharing, because we don’t just leave the cars lingering on the streets or these car sharing spots [and] because we park them in a decentralized garage and distribute them again, where there are no tensions.’” (Director 1, AOD)

The car sharing standard was deemed as an ambiguous process since “no one could decide to which category AOD belongs: car sharing, car rental, what is it?” (Director 1, AOD). AOD filed the Letter of Determination, formulating the question and handing it to the respective SF City Planner, who would then take a formal decision. The critical element was the public accessibility.

“Public accessibility means that I need to open my garage, so it’s a security risk for the high-end properties. I have my cars in there. People leave their valuables in garages, because they feel they’re in good hands.” (Director 1, AOD)

On the other side AOD “wasn’t trying to force it” (Director 1, AOD). Its executives felt incapable of delivering the car-sharing use-case of self-retrieval and return by residents because the in-car technology was not ready. Moreover, AOD and the overall Audi organization could not answer the question ‘what is AOD?’. As a result, the organization’s story telling was incoherent, resulting in messaging describing the service as car sharing, rental or something else. The City of SF considered AOD to be a closed-member business, not qualifying as a car sharing operator, leading to an institutional acquiescence.

“We don’t fall into that because we’re not really open. Our prices are very premium, they’re not to the general public.” (Project Manager, Eddisons)
6.6.3. Rivalling Identities: Tech start-up vs. Old Industry

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY CULTURE</td>
<td>Rivalling identities: Tech start-up vs. old industry</td>
<td>Moderate (11) // Moderate</td>
<td>Audi AG, AOA, Tech disruptors, SF constituents // High</td>
<td>&quot;[E]xternal businesses and the demands that are in SF is more of a hindrance than governmental regulations.&quot; (Director, Eddisons)</td>
</tr>
</tbody>
</table>

AOD faced myriad challenges, which stemmed from the juxtaposition of two general normative frames: the norms related to SF-based tech start-up companies and the norms associated with an OEM, belonging to the “old industry” (Project Manager, AOD). This juxtaposition created the informal institutional process of rivalling identities: tech start-up vs. old industry, which was of moderate importance to AOD (see Table 25). The institutional process involved a complex mix of stakeholders, from tech disruptors of the Silicon Valley to the Audi headquarters in Ingolstadt, Germany. The rivalling identity issue confronted the broader AOD organization with the challenge of balancing and functionally responding to the multiple confronted institutional logics.

I went to a partnership event with Getaround and Audi San Francisco [...] the executives of Getaround [are] in their mid 30s, late 20s [...] the CMO shows up, […] she’s wearing a sports bra, running pants and carrying her dog. […] And then next to her standing one of the dealership managers wearing a suit that's really baggy, not tailored and very old-school […] There it is, there’s the culture-clash of the technology-focused successful San Francisco executive and old business." (Project Manager, AOD)

The question of ‘who and what are you?’ triggered conflicting logics in four distinct areas. First, it was unclear to field-level actors whether AOD represented a tech company or a premium car manufacturer. Such friction led to the question of AOD’s business purpose: is AOD the innovative spearhead of tech-oriented mobility services of the Audi AG or a marketing-oriented project to foster Audi’s car sales?

Even when you tell people that they can book the car via an app, […] most of them didn’t understand, because they couldn’t fit it into available categories. Because the Audi dealer sells cars.” (Director 1, AOD).

Second and deriving from the aforementioned friction, internal as well as external actors questioned, whether AOD was a profit-oriented business venture or a loss-making marketing project.

Most companies have yield pricing and we never implemented that. And we don't want to because we want to offer a consistency with the brand to the company. But that counteracts making it a profitable to business. So, there is a lot of things that counteract, because […] really
it's a marketing push with the brand side that [is] counter-intuitive to business operations.”
(Director, Eddisons)

The third conflict evolved based on the question, whether AOD was a start-up with limited resources and the need to pilot its service or a resource-rich provider of a premium service since it used the Audi brand.

“[M]y concern is […] in having that Audi name; you don’t want to create that perception that Audi started this business that’s just sinking. There is a lot of pressure to uphold that name.”
(Marketing Manager, AOD)

The fourth identity questioning issue revolved around the aspect of sustainability and credibility of the AOD venture: Would AOD contribute to more environmentally-friendly mobility or would external audiences have a critical stance towards AOD’s environmental impact due to its lack of battery electric vehicles and affiliation to the Volkswagen Group in Germany, which were accused of manipulating engines?

San Francisco is a very eco-friendly and eco-focused city. That that was one thing here that we’re very careful in covering our image, because there was a lot of potential risk. (Project Manager, AOD)

**Strategy: Tech start-up vs. old industry identity**

The way these multiple norms were represented within AOD depended first and foremost on the members’ perception of the norms and the organization’s role within it, i.e. its identification with a specific logic. The German expats, particularly the Director of AOD, displayed a strong subjective appreciation of the logics deriving from the parent OEM headquarters. This appreciation of HQ logics resulted in adherence to the respective contingencies, such as unit-based pricing models, business case steering, hierarchical structures and the application of the value of the Audi brand.

On the other hand, locally recruited staff, with experience in Silicon Valley-based tech start-ups, identified themselves as locals, aspiring to the working styles of the tech industry and emphasizing the need of a localized linguistic way of communicating the service.

“[B]eing a startup within Audi, it’s kind of an oxymoron. Audi is not used to launching something until it is perfect. So we had to deal with shifting that mindset within Audi […]” (Marketing Manager, AOD)

The individual members' identities were challenged by the expectations of stakeholders in the two strategic action fields in which AOD was active. AOD had a deeply embedded network position within the Audi organization, increasing the need to consider the demands and expectations of its key players. These demands derived from the headquarters in Germany, the American importer as well as the US dealerships, primarily revolving around the logic of increasing vehicle sales instead of fostering a potentially rivalling mobility service within the company. The OEM logic could hence be considered the primary and strongest logic within the broader Audi organization, decreasing the operational autonomy of AOD in SF.

“Audi on demand – we’re like the teenager that is still living at home with its parents. So we try to go out and do our own thing but we still have to obey the rules of the house we live in, so the parent is Audi […]” (Sales Manager, AOD)
On the other side, AOD had a fringe network position in the City of SF, the start-up scene and the tech industry. The organization had only one regular contact at the city of San Francisco and hardly exchanged with peer organizations or relevant institutional actors. This fringe network position in SF was primarily fostered by the multiple differing institutional demands within the Audi organization, requiring intense exchange and resource prioritization.

“As you get more stakeholders [...] the vision changes completely with almost every department that you talk to.” (Director, Eddisons)

Moreover, the status AOD had in the eyes of field-level actors such as customers, regulators or the Audi organization internally influenced which organizational behavior AOD’s employees deemed legitimate and which deviated from the respective role expectation. Since AOD had decidedly been applying the Audi brand on its service, it created not only an emotional proximity to the car sale product, but moreover fueled the expectation of delivering a premium service.

“Never again would I start with the Audi brand [...] when you appear with the brand ’Audi’, you must follow all rules [...] Due to the Diesel scandal, our lawyers [...] consult us very conservatively [...] This led to us being absolutely risk-averse.” (Expat Project Manager, AOD)

The interpretation and negotiation of the perceived status was contrary to the institutional behavior of SF-based tech companies such as Uber, who were “willing to bend the rules just to see what happens” (Project Manager, AOD). Moreover, the sentiment of having little power further impeded proactive, change-inducing institutional behavior.

“[W]e are relatively small, we don't have the buying power to make things change in SF.” (Director, Eddisons)

Having to negotiate multiple identity demands and logics simultaneously, AOD thus failed to build up reflexivity, enabling the organization to distinctively perceive the different institutional processes and derive respective responses. Instead, multiple stakeholders had a say, e.g. in the marketing communications of the product. These multiple influences biased the identity of the organization and positioned it as an offshoot product of the Audi dealership network.

“Munich has its idea of how to run the marketing [...] my employees told me I had evoked [the manufacturer’s image] with the clients. At some point [...] the jigsaws fall into place [...] and you tell yourself ‘okay, this is the problem.’ You get an awareness of the problem” (Director 1, AOD).

Similarly, AOD could thus not engage in a coherent way of telling their story and promoting a harmonized goal and vision for the project.

“What are we doing here? I heard it's utilization, and then I heard it was to make money [...] It keeps changing [...] I don't know what our goal is.” (Project Manager, Eddisons)

Instead of building up contextual capabilities and developing tailored institutional responses by accentuating or attenuating different identity demands, AOD failed to produce a coherent strategy. This incoherent strategizing thus evoked unresolved institutional frictions. AOD could not shake off the image of a car manufacturer vis-à-vis prospects and other external stakeholders. The organization neither communicated whether the project was profit- or marketing-oriented or both. While the Audi brand helped opening some doors to institutional actors, most AOD employees
would have opted to refrain from using the brand to lower stakeholder expectations and gain more legitimacy as a start-up. Finally, AOD refrained from emphasizing positive environmental aspects of the product. Such reluctance was primarily based on the lack of battery electric vehicles in the AOD fleet, which could have propelled pro-environmental signaling in line with the local competitor Tesla. Some associates of the entity also considered the connection to the Diesel / TDI issue as a further impediment, leading to the removal of all Diesel vehicles from AOD’s fleet and the decision not to challenge any institutional settings.

“[Our approach] is definitely driven by Germany, […] They just care about the legal ramifications, mainly as a result of the TDI issue.” (Project Manager, Eddisons)

6.6.4. Rental vs. Mobility Service Concept Awareness

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY CULTURE</td>
<td>Rental vs. Mobility service concept awareness</td>
<td>Moderate (7) // Moderate</td>
<td>Audi AG, AOA, ABI, customers // High</td>
<td>“We had for the longest time, issues with using the word ‘rental car’, because for our German colleagues, ‘rental’ sounds a little bit, not premium” (Project Manager, AOD)</td>
</tr>
</tbody>
</table>

Table 26: Institutional Process - Rental vs. Mobility Service Concept Awareness

“Rental vs. mobility service concept awareness” was an informal-cognitive institutional process marked by linguistic, semantic associations of the words ‘rent’, ‘mobility services’ and other terms defining the wording of AOD’s service offerings (see Table 26). Since “the biggest challenge with AOD continue[d] to be awareness” (Director, Eddisons), the concept required a concise definition, explicating the nature of the use while simultaneously “getting the point across that [AOD was] not a dealership” (Marketing Manager, AOD). This process was of moderate centrality and compatibility to the organization. The institutional process involved primarily the SF based entity, promoting the use of the word ‘rental’, while the German counterparts in Munich (ABI) and Ingolstadt (Audi AG), preferred a naming revolving around the terms ‘mobility services’ or ‘car sharing’. This argumentation was based on the belief that the word ‘rent’ and the term ‘rental car’ reflected “the dark, scary, low-profile vehicle, low-profile experience […]” (Director, AOA).

“When it comes to using the word rent, we really disagreed on that one. The team in Germany disagreed because that’s not what the program was set up to be […] [F]rom the start they said: […] ‘we will not call ourselves car rental’. Whereas here where we’ve been in the market, we hear customer feedback, […] they come to an event and they see Audi on demand and they still say, ‘oh you are selling me car!’ So even when you explain the concept they still don’t get it […]” (Marketing Manager, AOD)

Being unable to name the service which fitted local semantic categories resulted in an ambiguity making it harder for institutional stakeholders to “identify […] the nature of the use in relation to the existing uses” (City Planner, City of SF). Multiple uses of the word ‘mobility’ combined with imagery of the vehicles sent conflicting signals to various institutional actors.
“They wanted to use the term ‘mobility’ […] In the US, mobility implies that you are immobile and actually in a wheel-chair. […] were you say there is a van that will come pick you up if you are living […] in a wheel chair at home and you get picked up an get around. […] someone that lives in San Francisco would not call Uber or Lyft a mobility service.” (Sales Manager, AOD)

**Strategy: Concept awareness - rental vs. mobility service**

Particularly the Germany-based Audi staff could not find a suitable category for the service, considering it “neither car sharing nor rental, but something in-between” (Expat Project Manager, AOD). While the German members did not identify with the term rent, the opposite was the case for SF-based local staff, creating “a war about this” (Project Manager, Eddisons).

“The rent one was one that I felt really had the potential to change the business […] and really change the effectiveness of our marketing.” (Marketing Manager, AOD)

Competing rental companies such as Sixt did not perceive AOD as a rivalling actor in their field, which delineated the *fringe network position* of AOD in SF.

“I can’t really say they’ve gotten in my way somewhere. We probably focus on different target groups.” (Director, Sixt).

Between all debated wordings, the overall Audi organization lacked both a term that fitted the normative frames of the city-level stakeholders and moreover one that was applied coherently and continuously, i.e. “stick[ing] with the same thing rather than putting in too many messages into the market” (Marketing Manager, AOD).

“[W]hen you want to speak to your audience, you have to speak in their language, and that’s not talking about German’s English of course but the way people are receptive to […]” (Director 2, AOD)

This lack of *coherent storytelling* from Audi globally was reinforced by the fact that marketing communication materials had been produced in Germany and “not on one piece of advertising [did] it say ‘rental service’” (Project Manager, Eddisons). Simultaneously, the local staff orally and conjointly promoted the service within the rental category, which was understood but not officially approved by the Germany-based ABI executives.

“When I talk to a city official or the airport, I'm like: 'We're car rental.'” (Project Manager, Eddisons)

In AOD’s case, the linguistic identity had to be defined in cooperation with and by *mobilizing* the leading German managers at ABI and Audi HQ.

“I then had an appointment with ABI when I was on-site [in Germany] and I explained why [rental] is so important to [the US market], [but] they […] thought I want to change their communications strategy and I just want to do things differently” (Director 1, AOD)

Moreover, the SF-based AOD unit showed *continuous persistence* in promoting the use of the word rent to “provide evidence […] that would] prove effective” (Project Manager, AOD).
“Just because the industry has traditionally held a very negative perception [of the rental category] that doesn’t mean that we can’t come in and change that.” (Marketing Manager, AOD)

The field-level semantic category of the AOD service was “in the end […] a matter of linguistics” (Project Manager, AOD). Based on the conviction and identification with the rental logic and continuous attempts to mobilize allies, AOD’s members achieved a compromise with the powerful German counterparts. This compromise outlined that communication materials would from then on use references to normative rental categories, albeit avoiding the application of the word ‘rent’.

“We came to a compromise. Nobody won but we say: ‘how do we compare ourselves to car rental without calling ourselves car rental?’[…] We decided to adjust some of the smaller things and then some of our […] headlines […] So we’ve said, ‘Find hidden treasures, not hidden fees!’ or ‘Stand in ahhh, not in line! […] We use ‘Rent Now’ or ‘Book Now’ in our call-to-action where we have it. Or we try to say, ‘Book Now on Audi on demand.’” (Marketing Manager, AOD)

6.6.5. Airport Rental Policies

<table>
<thead>
<tr>
<th>Institutional order</th>
<th>Institutional process</th>
<th>Centrality (Quotes) // Compatibility</th>
<th>Key field actors // complexity</th>
<th>Narratives</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILITY POLICY AND REGULATION</td>
<td>Airport rental policies</td>
<td>High (15) // High</td>
<td>SFO Airport, Silvercar, ABI // Moderate</td>
<td>“The big focus is on the airport. The airport, there’s a mix of government airport employees involved there.” (Project Manager, AOD)</td>
</tr>
</tbody>
</table>

Table 27: Institutional Process - Airport Rental Policies

Within the City of SF, the SFO airport was considered „a whole separate system […] its own set of challenges” (Sales Manager, AOD). The airport constituted a complex bundle of formal institutional processes, which were central to AOD’s business as the SFO airport was a major mobility hub and one of the primary rental car access points in the local market. The airport rental policies were decided by the proprietary airport staff in conjunction with major rental car companies and other minor stakeholders.

AOD’s institutional processes were threefold. First, AOD needed a business license in order to do business with SFO, and the Ground Transportation Unit Permit (GTUP). Since AOD’s concierge service was focused on delivering the vehicle to the customer via a concierge, the two further institutional processes regarded the regulation on parking, pick-up and vehicle hand-over at the airport’s arrival area. Since SFO lacked “thousands of parking spots” (Director 1, AOD) and was “very protective” (IT Manager, AOD), addressing these institutional processes was considered “challenging” (Project Manager, ABI). The core idea of AOD’s executives was to provide a vehicle-hand-over at the passenger arrival area, which was prohibited under SFO regulation. As a second possibility, AOD then focused on establishing a shuttle service, picking up passengers at the terminal to then move them to the AOD parking within the airport. As a third option, due to restrictions on passenger pick-up at the terminals and unavailable parking spots at the SFO proprietary car rental parking, AOD drafted a customer journey that would guide arriving travelers to use a train to the car rental area of the airport, where they would be picked up by a shuttle car.
“The only offer I have right now is to be positioned on a waiting list, to be contacted when the airport has restructured itself or introduces a new car rental zone. We could then receive some delivery spots in the front.” (Director 1, AOD).

**Strategy: Airport rental policies**

To address the first institutional process of obtaining the general institutional license, AOD had to first register the shuttle vehicles that would transport their customers from the terminal to the off-airport location for AOD vehicle handover.

“[L]uckily, Silvercar got there first. […] They paved the way for us because nothing like that existed, because they were all shuttle busses. You would have to get a TCP and get the CHP involved […] So luckily, we didn't have to do that. It's a complicated process, but we need to get [the vehicles] commercially registered. We're going to use the Q7 and with that then, I am going to send it back to the airport so that we can then get the GTUP permit and then we can get the business license permit.” (Project Manager, Eddisons)

Compared to other well-established major rental companies, which had in-airport parking for their vehicles, AOD lacked in size, resource endowment and an insider's network position. Although AOD’s staff engaged in various workshops, aimed at finding a regulatory loophole to provide a convenient customer journey, the regulations were unambiguous and AOD could not build up enough reflexivity to shape or circumvent the institutional process. AOD hence could not offer the vehicle at the airport “because the USP vis-à-vis the competition [wasn’t] there yet” (Project Manager, ABI), resulting in institutional acquiescence.

“[T]hat's a challenge because no one appreciates that it is a regulation on how you have to pick up [customers] and that's not going to change […] It is what it is” (Director, Eddisons)
6.7. AOD’s Institutional Strategies

During the first operational years in San Francisco, AOD faced manifold external and internal institutional processes, leading to various institutional strategies as a response (see Table 28). The AOD strategic quiver included **institutional acquiescence** by which AOD adhered to the institutional rules and requirements, **institutional compromise**, arbitraging rivalling institutional demands and **institutional avoidance**, where AOD precluded the necessity to conform to institutional pressures. While AOD showed attempts to engage in **institutional manipulation**, i.e. shaping an institutional setting, none of the attempts could be considered successful. Rather, **acquiescence** or an **unresolved institutional friction** prevailed, the latter describing the state of rivalling institutional logics embodied within the organization, inhibiting decisive strategic action in one way or the other.

<table>
<thead>
<tr>
<th>Institutional strategies</th>
<th>Examples</th>
</tr>
</thead>
</table>
| **Acquiescence** | Obtaining a parking garage (general)  
Car sharing standard |
| **Compromise** | Obtaining a parking garage (landlord’s parking rules)  
Concept awareness: rental vs. mobility service |
| **Avoidance** | Not changing the CUP although moving office addresses |
| **Unresolved friction** | Rivalling identities: Tech start-up vs. old industry |

Table 28: AOD Institutional Strategy Overview

After laying the foundations of analyzing the strategic responses, the above analysis is further complemented by a detailed assessment of the mechanisms (“how did AOD do it”) and the respective enablers or disablers (“why was AOD (not) able to do it”). As highlighted, the analysis first revolves around the empirically derived mechanisms, i.e. reflexivity, coherence of stories and the capability to mobilize allies. Then, it details the enablers of the strategies such as identification with institutional logics, the network position within different fields, the status in the eyes of external stakeholders and lastly the resources and power available to AOD.
6.8. Mechanisms

6.8.1. Reflexivity

“If you are doing business in the USA, it is important to work out which of the regulations are actually unavoidable. That is both relevant internally as well as externally, with the city planners.” (Director 1, AOD)

AOD’s reflexivity entailed their members’ capability to be “highly sensible for things that happen in the market” (Director 1, AOD). The members needed to grasp differences of institutional demands within the organization but also in the various strategic action fields AOD was embedded in. AOD’s case particularly displayed the necessity of “strong reflective and adaption capabilities” (Expat Project Manager, AOD), mitigating the headquarter demands from Germany and the SF field-level based signaling. Moreover, it comprised the local and HQ-level AOD members’ capacity and openness for constant learning, consulting by external stakeholders and proactive assessment of competitors’ field-level institutional strategies. The willingness to learn about institutional settings of local AOD members in SF was high. Their German counterparts at headquarter level however “did not ask a single question” (Project Manager, Eddisons), although AOD members spent “a lot of time and energy […] explaining the local market and convincing […] the team at ABI how […] to approach the SF consumers” (Marketing Manager, AOD). The aspect of reflexivity at AOD could be further distinguished in the reflexivity to depict institutional ambiguities and the reflexivity to identify institutional champions.

“The premise of any endeavor would be to understand […] the policies and regulations of the jurisdiction that I’m considering entering into.” (City Planner, City of SF)

The reflexivity to depict institutional ambiguities and thus evaluate field conditions comprehended AOD’s capability to analyze the relevant institutional processes with regards to ambiguities. Ambiguities in this light described strategic potential of action and at the same time anticipation of “[…] future evolution and the further development of regulations and policies” (City Planner, City of SF). AOD struggled to build up the reflexivity and “problem awareness” (Director 1, AOD), although mobilizing field-level organizations such as Eddisons, CSC, and lawyer practices. The engaging of partners fell short of AOD’s expectations. In the case of the contracted law firm, a new partner was sought after realizing that the expected contacts and insights on a city level could not be delivered. AOD’s reflexivity was further hampered by the strong involvement of headquarter level members in institutional strategizing, since the headquarter-level staff possessed fewer reflexivity to perceive promising institutional ambiguities.

“Legal advisory 2 support us, but they simply don’t have contacts at the city level and we can’t proceed.” (Expat Project Manager, AOD).

The reflexivity to identify champions at AOD level revolved around partnering up with deeply embedded organizations and hiring well-connected members in order to mitigate the lack of reflexivity of the German employees and the headquarter involvement. While the partnership with Eddisons yielded substantial advances on institutional processes such as employee law or rental law, the organization could not extend its reflexivity to identify institutional champions that would further thrive pro-active forms of institutional strategies. Field level actors echoed the importance of institutional champions to further the business, e.g. by engaging influential real estate brokerage firms:
“[Brokerage firms] have their finger on the pulse because the developers are their clients. They’re having conversations with the developers very early on. They know what the feel and tenor of that development and project are going to be, they will have a better idea, it’s a good fit or not.” (Director, Tishman & Speyer)

Both the reflexivity to identify institutional ambiguities and champions were regarded as second-tier capabilities at AOD, as other issues such as software and technology struggles tied up strategic resources. Moreover, some members of AOD perceived that they did “[…] not really need the city's involvement” (Director 2, AOD), further eclipsing the need to build up reflective capabilities.

6.8.2. Coherence of Stories

Exemplified particularly by the discussion on the usage of the word ‘rent’ as part of the internal and external messaging, AOD and the overall Audi organization struggled to disseminate the same message and narrative, aligning field-level organizations and partners such as Eddisons. Instead of one streamlined approach, “everybody ha[d] their own agenda at Audi” (Director, Audi Dealer SF). This incoherent storytelling in AOD’s case stemmed from 1) a general missing strategic alignment within Audi, 2) the inexistence of convincing rationales, 3) a missing linguistic identity and 4) unavailable dissemination of the stories by the members.

“If you have stakeholders within that entity that all have different agendas, then that entity is not going to succeed because it has no mission.” (Director, Eddisons)

The Audi entities at all levels lacked awareness and strategic alignment with regards to the AOD project. Such missing alignment led to different entities having “no communication” (Project Manager, AOD) and “no idea what the direction [was]” (Director, Audi Dealer SF). Even AOD’s Director was not fully aware of the project’s strategy since he was not a member of all strategic committees at headquarter level.

“[W]hen Silvercar got started, which was when we were doing the research for this project, Germany called me, because we were finding out about Silvercar. […] The whole time, AOA was selling them cars and talking to them. But they had never notified Germany, they had never notified us, they’d never gave us any of the insights or anything. And they still say, even though they have a 20% stake, it's a way of selling vehicles.” (Director, Eddisons)

Lacking communication and regular misunderstandings hampered the production of convincing rationales, e.g. project descriptions, marketing materials or other documents advancing AOD’s institutional interests. These convincing rationales would have been particularly relevant in the communication with SF’s public sector, such as the City Planners at the City of San Francisco.

“What makes that easier is having well-described project. The application having supplemental materials that conveys the nature of the use. That allows planners the ability to compare that against the underlying zoning.” (City Planner, City of SF)

When asked what the AOD project leaders would do differently in retrospective, they emphasized the “creation of a sophisticated marketing communications and sales campaign half a year prior to market launch” (Project Manager, ABI). This would have helped addressing the needs of
regulators to “review processes and identify the relevant property development standards” (City Planner, City of SF) but also to “quickly explain why [AOD was] doing it and how it would make sense for […] customers” (Sales Manager, AOD).

The “creation of awareness” (Director 1, AOD) went hand in hand with stringent linguistic definitions and a “prescribed terminology” (Director 1, AOD). AOD had difficulties adjusting to the field’s tenor and thus created a linguistic identity, which would be strongly influenced by the German linguistic understanding. Such linguistic identity negotiation became particularly evident in the discussion of the meaning of the words ‘premium’ vs. ‘luxury’ and ‘rental’ vs. ‘car sharing’.

”[Director 1, AOD] asked me what […] do I consider a premium service […] The word in the US we use more probably is ‘luxury’ which has a different meaning I think in Germany […] Also in car rental, in the language of car rental varies by brand […] If we added ‘rental’ [to our Google categorization], it would boost so much more” (Sales Manager, AOD)

The German stakeholders continuously pressed for an avoidance of the word ‘rent’, hoping not to fall “in the associated bracket of car rental” (Project Manager, Eddisons) and because “it [did] not sound Audi” (Sales Manager, AOD). Moreover, German members of the project also stuck to a generally formal communication style, which external stakeholders noted and attempted to influence.

“[O]ne thing that we didn’t consider deeply enough is about the partnerships” (Project Manager, AOD)

When engaging in institutional work, AOD prioritized Audi-internal institutional audiences, ranging from the importer AOA to the German stakeholders, as opposed to SF field-level actors. AOD identified only a vague necessity “to work with the local stakeholders […]” and that the organization “probably need[ed] to keep relationships with regulators in the city” (Director 2, AOD).

When AOD attempted to mobilize and prioritize external stakeholders to drive institutional strategies, the results were considered only mediocre. The chosen law firms or the service provider Eddisons exemplified such unsuccessful mobilization. Although a central player within the AOD venture, providing significant consultancy on the parking and permit processes, Eddisons was perceived as an unreliable or incapable partner in the eyes of numerous Audi affiliates.
“Of course we have concerns […] We're not that illusory thinking that Eddisons would be the ideal partner for endless other markets” (Expat Project Manager, AOD).

Moreover, the prioritization of actors within the overall Audi organization lacked coherence. As opposed to joining forces with AOD, the American importer AOA provided enforced and continuous support to its largest rental customer Silvercar. In cooperation with AOA, Audi HQ had acquired a 20% equity stake in Silvercar, positioning the company as a competitor alongside AOD. This positioning impeded the exchange or synergies between the two similar entities. In terms of pro-actively addressing institutional ambiguities, AOD staff had to constantly negotiate with their German counterparts, “where [they could] push the envelope a little bit and where [they would] still like to maintain the standards” (Marketing Manager, AOD). The constant strategic alignment with the German headquarters as well as the prudence created through the Diesel scandal thus significantly affected AOD’s members sentiment of feeling capable to mobilize others vying to change institutional settings.

“It's all to protect the name, especially with the whole TDI thing, we can't do anything.” (Project Manager, Eddisons)

When comparing the institutional strategizing of competitors, AOD considered itself “not as dynamic and fast as many of [their] potential competitors” (Expat Project Manager, AOD). The organization faced myriad challenges, such as a malfunctioning IT-system, a vast stakeholder complexity, and a personal risk aversion of the local top management. Consequently, the organization’s members mostly felt incapable of proactively shaping institutional settings. In instances when AOD could achieve a pro-active institutional response however, individual members had perceived the need for assistance by other actors and developed social skills to “mobilize others […] take it all up to the chain […] to get influence” (Director, Eddisons). Moreover, the mobilization of allies required AOD members’ persistence and continuity. The compromise around the valet parking solution with the landlord at their garage exemplifies this persistence, as the project managers determinately entered in “long negotiations” (Expat Project Manager, AOD), while “fighting hard” (Director 1, AOD).

What hampered the active mobilization of other field-level actors however was the high frequency in management staff turnover at AOD. By having to “go through [everything] again [while] nothing [was] going to change” (Project Manager, Eddisons) with every new employee both on a local but also headquarter level, AOD could not ensure continuity in its stakeholder management and thus overall institutional approach.

“[W]e've had serval changes of project managers […] I always just refer them back to the Dropboxes like ‘ok, well, we've had this conversation 20 times, I'm not going to reiterate” (Director, Eddisons)
6.9. Enablers

The mechanisms of AOD’s institutional strategies were rooted in specific enablers, defining the scope and nature of AOD’s strategic quiver. The enablers included the member’s identification with differing, conflicting logics, AOD’s status in the eyes of external institutional actors, its fringe network position in the SF market and the power perceived and available to address institutional processes.

6.9.1. Identification

“Are we part of the same team? Are we part of the same strategy, the same growth?” (Director, Eddisons)

Rooted within AOD’s local and expat employees, identification describes the subunit members’ sentiment of affiliation to perceived field-level logics. These logics stemmed predominantly from the larger Audi organization, SF city level and the broader German work culture. Identifying with and reflecting different logics primarily depended on the individual AOD members as “the most important part because […] they […] represent[ed] [the] brand and [the] vision” (Director, Eddisons), simultaneously wanting “to feel involved” (ibid.). At AOD however, “there [was] a disconnect” (Director, Eddisons) between different organizational members, largely rooted in the structural set-up of the company. The multi-company LLC created a complex organizational construct, resulting in the majority of local AOD employees being employed through a third-party, except for the German expatriates under a generous German working contract. The AOD employees were provided different conditions, salaries, holiday allowances, job titles, segregated office spaces and informative inclusion, “manifest[ing] itself into a distinction like there [was] this an unspoken difference between the teams” (Marketing Manager, AOD).

“I am on the Audi project… the more I introduce myself with them, the more they will start calling me and I don't want to hang along at the airport, so I am saying: ‘I'm just helping out with this, keep my name card’” (Project Manager, Eddisons)

By “feel[ing] that somehow, they [were] not Audi even though they [were] working on this Audi on demand project” (Director 2, AOD), AOD members developed an identity friction, hindering them from conjointly identifying with a given mission or specific institutional processes. Such friction was amplified in instances when further Audi-wide organizational members from AOA or the German based ABI posed challenging logics with regards to the identity of the venture. One of the major challenges the entity faced revolved around the question whether the AOD organization was part of a traditional, industrial Original Equipment Manufacturer, or rather a technology company, providing a software-based, on-demand service.

“You are talking about potentially shifting Audi’s role in this whole mobility transportation discussion from being an auto maker that provides the market with automobiles to an auto maker developing software that can be integrated into all different kinds of vehicles” (Director, Audi Dealer SF)

This role discussion remained unclarified for the AOD entity and its members. The subunit’s goal was thus ambiguous, alternating between a marketing-oriented project to foster the sale of Audi vehicles and the vision of a stand-alone, profitable mobility service business.
"What are you using this for? Is it a business to generate money? Because we're nowhere near to breaking even. It's just a conflict of interest […] I think it's a marketing thing." (Project Manager, Eddisons)

Alongside an unclear vision for the project, the Audi organization struggled defining the actual service category and institutional approach. While some members identified with a futuristic vision that AOD would be „changing people’s mindset about having a car” (Sales Manager, AOD), other AOD employees considered it merely as a “car rental company” (Project Manager, Eddisons) or “Silvercar plus delivery” (Project Manager, AOD). Since AOD was “not car sharing, nor car rental, [but] a thing in-between” (Expat Project Manager, AOD) and thus lacked a concept definition, a joint identification with the entity’s raison d’être was furthermore rendered difficult.

“I think we need to better define what we want to be.” (Marketing Manager, AOD)

Most of the Audi-wide stakeholders, particularly the importer AOA and the attached dealerships, had “a different idea of mobility […] and [didn’t] see a big potential in [the AOD] products” (Project Manager, ABI). Similarly, the German counterparts at ABI neither sufficiently identified with the institutional challenges and frictions the SF subsidiary faced on a local level nor did they provide respective support. This lack of support led to a lack of organization-wide identification with local logics and the sentiment of a disintegrated entity, positioning AOD “like the stepchild that nobody wants” (Project Manager, Eddisons).

The lack of organizational members’ joint identification, missing “talk […] about the goals of the project” (Project Manager, AOA), “nobody […] wanting to take responsibility” (IT Manager, AOD) and an absence of leadership led to AOD’s difficulty in identifying with field level logics. Since the AOD organizational members could not coherently identify with dominant logics, the organization failed at developing and displaying multiple identities, an acknowledged prerequisite in the “streamlining of government activities” (Project Manager, AOA).

“Pulse, idea, identity - if we did not have that, you have no service. You can plan whatever you want. I always plead, if you don’t have the people and all you have is a plan on a piece of paper, everything else goes out the window.” (Director, Eddisons)

6.9.2. Status

In addition to the organization's “fear of having two different motives […] and not having those aligned” (Director, Eddisons), a further identity struggle derived from the perceived expectations of external stakeholders. This identity struggle focused on the status that Audi and AOD's members envisioned for the company. A predominant point of discussion was the use of the Audi brand within the Audi on demand project, emitting a luxury, premium and progressive image and its “responsibility to live up to the brand expectation” (Director 2, AOD).

By launching and running the AOD project using the Audi brand, Audi decided to build on the brand value of Audi internationally. The application of the brand should increase stakeholder awareness and goodwill, e.g. posing a “real big benefit to [Tishman & Speyer] to leverage that relationship and that brand in particular” (Director, Tishman & Speyer). On the other side, as opposed to using a stand-alone brand creating a start-up status, AOD staff interpreted that external stakeholders had “expectations of an Audi operation” (Marketing Manager, AOD) and “[…] immediately associated it with Audi dealerships” (Director 1, AOD). Due to ambidextrous
positioning of AOD’s role between an OEM and a tech-enabled service start-up, some institutional actors perceived it “unusual […] and […] needed to confirm the […] category” (City Planner, City of SF). Others immediately positioned AOD as a standard Audi-vehicle sales measure, providing “test drives for a longer period” (Director, Sixt) and yielding “just […] brand awareness” (Director, Tishman & Speyer). This mixed signaling and status in the eyes of institutional audiences hence created “pressure for the organization” (Expat Project Manager, AOD), “not allow[ing] for mistakes” (Director 1, AOD).

Alongside the operational expectations of external stakeholders, AOD sensed that institutional actors did not understand that AOD was “working with small budgets, [being] a start-up” (Director 1, AOD). Rather, the external actors expected AOD to have abundant resources because the subunit was part of a large MNE. Although no official proof was found, there was an internal sentiment that AOD had to pay “[…] fee[s], because [they] are Audi, because the city recognized at some point that they could charge more fees” (Expat Project Manager, AOD).

“My sense is that they're a major […] multinational corporation which has probably abundant resource” (City planner, City of SF)

While AOD members acknowledged that generally, “Germany, the German culture and German companies have a high profile” (Director 1, AOD), it was primarily the size of the company and its positioning as an ‘old business OEM’ as opposed to an SF-based start-up image that influenced the stakeholders’ expectations.

“I wouldn't say that it's the difference between a German company or a US company. But I think one critical difference, here in San Francisco because this is the startup capital of the world, that this AOD program was labelled as a startup” (Director 2, AOD)

From an external perspective in SF, the Diesel emission scandal, which occurred in 2015, “[…] hasn’t changed or had an impact on the code or processes” (City Planner, City of SF). However, AOD’s service providers, contracted to engage in institutional work, reacted cautiously. As an example, “lawyers and everyone involved consult[ed AOD] conservatively” (Director 1, AOD). The legal team of AOA required to “approve every Facebook post before [AOD] put it out” (Project Manager, Eddisons). Particularly the German expats at AOD reflected such caution and risk aversion, interpreting the Diesel scandal as a further hinderance to conduct proactive institutional work.

“I don’t feel I can take the responsibility to do things under the counter. If we don’t safeguard ourselves, we will be in the headlines and then we won’t only damage Audi on demand […] but also the brand.” (Director 1, AOD)

Moreover, the OEM-related status did not create the expectation by relevant stakeholders to see “AOD as competition” (Project Manager, Eddisons), foresee “huge growth patterns” (Director, Eddisons) or to disrupt the transport industry with their service. These status interpretations by AOD members thus resulted in respective institutional actions, geared at fulfilling these expectations.
6.9.3. Network Position

Being conceptualized by the ABI offices in Munich and run in cooperation with different entities around the US, AOD’s stakeholder management primarily focused on the Audi-internal field as opposed to the local institutional actors in SF. Both geographically but also in terms of time difference, these stakeholders were deemed “too far away [and] too numerous” (Director 1, AOD). The Audi AG-internal stakeholder complexity thus predominantly delineated AOD’s fringe network position in the SF field.

“There are so many stakeholders that the communication from here across the chain definitely [...] things are being lost, because it’s too complex and too many people are involved” (Director 2, AOD).

The decentral set-up of AOD increased the management complexity of the subsidiary and hindered the AOD top management to get “everybody at the same table and pull together” (Director 1, AOD). The geographical dispersion and dependence on AOA and ABI in Germany resulted in a low autonomy and “loss of control” (Director 1, AOD) to act locally.

“If we put AOA in the same boat – the IT project group – [...] then nobody can say: ‘the IT is bad’, because it has been developed with them [...] We would be faster, we turn them into involved participants and would probably improve holistically.’ (Director 1, AOD)

By not considering the AOD project and its managers in major strategic decisions, the American importer AOA and the German headquarters further fostered AOD’s fringe position within the global Audi corporation. This became clear particularly when the Audi HQ invested in Silvercar or refrained from including the American Audi dealerships in the AOD strategy. Such neglect of AOD’s needs also reflected on AOD’s network position and institutional work in the field in San Francisco. As an example, AOA’s legal team deferred the work on AOD’s US-contracts, e.g. vis-à-vis the cooperation with real-estate developer Tishman & Speyer in the building ‘Lumina’, resulting in an extensive process duration and field-level actor’s frustration.

“In full transparency, Audi would come to me and say, ‘Look, I put it on our desk, it’s in the stack with all of the other contracts being reviewed by our legal team and I wish I can make it go faster.’ It’s a big frustration of mine too” (Director, Tishman & Speyer)

In contrast to other mobility providers in SF, which engaged heavily in relevant networks and associations, AOD disregarded the necessity to increase the of communication with and connection nods to relevant institutional actors, and by doing so, learning more about the city’s institutional processes.

“I don't think they had the finger on the pulse of how does the city live, what's the heartbeat of this city in particular” (Director, Tishman & Speyer)

The stakeholder complexity and the restricted autonomy lead to a fringe network position, with few relevant connections to institutional actors in the local strategic action field. While it slowed the subsidiary down and predetermined institutional strategizing, the position could also have yielded institutional advantages, e.g. in with regards to avoidance of the CUP regulations. Due to the caution and risk aversion of the AOD management however, such opportunities were not considered.
6.9.4. Power

“Come on, you are in San Francisco, you have all these resources around you, how can you not put something together?” (Marketing Manager, AOD)

An important enabler of AOD’s institutional strategies was the relative power with regards to the institutional audiences related to specific institutional processes. Power comprised the access to tangible and intangible resources, enabling AOD to influence an institutional actor’s course of action. AOD’s case revealed that specific power elements had a positive or negative influence on institutional strategizing, namely financial resource endowment, Audi’s multinationality, the reporting structure and the hired organizational members.

The financial resource endowment of the subsidiary provided the base for institutional work. Although AOD proclaimed to have a “restricted budget”, the organization simultaneously prided itself in “still achieving a whole lot” (Director 1, AOD). The headquarter organizations ABI and Audi AG were also willing to also increase AOD’s budgets selectively, e.g. the marketing budget. This financial resource endowment enabled AOD to engage external partners such as the Boston Consulting Group, devising initial strategies and later operations partner Eddisons, providing expertise on institutional processes in the local markets.

Audi’s multinationality provided another resource. It comprised different capabilities, such as the vehicle and software related know-how in Germany and a network of service firms in the US, which AOD used as a resource. At the US importer AOA, AOD tapped into the existing legal and finance capabilities for service provision. Moreover, AOA’s customer data and close ties to marketing agencies were utilized to appropriately address prospect customers using the corporate identity.

“If it's an insurance regulation or if it's a city regulation, we always have the right expert at fingertip to call and say ‘help!’” (Project Manager, AOA)

The German headquarters, ABI and Audi AG, were the central point of contact, providing the strategic steer, but also IT and web development, rental platform hosting and management of the websites. The in-car technology, enabling smartphone-based access to the vehicles and fully digitized fleet management, was considered the “essential driver” (Director 1, AOD) of the venture’s success. In the first year of operation, the in-car technology was highly bug-ridden and difficult to steer from the SF subsidiary since it was fully managed by the German ABI in cooperation with development agency AKQA. These issues led to such “massive technological problems, [which was the reason why AOD] was barely able to communicate with any stakeholders” (Director 1, AOD). Paralyzing the organization and its employees to the extent where AOD’s employees “[…] occasionally started crying and needed to go outside for a walk, in order to cope with the situation” (Expat Project Manager, AOD), the resource in-car technology turned into the primary impediment for AOD to engage in proactive institutional strategizing.

“I think that our know-how here is not accessed enough” (Expat Project Manager, AOD)

The overall Audi organization possessed immense city-based knowledge available due to various international projects; a resource which was considered but not used or shared within the AOD construct. While AOD in SF had been the first entity to deploy the AOD product, ABI had launched related projects in other cities on a global scale, e.g. Hong Kong, London or Stockholm simultaneously or shortly after AOD’s launch in SF. An international know-how exchange was
however rarely initiated, as the information flowed “to Munich, and Munich then probably communicated with the other colleagues” (Director 1, AOD). AOD staff in SF assumed that the ABI colleagues in Munich would “have all learnings, which of course they don’t” (IT Manager, AOD). A similar picture emerged on a US-level, where the dealership network or affiliated rental firm Silvercar were hardly connected to and leveraged as a powerful resource.

“Surely Silvercar are doing this, how do we not pick up the phone and ask that? Why do we have to keep reinventing our wheel because of internal politics?” (Project Manager, Eddisons)

The lack of knowledge-sharing activities was grounded in the structural and political set-up of AOD within the Audi-organization. While it did “not help that people [were] spread out in different geographic locations” (Director, AOA) including difficulties based on the time differences between these, the reporting structure and decision-making capabilities were characterized as lacking resources within the whole organization.

“[O]ur reporting structure is not right. If there was one person that could just make the decision, somebody who is in charge of the mobility company in the US market, somebody who could just paint the decision ‘you know what? this is what we're doing and I'm accountable for the results’” (Director, AOA)

The success or failure of AOD's institutional strategizing moreover depended on the individual people that engaged in such action. The staff's expertise both with regards to the nature of the business, but also the respective institutional strategizing was considered little, since AOD did “not have very many people from the start-up space, […] the venture capital space, […] the software space” (Director, AOA). Furthermore, although being a project decided by the Audi board in Germany, the relevant board members of ABI and the Audi AG “had not been [to SF] once since the launch” and were “hardly available for discussion” (Director 1, AOD), displaying what was regarded by the local employees as a lack of commitment.

The hindrances to pro-active institutional strategizing could somewhat be offset by AOD's dedicated local staff. Proactive institutional strategizing was attempted by Eddisons's project manager, e.g. on the airport business and overall permitting as well as by AOD’s Expat Project Manager, who dealt with permits for parking garages. Generally, particularly Audi-internal institutional processes could be mitigated by staff with “a lot of connections with Audi of America” (Project Manager, AOD) or the German expats, knowing “how Audi as a company operates but […] also hav[ing] that perspective of living in the US […] to understand that the culture is different (Director 2, AOD).

The stated power elements defined the available resources that AOD could leverage to address stakeholders connected to specific institutional processes, such as regulators or opinion leaders. AOD operated in the vicinity of well-funded, venture-capital-backed tech start-ups like Uber or Lyft, which had “really gone out and tried to shape policy to help their business” (Director, Tishman & Speyer) and “invested a lot in legal in order not to attract attention” (Director 1, AOD). In comparison, AOD thus felt “relatively small, [not having] the buying power to make things change in SF” (Director, Eddisons). Home to these powerful, interlinked organizations, the city and state’s regulators posed another important element, by “setting the rules” (Expat Manager, AOD) and having “very active office[s]” (Project Manager, AOD), creating a sentiment of “you got to pay to get” (Director, Audi Dealer SF).
6.10. Discussion of Empirical Findings: AOD’s unresolved frictions

The AOD subsidiary in SF, USA, faced various institutional processes on different levels and in different fields. Most of business-relevant external institutional processes occurred on a city-level field. At the same time, intra-organizational expectations within the international Audi organization posed further norms and rules, creating and confirming a multi-field, multi-level perspective in the analysis of institutional processes. The empirical study of such processes put forth that AOD’s institutional reaction primarily depended on the member’s interpretation of an institutional process’ relevance and ambiguity, i.e. how resilient a process would be to the organizational changing efforts. Moreover, the member’s interpretation produced the enablers and mechanisms of such institutional strategies.

The joint identification of AOD’s members with potentially conflicting logics of institutional processes and an ability to mitigate them constituted an important enabling parameter to yield a coherent institutional strategy. The joint identification with logics was necessary both for proactive (e.g. avoidance) as well as reactive cases (e.g. acquiescence) of institutional strategies. AOD’s members had to primarily mitigate identity demands from the Germany headquarters and those of the local field in San Francisco. While employees from SF promoted the local normative frames, German expats were mainly acting at the behest of ABI and the German headquarters. Unresolved frictions were only fostered in instances when AOD as an organization could not achieve a conjoint identification with one logic. Examples included debates on the vision of the organization and the question whether AOD was a tech start-up or belonged to the ‘old business’. The organizational members displayed diverging and rivaling imprints of the unit’s vision and identity, resulting in inherent confusion, a lack of coherent strategy and thus in an unresolved friction.

Throughout all instances of institutional work, AOD reflected on its status in the eye of field-level actors. The nationality and related foreignness of AOD hardly mattered. The relative prestige and reputation of the Audi brand was of greater importance, as it created customer expectations towards the value and service proposition that would exceed those of a start-up’s or other OEM organizations. Moreover, considering city-level regulators, Audi perceived to have a low status due to the Diesel emission scandal, fearing further damage to the brand if it challenged institutional processes. This audience-dependent status interpretation thus reinforced the risk averse institutional strategizing, consequently leading to only passive forms of institutional strategies.

Predominantly driven by the geographical spread and moreover the complex structural set-up of AOD and the global Audi organization, AOD developed a fringe network position in both, the organizational field in SF but also within the Audi organization. The missing access to the field reinforced numerous cases of institutional acquiescence, but also enabled an example of ‘flying under the radar’ in case of the avoidance of the Conditional Use Permit renewal. As the case further showed, compromises were likelier when the organization was more embedded and acted autonomously. This was the case when AOD directly dealt with the landlord and neighboring companies in the compound to secure a regulation on parking management.

The network position also influenced AOD’s power and power sentiment of the entity and its members. Such power struggles became particularly eminent when AOD compared its available resources to those of well-backed tech giants from the Silicon Valley. AOD’s perceived power over field-level actors constituted the enabler or barrier to proactive institutional approaches, i.e. challenging specific institutional processes. The SF subunit generally perceived a low degree of
power towards most relevant institutional actors, leading to mostly passive institutional strategies. AOD’s members merely perceived some local power in the discussion on the semantics and usage of the word ‘rent’, which in concurrence with a strong linguistic identification enabled an institutional compromise within the field of the wider Audi organization.

The aforementioned enablers triggered three mechanisms which in turn led to specific institutional strategies. In cases of compromise and avoidance strategies, AOD’s members displayed high reflexivity to perceive institutional ambiguities and understand the power structure in the field, yielding the hypothesis that a detailed assessment of an institutional process may lead to more pro-active institutional strategizing.

When AOD’s members spoke in one voice, i.e. developed coherent storytelling, they achieved conjoint agency with intention and insight, resolving institutional frictions. In instances when the organization could not jointly identify with the HQ (HQ in Table 29) or the local, dominant logic (DOM in Table 29) and thus displayed a low coherence of storytelling, no distinctive institutional strategy was formulated, e.g. resulting in unresolved friction.

Gerrymandering institutional processes was particularly put into practice via the mobilization of allies and the AOD’s inherent sentiment of being capable to do so. AOD’s compromise on the use of the word ‘rent’ by arbitraging the demands of the HQ-based staff and the local field logic exemplified this, as AODs members actively and persistently involved multiple stakeholders to promote the use of the word ‘rent’. At the same time, institutional processes, which were addressed with lower degrees of ally mobilization, yielded only non-manipulative strategies (see Table 29).

<table>
<thead>
<tr>
<th>Enablers</th>
<th>Mechanisms</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Identification</strong></td>
<td><strong>Status</strong></td>
<td><strong>Network Position</strong></td>
</tr>
<tr>
<td>Dom</td>
<td>Low</td>
<td>Fringe</td>
</tr>
<tr>
<td>Dom</td>
<td>Moderate/Low</td>
<td>Embedded</td>
</tr>
<tr>
<td>HQ</td>
<td>Low</td>
<td>Fringe</td>
</tr>
<tr>
<td>None</td>
<td>High/Low</td>
<td>Fringe</td>
</tr>
</tbody>
</table>

Table 29: AOD’s Institutional Strategies
6.11. My Position as a Researcher towards Audi on demand

The pivotal role that was assigned to AOD within Audi’s venture towards a transition from OEM to a digital company as well as its city-level operations in San Francisco posed a distinctive and unique research ground for multi-level institutional business research. The case provided great opportunities to learn about an organization's negotiation of internal as well as external demands while at a nascent stage of operations and institutional work. Moreover, due to the Diesel emission scandal, it constituted a particular case, making salient the role of organizational identity-related mechanisms such as the organization’s status in institutional strategizing.

In contrast to my expectations, the empirical phase in SF revealed that the organization had little interaction and recurring ties with local field-level actors and generally identified institutional processes. Instead, the organization’s focus lay in coping with conflicting logics primarily derived from internal demands of the Audi organization. AOD’s internal focus led me to adapt my line of inquiry to assess the unexpected yet revealing contextual settings. This methodological maneuverability (Yin, 2014) in turn yielded new and complementing academic contributions.

Preparing and conducting the empirical research highlighted the challenges of guarding the scholarly interest. At times, members of AOD saw me as a colleague rather than an external researcher. I repeatedly had to clarify this verbally and in writing, e.g. by decidedly using my private email address as opposed to the Audi employee email address. Throughout the empirical phase, I also had to safeguard my academic interest, e.g. when being approached to “also assess [another] topic” (Director 1, AOD), albeit this did not touch the academic scope of the research project. Moreover, both, in the interrogation but also the analytical phase, I found it challenging to maintain a critical distance and not develop a negative bias due to my personal disappointment in the company’s Diesel emission scandal.

By consciously oscillating between the academic and the practical world and due to my continuous attempts not to immerse myself fully into the operational and personal issues of the organization at hand, I could leverage the privileged access to the venture, while maintaining sufficient academic rigor. The case study thus resulted in a basic research with stakeholder advice (van de Ven, 2007), with the findings being presented and provided to the project sponsors at the long range planning department of the Audi AG.
7. Discussion and Conceptual Framework

As providers of urban mobility products and services, Zipcar and AOD belong to a new breed of rapidly internationalizing ventures that internet-based technological advances and an emerging self-service culture enable. Due to the nature of their business offerings, both companies' international subsidiaries need to cope with formal and informal rules of action, interaction, and interpretation on multiple levels (Lawrence & Suddaby, 2006; Thornton, Ocasio, & Lounsbury, 2012b). Particularly city-specific institutional processes require field-level organizational adaptations to heterogeneous demands, moving country-level institutional processes to the background.

Despite various strategic and structural differences, both the Zipcar and AOD cases pose ideal types of case studies to seek answers to the question: why and how MNE subunits cope with city-level institutional processes? More precisely, empirical analysis and comparison of the two cases draw attention to the call for research of "the connection between multiple, and often contradicting institutional pressures, and organizational responses that capture actors’ ability to maintain or change institutional arrangements" (Saka-Helmhout et al., 2016, p.3). Theoretical propositions of IB theory such as Regner & Edman (2013) guide my analysis of the two cases, yielding unprecedented insights that corroborate but also falsify and extend extant theory. Continuous framing of the cases’ empirical perceptions and concurrent searching for relevant and supporting theoretical frameworks opens a promising avenue to further include broader organizational studies and the role of organizational identity when analyzing MNE subunit's institutional strategizing.

7.1. The Field Perspective

A city-as-a-field perspective based on the strategic action field framework of Fligstein & McAdam (2011) proves a valuable concept for empirically assessing “meso-level social order[s…] where actors… interact with knowledge of one another under a set of common understandings about the purposes of the field, the relationships in the field… and the field’s rules” (ibid., p. 3). In both, the Zipcar and AOD cases, the organizations but also individual actors (particularly institutional champions) considerably influenced the organization's institutional action, which demanded methodological and epistemological consideration in my research. At the same time, the MNE subsidiaries maneuvered on multiple levels, including country and intra-organizational levels, e.g. AOD mitigating demands of the Audi importer organization.

MNEs generally seek to exploit differences and similarities between multiple host locations and fields while addressing similar institutional orders within the fields. The notions of field and industry characteristics become challenging, however, when comparing the various international contexts and levels of embeddedness, as in the cases at Zipcar, AOD, and other MNEs (Granovetter, 1985; Meyer, Mudambi, & Narula, 2010). To first understand the relevance of institutional orders globally with regards to Multinational Mobility Providers, the exploratory study Empirical Investigation 1 proved a sensible step. Analysis of local idiosyncrasies of both companies in Empirical Investigation 2 revealed that social positions and company characteristics differ substantially across city-level strategic action fields. This homogeneity necessitated a ‘nesting doll-like approach’, perceiving fields at multiple levels, but also sub-fields within overarching fields (Dunning & Lundan, 2008a; Kostova et al., 2008).
Similar to network-theoretical approaches, a struggle for the comparative case analysis consequently lay in framing the theoretical grid, i.e. to define which actors are in and which are out of the strategic action field. Zipcar displayed close ties to multiple city-level actors, whereas AOD predominantly channeled their institutional efforts within the broader Audi organization. These differing orientations complicated the definition of the strategic action field’s boundaries both theoretically and empirically in terms of data collection.

While network scholars claim that “networks do not have boundaries” (White, 1995) or are boundaries themselves, institutional scholars deal with this academic debate either by framing an empirically-guided field to avoid defining an organizational field (e.g. Purdy & Gray, 2009; Smets, Morris, & Greenwood, 2012), or developing further related theoretical grids. The general debate revolves around questions of nominalist vs. realist boundary definitions (Karafillidis, 2009), and the core issue of which nodes to select for academic study (Laumann, Marsden, & Prensky, 1989). Some scholars defend the view that “the choice of nodes… should be dictated by the research question and one’s explanatory theory” (Borgatti & Halgin, 2011, p. 1169). Contrarily, cybernetics of systems scholars postulate that such grids can only be assessed empirically, and not through a priori nominalist definitions.

Both case studies demonstrate the need for a twofold approach to and framing of “[fields as] master concepts and fundamental empirical sites for institutional analysis” (Owen-Smith & Powell, 2008, p. 599). Led by the research question, the broader, meta-level exploratory phase produced a list of ideas and an overview of relevant field-level actors and boundaries. The specific micro-level cases, however, define the strategic action fields based on specific criteria and attributes, e.g. whether the actor belongs to the organizational unit, the nature of their relationship, or actor roles (cf. Kieser & Ebers, 2013). Be it through my communication with research participants or an exchange with academic peers, monitoring the scientific observer of such strategic action fields as he or she defines boundaries and observes is advisable (Vobruba, 2016). Applying a strategic action field perspective to MNE subsidiaries provided a sharpened contribution to IB research, which has hitherto mostly failed to incorporate such various levels and sub-systems of institutional embeddedness (Granovetter, 1985; Helms & Levitsky, 2004; Meyer, Boli, Thomas, & Ramirez, 1997; Peterson, 2015). Extant IB publications primarily provide single-country or cross-country studies, while focusing on the nation-state level. Though this thesis cannot encompass complete and detailed differentiations of levels from the ‘nested doll’ perspective, it indicates that an MNE’s institutional strategy formulation, even while focused on a sub-national level, must incorporate a holistic vertical vision and approach (Desposato, 2006). This perspective then also delineates the prevalence, characteristics, and definitions of institutional processes with which MNE subunits are confronted.
7.2. Institutional Processes

Particularly the case of AOD displays formal and informal rules of action, interaction, and interpretation on multiple levels and within multiple fields. The institutional processes are prevalent on supranational, national, and regional societal levels, while also extending to the organization and its individual, embedded actors (Cantwell et al., 2009; Dacin et al., 2002; Kraatz & Block, 2008; Yang & Su, 2014). Following the definition of the strategic action field, the empirical assessment and operationalization of institutional processes necessitates a distinct conceptualization in terms of relevance to the assessed organization.

As the analyses of both Empirical Investigation 1 and 2 show, overarching second order categories or institutional orders are applicable, providing categories of institutional processes that are valid on a cross-field basis, such as Mobility Policy and Regulation or Mobility Culture. Emphasis on the prevalence of a central institution within a certain overarching field stems from Friedland & Alford's (1991) theorizing on institutional logics and orders. Thornton et al. (2012a) specify and extend Friedland & Alford's theory by defining these orders as family, religion, state, market, profession, corporation, and community (Bauer & Wesenauer, 2015). Each order in turn comprises institutional logics that are both material and symbolic.

“[Institutional logics] provide the formal and informal rules of action, interaction, and interpretation that guide and constrain decision makers in accomplishing the organization’s task and in obtaining social status, credits, penalties, and rewards in the process […] These rules constitute a set of assumptions and values, usually implicit, about how to interpret organizational reality, what constitutes appropriate behaviour, and how to succeed” (Thornton & Ocasio, 1999, p. 804).

Hence, institutional logics form the value and agency-inducing elements of institutional processes. By delineating the centrality of institutional logics to MNE subunit actors, the compatibility with its raison d'être, and the relevant stakeholders, the cases’ descriptions of the institutional processes mirror an important element of agency between organizations and individuals as actors (Besharov & Smith, 2014). The concept to describe institutional processes incorporates theorizing of more fine-grained institutional logic perspectives, thus contributing to the concept's dissemination and application in IB-related contexts (e.g. Kim, Kim, & Hoskisson, 2010). Moreover, analysis of the two case companies reveals that both organizations distinguish between two kinds of institutional processes. General institutional processes, usually at a higher (e.g. supra-national) level, are deemed unambiguous and unsusceptible to proactive institutional strategizing by MNE subunits, whereas ambiguous institutional processes trigger deliberate and specific organizational action and resource (re)direction towards a perceived rule. While Regner & Edman (2013) deem ambiguous institutional processes an enabler of institutional strategy, my empirical results refute such a perception by showing that both Zipcar and AOD carefully choose their battles. The companies preselect general, seemingly unchangeable institutional prescriptions, then acquiesce to the prescriptions while addressing those institutional processes the organizational members consider ambiguous, central, and compatible or incompatible with their business model. The scholarship generally refers to the multitude of such potentially incompatible or contradictory prescriptions from multiple institutional processes and inherent logics as institutional complexity, which as the analysis shows, is particularly severe for MNE subunits, demanding focused strategizing (Greenwood et al., 2011; Marano & Kostova, 2016; Pache & Santos, 2010).
7.3. Institutional Complexity and Organizational Identity

The case companies' consideration process to deal with institutional complexity has not been consistently coherent, conscious, nor rational. Against the propositions of IB research, which primarily associate organizational representation and prioritization of institutional processes according to the processes' proximity to home market institutions (Lin, Peng, Yang, & Sun, 2009), the empirical analysis highlights the roles of individual organizational members. Analogously to Kodeih & Greenwood's (2014) findings regarding French Business Schools' status affiliations, the two case studies exemplify individual organizational members differing significantly in terms of quantity and cohesion of field-level logic representation. Thus, the MNE subunits' assumptions on ambiguity, centrality, and compatibility (conjointly defining the representation and prioritization of an institutional process), depend on three core elements: relational ties between organizational members and process-relevant actors, recognition of leading advocates, and their goal orientation.

At Zipcar, various hierarchical levels and whole departments personally engage with field-level actors and even set up dedicated working groups to frequently assess and interact with institutional processes. As an example, the subunit established a department monitoring real estate development around London with the aim of shaping regulations around residential parking, while AOD followed a contingency approach regarding the SF-level field, incorporating only the most crucial institutional processes in the organization. Similarly, the global Audi-organization fosters various ties, facilitating an insinuation and prioritization of such demands. This finding corroborates the concepts of thickness (Greenwood et al., 2011) and strength of relational ties (Raffaelli & Glynn, 2014) determining the representation of institutional logics within organizations, while also potentially triggering internal tensions and conflicts among organization members (Battilana & Dorado, 2010; Pache & Santos, 2013; Zilber, 2002).

Secondly, as organizations communicate their values and stories through these relations, leading advocates addressing the institutional process amplify representation of various external demands. Leading advocates, or internal institutional champions, are highly embedded, recognized members holding credibility with key internal and external audiences (Aust, 2004; Hannan, 2010; Wry, Lounsbury, & Glynn, 2011). Zipcar had top management representatives engage in institutional work in London’s public sector, whereas AOD’s CEO primarily mitigated the demands of intra-organizational actors or other strategic issues such as the technological struggles, subsequently increasing these logics’ importance while potentially attenuating local field-level logics.

Thirdly, involved members’ goal orientation delineates the institutional processes’ compatibility not only with the organization's goals, but moreover with involved members’ self-interest. In this regard, Zipcar's interviewees commonly stated one goal, i.e. to enable smart and sustainable urban living, while the AOD organization displayed a conflict of goals (cf. Scherer, Palazzo, & Seidl, 2013), making it harder for the organization to balance contradicting demands. The organizational members were not anchored in a common identity, and would thus be more influenced by change in cognitive and normative currents within the strategic action field. These findings also corroborate the hypotheses of Wry et al. (2011, p. 453), who postulate that internal tensions may persist as long as members fulfill a “common purpose and their distinctive attributes are meaningfully linked to the group’s core features,” providing a sense of organizational membership (Hannan, 2010).
These three elements constitute the antecedent of the organizations’ identities. Serving as a filter to prioritize logics and mediate actors in the strategic action field, the organizational identity is a central, distinctive, and uncertainty-reducing element (Albert, Ashforth, & Dutton, 2000; Greenwood et al., 2011). As current theorizing shows, the three elements may moreover provide a cognitive structure representing what the organization stands for, and embodying contingencies such as language (Ran & Duimering, 2007), perception of reputation and status (Whetten & Mackey, 2002), knowledge-sharing practices (Kogut & Zander, 1996), and daily routines (Dutton & Dukerich, 1991). Thus, conceptions of ‘what we are’ and ‘what they are’ may significantly enable or limit the MNE subunits’ determinations of ‘what we do’ or indeed ‘what we may be.’

7.4. Enablers and Mechanisms that Organizational Identity drives

A company’s organizational identity determines the representation of relevant, ambiguous field-level institutional processes, linking macro-level institutions with micro-level agency. Organizational identity thus provides an additional important theoretical pillar for the actual institutional work, i.e. how organizations strategically address these ambiguous institutional processes, activating enablers and mechanisms in doing so. The central propositions for the empirical analysis for such enablers and mechanisms of institutional strategizing originate from IB scholars Regner & Edman (2013). Later, I revisit these propositions in conjunction with extant IB theorizing and current works on organizational identity. The analysis juxtaposes the propositions with empirical insights from the Zipcar and AOD case studies to yield a revised and strengthened typology for MNE subunit institutional strategy (see Table 30).

<table>
<thead>
<tr>
<th>Enablers</th>
<th>Predicted</th>
<th>Empirical</th>
<th>Predicted</th>
<th>Empirical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multinationality</td>
<td>Identification</td>
<td>Reflexivity</td>
<td>Reflexivity</td>
<td></td>
</tr>
<tr>
<td>Foreignness</td>
<td>Status</td>
<td>Resources</td>
<td>Coherence of stories</td>
<td></td>
</tr>
<tr>
<td>Institutional ambiguity</td>
<td>Network position</td>
<td>Role expectations</td>
<td>Capability to mobilize</td>
<td></td>
</tr>
<tr>
<td>Power</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 30: Predicted and Empirical Values of Institutional Strategies

As elaborated above, the theoretically proposed enabler multinationality could not be identified and corroborated in either case study. The multinational advantages or disadvantages such as xenophilia (pro-foreign bias) or xenophobia (anti-foreign bias) were of subordinate relevance in the formulation of MNE institutional strategies. Field-level as opposed to nation-level parameters, stemming from a strategic action field perspective (e.g. Marano & Kostova, 2016), constitute greater influencers. Likewise, institutional ambiguity did not serve as an enabler in either case, since the preselection of general and ambiguous processes and related institutional complexity occurs one step prior to the actual strategic institutional work. More generally, as depicted in Table 30 and outlined in detail in the sections below, I reclassified and refined some mechanisms as enablers, such as resources, which turned into power, or role expectations functioning as a status enabler. Extant theoretical propositions from organizational studies were thus detailed, and additional empirical artifacts framed, such as the identification with logics, coherent storytelling, and organizational capability to mobilize. With both enablers and mechanisms, the thesis exemplifies that organizational identity reduced uncertainty, provided direction, and thus influenced the case study companies’ responses to institutional complexity.
7.4.1. Enablers

IB research distinctly focuses on MNE headquarters and subsidiaries as key organizational units interpreting institutional prescriptions in distinct country environments. The MNE and its international subunits face a “complex combination of identities” (Vora & Kostova, 2007, p. 328), since multiple nationalities, educational backgrounds, cultural meaning systems, and employee value sets somewhat influence judgments about appropriate and legitimate practice and therefore strategy (Suchman, 1995). The term foreignness has historically described aspects surrounding organizational identity issues of foreign MNE subunits. Foreignness and related measures have been hitherto merely based on differences between home (MNE headquarter country) and host country (MNE subunit country), and thus overly simplified “what it means to be foreign” (Zaheer, 2002). While antecedents of foreignness lie in country-level factors, recent publications advocate attributing foreignness at the MNE subsidiary organizational level (cf. Edman, 2016a).

As seen in the analysis of the two case companies and in recent IB publications, various layers of MNE activity also result in multi-level identity tensions. Such tensions in turn affect institutional work on various levels, e.g. country, regional, or city levels (Ashforth, Rogers, & Corley, 2011; Walgenbach, Drori, & Höllerer, 2017). The IB literature’s notion of foreignness often conjointly encompasses the attributes members, network position, and external image, locating the foreign MNE subsidiary in relation to local, host-country organizations. To be foreign—originating from another place, speaking another language, and exhibiting divergent behavior—as opposed to local actors may yield both advantages and liabilities for MNE subunits (Hennart, 1982). IB scholarship concentrates on general advantages of foreignness such as learning and adaptation (Cuervo-Cazurra & Genc, 2008), performance (Nachum, 2010), R&D capabilities, or innovation (Un, 2016). Likewise, foreignness may lead to liabilities including higher transaction costs (Henisz & Delios, 2002), illegitimacy costs (Edman, 2016b), decreased likelihood of long-term survival (Gorostidi Martinez & Zhao, 2017), diminished performance (Zaheer, 1995), or lower efficiency (Miller & Parkhe, 2002). Most IB studies place a distinct focus on the aforementioned outcomes of foreignness as opposed to structured approaches to understanding foreignness’ attributes and mechanisms.

The majority of IB research on identity distinctively revolves around the individual member (e.g. Bonache, Langinier, & Zárraga-Oberty, 2016; Reiche, Harzing, & Pudelko, 2015). As empirical research and further OS studies indicate, member identification is the key element, bridging individual identity with MNE subsidiary organizational-level perspectives (Ashforth, Schinoff, & Rogers, 2016; Clark & Geppert, 2011). The literature generally defines identification as “the degree to which subsidiary employees experience a state of attachment to the parent” (Kostova & Roth, 2002, p. 220), i.e. a feeling of belonging to and deriving self-identity from organizational membership. The degree of acceptance of organizational values and goals characterizes the identification (O’Reilly & Chatman, 1986) that is further enhanced by perception of member similarity, isomorphism, and inter-organizational trust within and between the MNE subunit and other MNE entities (Kostova & Roth, 2002; Strang & Meyer, 1993). Consequently, strong member identification strengthens the representation and absorption of MNE headquarters’ logics in MNE subunits’ organizational identity. This process results in similarity of organization-wide practices and increased overall commitment (Stazyk, Pandey, & Wright, 2011), potentially also vis-à-vis institutional work in favor of such logics. Likewise, the process of identification exists in regard to field-level logics and the logics’ institutionalization within MNE subunits (Thornton & Ocasio, 2008). As shown in the cases of Zipcar and AOD, as well as various publications, dominant field-level
logics may pose conflicting identity demands and frictions with local stakeholders, e.g. as MNE subunit managers at AOD distinctly identify with the company’s home-country image and wording, increasing complexity costs and friction in local marketing communications (cf. Henisz & Delios, 2002; Husted, Montiel, & Christmann, 2016; Miller & Parkhe, 2002). Managers, who are leading collective-identity advocates and whose growth stories help or hinder the identification process, particularly influence the MNE subunit identification process, and thus streamline organizational practice and institutional work (Wry et al., 2011).

Alongside the prioritization of either MNE HQ or dominant field logics influencing institutional strategies, a third, ambidextrous identification may be possible. Relying on ambidextrous leaders with contextual capabilities to simultaneously display identification with multiple logics, enables organizational legitimacy vis-à-vis multiple institutional audiences. Such ambidextrous leaders reconcile multiple and potentially conflicting logics by loosely coupling their identities (Thornton et al., 2012b). Zipcar’s members signaling not to be an OEM or major international company when exchanging ideas with public sector actors, while accentuating such identity in negotiations with suppliers exemplifies this ability. Thus, when MNE subunits overcome their efforts to preserve their current identity (Albert et al., 2000), the adopted multi-loose-identity approach serves as a buffer and builds gaps in order to maintain “ceremonial conformity” (Orton & Weick, 1990, p. 341). In sum, MNE subunits may create, manage and transform multiple, differing identities in response to external institutional demands (Creed, DeJordy, & Lok, 2010; Edman, 2016b; Kraatz & Block, 2008).

To summarize, the configuration of MNE subunits may presumably establish logic identification in three forms: primary HQ logic identification, primary dominant field logic identification, or a conjoint identification with both or even multiple logics. In cases representing none of these logics, a collective, streamlined identification process may not take place, resulting in a fragmented, fuzzy MNE subunit identity. The concept of identification hence provides more fine-grained, logic-oriented, and multi-level parameters within the concept of foreignness.

IB scholarship on the second element of foreignness, network position, proposes that MNEs and their subunits usually occupy peripheral network positions (Johanson & Vahlne, 2009). As Zaheer (2002) suggests, an MNE subunit’s foreignness is defined by its “position in the host country [and...] its linkages to important actors” (ibid., p. 352). The two cases show differences in terms of network positions in the country, but more importantly in the city-level strategic action field. AOD found itself in a fringe, peripheral position, limiting access to local knowledge and financing (Bell, Filatotchev, & Rasheed, 2012) and even excluding AOD from local tacit knowledge networks (Schmidt & Sofka, 2009). While IB publications suggest that a peripheral network position may “buffer members from the influence of [institutional] logics present within a field” (Besharov & Smith, 2014, p. 370) and increase willingness and ability to “introduce products and practices that diverge from prevailing behaviors and practices” (Edman, 2016b, p. 684), AOD did not knowingly utilize these advantages.

Zipcar on the other hand, with a strong local background, attempted to overcome the aforementioned liabilities by strengthening ties to local actors, moving strongly towards an embedded position (e.g. Darendeli & Hill, 2015). The cases show that an MNE subunit’s dependence and autonomy in relation to the MNE headquarters influence the position as well as degree and number of linkages to important field actors, for which IB research gives some indication (e.g. Dörrnbächer & Gammelgaard, 2011). Kostova & Roth (2002, p. 218) define
dependence as the MNE subunit’s reliance on “the support of the parent organization for providing major resources, including technology, capital, and expertise [and the parent organization’s…] control.” The more the MNE subunit sees itself as dependent on and heteronomous from MNE headquarters, as opposed to other field-level actors, the more it will engage in self-identity work that MNE headquarter logics dominate, leading to an outsider or foreign identity, since the subunit needs to foster this relationship and practice in line with the MNE headquarters’ logics (Alvesson & Willmott, 2002; Lok, 2010). This reasoning matches the assumptions of Cantwell et al. (2009) and Teece (1997), that more autonomous MNE subsidiaries are more likely to proactively reconfigure and transform from within. Summarizing and applying an agency perspective, an MNE subunit’s network position may range from fringe to embedded, thereby influencing its institutional strategizing.

The third element of foreignness, external image and perception, is important in shaping an MNE subunit’s organizational identity (Edman, 2016a). One of the principal aspects of Zipcar and AOD’s external image and perception is the issue of status. According to Max Weber, ‘status group’ refers to a group that has relative prestige, privilege, and honor compared to comparable groups or organizations (Adair-Toteff, 2016; Phillips, Turco, & Zuckerman, 2013). IB research postulates that, irrespective of actual quality or capability, MNEs tend to receive higher status attributions than local country firms, which may result in ‘Matthew effects’ and positive discrimination such as preferential treatment, decreased isomorphic pressure, better access to field resources, or facilitated talent recruitment (for an overview see: Edman, 2016b).

The research on AOD’s status exemplifies, however, that status can be field-dependent and signal the particular position an organization occupies in the hierarchy of the differing field’s categories (cf. Piazza & Castellucci, 2014). Particularly for the newly-established subunit in San Francisco, balancing the status of the global MNE’s brand and its extensive visibility and media attention, the home-nation identity and the ‘new-kid-on-the-block’ category produce an organizational identity struggle since high status affiliation leads to coercive and normative pressures, and potentially liabilities (Jensen, Kim, & Kim, 2011; Saxton & Saxton, 2011; Skippari & Pajunen, 2010). While the foreign or ‘alien’ stature (Hennart, 1982) and attributed xenophilia or xenophobia can present one status category, other categories may be prevalent or even dominate various international fields at various levels. Such categories may constitute the status of a public transport company versus a private company in the case of Zipcar, or general aspects like attributed product quality or capabilities (Benjamin & Podolny, 1999; Papadopoulos & Heslop, 2014).

While foreign status is relevant to both company cases, its salience varies significantly between the two firms, and is thus field- and organization-dependent (Petersen & Pedersen, 2002). Edman (2016a, p. 678) also exemplifies such dependence: “IBM’s Japanese subsidiary is widely viewed as being similar to local Japanese firms, while Goldman Sachs Japan is perceived as a distinctly foreign entity; this is despite the fact that both firms originate in the United States.” Such judgments are based not only on the way external audiences perceive the field foreignness or category status of MNE subunits; how the organization itself interprets its own status and how it aspires to be seen is more important, shaping institutional work (Greenwood et al., 2011; Jensen & Roy, 2008; Kodeih & Greenwood, 2014; Teece, 2007). Along these lines, Meyer & Rowan (1977, p. 361) were amongst the first to theorize that the more highly-institutionalized the environment, the more time organizational elites devote managing “their organization’s public image and status and the less [time they devote to managing…] particular boundary-spanning relationships.” Kodeih & Greenwood (2014, p. 33) extend this perspective by postulating that “status mediates the
organizational interpretation of institutional complexity and produces variation in their responses.” This relationship between status and interpretation is evident in the study of Riaz, Buchanan, & Bapuji, (2011) on “elite” bank executives, where high-status actors engage in deviating behavior of crisis and rhetorical processes (e.g. avoidance of critical discussion) to communicate their institutional position. Similarly, Durand & Szostak (2010) argue that high-status organizational actors enjoy freedom to change what is expected and desirable in a field, and are likely to be imitated by other field-level actors. The conclusion for MNE subunits is hence twofold: their status in a field may range from high to low, depending on field-level xenophilia or xenophobia as well as the perceived status of the dominant field category. The way an MNE subunit wants to be seen and interprets its status will then influence the institutional strategizing of the MNE subunit.

The notion of resources, and power in broader organizational identity-related terms, has been the fourth crucial enabler in the study of the two case companies’ responses to heterogeneous environments. Both case companies display similar statements in terms of their financial resource endowment, defining the scope of institutional work, e.g. Zipcar spends 4 million pounds annually on marketing alone. Moreover, the case companies state their technological set-up and employee experience as valuable resources, while attenuating the knowledge exchanges with other international subsidiaries as an important resource due to differences in field-level characteristics. Strikingly, both companies benchmark their resources with the perceived power of other institutional actors, such as Silicon Valley firms, which they regard as more powerful and thus capable of proactively influencing institutions. An MNE subunit’s interpretation of its organizational power (e.g. power identity) compared to other organizational actors may pose a more precise enabler than the actual resource endowment. The literature typically distinguishes five types of power, based on the seminal work by French, Raven, & Cartwright (1959): referent, expert, reward, coercive, and legitimate power. Given the study’s focus on organizational actors’ distinct institutional work, power is most pertinently understood as “the ability to get others to do something that they would not otherwise do” (Dahl, 1957, p. 131). Power is generally based on the availability of tangible and intangible strategic resources, enabling an organization to cope with problems arising from its environment (Salancik & Pfeffer, 1977). While the notion of status is linked to power in numerous publications, a distinct differentiation is advisable, since organizations or groups may be powerful despite having little status or vice versa (cf. Magee & Galinsky, 2008; Sachdev & Bourhis, 1991). Thus, status positions the organization on valued dimensions of comparison and thus creates expectations of behavior, whereas power defines the perceived degree of control an organization has over valued resources, thereby influencing the behavior of others (cf. Fiske, 2010). Child & Rodrigues (2011) note that less powerful corporations are limited to a single strategy, while more powerful organizations may have a greater choice of institutional strategies available. Within the boundary-spanning structure of the MNE, the MNE subunit is a “nodal point in the linkage that exerts power and influence” (Giroud & Scott-Kennel, 2009, p. 6). In IB research, the study of power mostly focuses on resource- or agency-based struggles of budget and competence allocation between an MNE subsidiary and its MNE headquarter (Dörrenbächer & Gammelgaard, 2011; Mudambi & Navarra, 2004). In a more extended discussion, however, corroborating the empirical findings described above, OS research highlights the explicit role of organizational identity being another “power resource... constitut[ing] significant aspects of organizational behavior” (Humphreys & Brown, 2002, p. 425). We may thus assume that perceived resource availability and control over other actors contributes to an organization’s understanding of its own power driving MNE subunits’ behavior. One of the first publications to address this issue was the organizational study of the Holocaust by Martí & Fernández (2013), showing that an organization’s power identity may moreover influence an organization’s institutional work and
present a means to achieve and express power. While applying a somewhat undifferentiated definition of power, this resonates with an IB-focused study of Clark & Geppert (2011), which stress that actors within subsidiaries engage in “sensemaking processes,” i.e. they use their “power and other resources to enact their subsidiary identity, to respond meaningfully to and thereby influence the behaviour of others” (p. 9). In summary, we may hence hypothesize that an MNE’s subunit status supports a strong power identity and influencer perception that reinforces institution building and proactive forms of institutional work.

7.4.2. Mechanisms

The empirical and theoretical analyses above show that the “construction of organizational identity as a way of dealing with institutional complexity” (Yu, 2013, p. 107) is increasingly in the spotlight of IB and OS researchers. Identification, network position, status, and power serve as enablers to legitimize MNE subunit organizational identity to institutional audiences (Kostova et al., 2008). While some MNE subunits may attempt to reduce their foreignness, others may “accentuate foreignness as separate, but still legitimate, minority identity in the minds of audiences” (Edman, 2016b, p. 681). The question of how MNE subunits define the foreign identity and what mechanisms they enact to engage their organizational identity’s attributes is thus highly relevant to the assessment of overall strategizing (Edman, 2016a; Schreyögg & Sydow, 2010). Stemming from both the case findings and latest IB and OS literature, these mechanisms include reflexivity, coherence of stories, and capability to mobilize.

As a prime example, Zipcar’s top management possesses a high ability to “attain some cognitive distance from, and in some cases even a critical stance toward, the institutions in which they are embedded” (Creed et al., 2010, p. 1338). Reflexivity can thus be understood as a general mindset and meta-platform within the MNE, promoting proactive assessment of institutional processes and contributing to change in organizational identity (Albert et al., 2000; Scherer et al., 2013). Reflexivity is assumed to potentially be a general advantage of MNE subunits, since member heterogeneity and outsider position, institutional work and “taken-for-granted practice” from other environments of the MNE may be considered and transferred (Mutch, 2007; Regner & Edman, 2013; Zaheer, 1995). Seeing beyond local norms and regulations, analyzing history, and exhibiting wisdom help MNE subunits build stronger cultures, engage more proactively in local learning, and identify and prioritize champions or heroes and heroines internally and externally to promote certain logics (Albert et al., 2000, 2000; Henisz & Delios, 2002; Orton & Weick, 1990; Regner & Edman, 2013). In summary, MNE subunit reflexivity generates more direct, localized, and coordinated responses to institutional prescriptions (Scherer et al., 2013).

The ‘sensemaking processes’ of MNE subunits as part of identification processes, which lead to ‘sensegiving processes’ within institutional audiences, evolve and manifest themselves in identity-constructing stories MNE subunits and their inherent actors tell (Gioia & Chittipeddi, 1991). Largely neglected by IB research, the empirical analysis details how aligned rhetorics, the production and validation of corroborating rationales through external actors, can utilize extant identification and assist in alignment process with prevalent logics. As extant OS theory more precisely explicates, the perception, interpretation, evaluation, and attribution of similar characteristics, as well as involved actors’ enhancement of respective ceremonies and rituals, eventually define the coherence of stories told (Clark & Geppert, 2011; Orton & Weick, 1990). These characteristics, i.e. the vocabulary, meaning, and labels associated with the organizational identity, are thus “narrative constructions that are bound to the stories communicated by the members” (Wry et al., 2011, p. 450), which, when further disseminated by the media, can lead to organizational celebrity.
Within both Zipcar and AOD subsidiaries, the local managers’ language of sensemaking shaped the political process of local organizational identity construction and moreover, potentially promoted dialogue about future identity (cf. Albert et al., 2000; Yu, 2013). In addition to content and coherence of the stories, expansion of members telling these stories importantly predicates the legitimacy of the collective identity (Wry et al., 2011). These storytelling processes vis-à-vis institutional audiences can occur within the MNE subunit itself or on sub-levels, e.g. in working groups, leading to structural consistency enabling multiple coherent stories geared toward potentially differing audiences and functions (Kraatz & Block, 2008; Schreyögg & Sydow, 2010). Creating a coherent, defining organizational identity story can hence be understood as a political and structural process, which requires extensive reflexivity and prominent advocates’ maneuvering (Pratt & Foreman, 2000). If an MNE subunit cannot balance identity demands and linguistic identities within a field (cf. Bordia & Bordia, 2015), institutional “audiences are likely to be confused” (Wry et al., 2011, p. 453). The coherence of stories an existing array of members within the MNE subunit and the field tell thus delineates the degree of friction with institutional audiences and the coherence of institutional work of any nature, whether passive or proactive.

The key premise for change, as the Zipcar and AOD studies exemplify, is the capability to mobilize allies attempting to favorably influence institutional settings in cooperation with a larger audience. Zipcar’s mobilization of its competitors to change car-sharing legislation particularly produces and highlights political and social skills, collective identity creation, continuity, and persistence, nuances which are mainly embedded in individual members. Moreover, the mobilization highlights an element of organizational identity: the organization ‘feeling capable’ to lead and induce change in an institutional setting. IB theorizing on capabilities mostly concerns advantages or liabilities resulting from multinational capability exchange within the MNE (cf. Regner & Edman, 2013). As Rugman & Verbeke (2000) exemplify in their analysis of environmental practices of MNEs as opposed to domestic firms, MNEs and their subunits are considered capable of transferring internationally-developed capabilities, thereby creating more proactive, differing institutional strategies. On the other hand, Mezias (2002) shows that foreign firms operating in the US are more likely to lose lawsuits because they are incapable of interpreting local legal practices and cultural codes. While most IB research assesses capability decoupled from organizational identity, OS scholars such as Glynn (2000), in her study of the Atlanta Symphony Orchestra, highlight and corroborate the empirically-observed relevance of institutional identity claims vis-à-vis the construction of core capabilities. Organizational identity thereby frames “how perceptions of core capabilities can become constructed for the institution” (Glynn, 2000, p. 295). This perception of capabilities as part of an organizational identity is highly embedded within organizational members and the profession (Greenwood et al., 2002; Thomas & Hewitt, 2011). Applying a first IB perspective, Reiche, Pudelko, Carr, & Voisey (2010) extend this view through their case study of a Japanese MNE subunit in the US, showing how a hybrid organizational identity and idea of ‘what we can do’ enacted and interacted with the organization’s capabilities of knowledge, strategy, and structure. With regard to institutional work, we may thus assume that an MNE subunit’s perception of such a contextual capability (cf. Scherer et al., 2013), may be an important prerequisite to aligning the organizational identities with respective practices (cf. Raffaelli & Glynn, 2014), mobilizing allies to support a vision, and thus driving more proactive forms of institutional work (e.g. ‘we are capable of implementing a new logic’).
7.5. Organizational Identity and Institutional Strategy

From filtering institutional complexity to enabling and realizing strategic approaches, the empirical and theoretical research highlights how organizational identity “serves as a rudder for navigating difficult waters” (Albert et al., 2000, p. 13). Although IB and OS scholars recognize that organizational identity is central to entrepreneurial attempts to theorize the need for change (cf. Lok, 2010), the literature has mainly viewed organizational identity as a means to establish an organization’s legitimacy regarding the field’s dominant logics (Creed et al., 2010; Edman, 2016a; Suchman, 1995; Wry et al., 2011).

Exposed to multiple field-level actors emitting various potentially contradictory logics, MNE subunits enact “heterodox ways of responding to the accountability demands of their environment” (Greenwood et al., 2011, p. 351). Organizational identity enablers (identification, network position, status, power) and mechanisms (reflexivity, coherence of stories, capabilities) effectuate a field-level prioritization of institutional processes and passive, legitimacy-seeking approaches. As this empirical research exemplarily carves out, the possibility of multiple organizational identity configurations may furthermore lead to proactive forms of institutional work that “create, maintain and disrupt institutions” (Lawrence & Suddaby, 2006, p. 9).

While passive forms may constitute legitimacy-oriented strategy, proactive, logic-creating, or deviating forms may involve distinct identity construction and thus institution (re)building (cf. Clark & Geppert, 2011). As seen in the Zipcar and AOD cases, MNE subunits may engage in compartmentalization of organizational identity, internally preserving a distinct identity, while symbolically committing to certain logics and decidedly applying their ‘foreign stature’ in others (Edman, 2016a; Greenwood et al., 2011; Saka-Helmhout et al., 2016). Consequently, MNE subunits rarely enact a one-size-fits-all approach to institutional processes. Rather, based on their organizational identity configuration, subunits may engage in organizational fluidity and employ contingency-based approaches in order to remain flexible and agile (cf. Scherer et al., 2013; Schreyögg & Sydow, 2010).

Grounded in the seminal work of Oliver (1991), and IB-specific propositions of Regner & Edman (2013), my analysis of the Zipcar and AOD case study findings indicate that the degree of proactiveness of organizational identity-induced institutional strategies may range from acquiescence, compromise, avoidance and defiance to collective, or solitary manipulation. Moreover, the analysis introduces ‘unresolved frictions’ as a category, by which the subunit unsuccessfully attempts to achieve a coherent, sustainable strategy with regards to a specific institutional process.

Acquiescence characterizes the most passive form of strategy, whereby organizations respond to institutional processes by consciously or unconsciously adapting and conforming to requirements from external institutional constituents (Pache & Santos, 2010). IB theorizing mostly focuses on conformity to host country institutions and MNE subunits’ attempts to reduce their field foreignness by increasing identification with dominant logics, thus pursuing strategies of local isomorphism (Salomon & Wu, 2012). As the AOD case exemplified particularly well, the key enablers to institutional process adoption or acquiescence are MNE subunit identification with the local logic, a low perceived status (e.g. as a ‘Diesel emission scandal traitor’), a fringe network position, and primarily a low power identity (i.e. not assuming enough resources to change the respective institutional process). These enablers are only enacted by coherent storytelling as a mechanism,
which assists in a resolution process to achieve such acquiescence, leading to the first hypothesis of an organizational identity strategy:

**H1 An MNE subunit is more likely to pursue an acquiescence strategy given higher identification with the dominant field-logic, a more fringe network position, lower status and power, and a higher degree of coherent storytelling.**

**Compromise** describes organizational attempts to arbitrate competing, contradictory institutional demands and arbitrarily negotiate mutual adaptations through mild alteration of demands, mild alteration of responses, or both (Kodeih & Greenwood, 2014; Smets & Jarzabkowski, 2013). These alterations constitute mediating attempts to reconstruct and combine underlying field logics through internal identity work while constructing and performing particular organizational identities (Creed et al., 2010; Lok, 2010). The MNE subunit may exercise one of the following strategies: slightly adapting overall organizational identity, accentuating or attenuating multiple identities in order to buffer isomorphic pressures, and strengthening or weakening relationships to field-level xenophilia or xenophobia (Edman, 2016a). Both case companies accentuated their large, prestigious MNE identity in negotiations with local xenophilic suppliers to receive preferential treatment, while attenuating such identity in favor of a low-resource start-up or “green organizational identity” (Song & Yu, 2018) when dealing with city-level actors. As Edman (2016b) and analyses of the parking management institutional process of both case companies above show, MNE subunits achieve compromises by displaying strong identification with the logic of the dominant institutional process, thus yielding a moderate status with regards to relevant institutional audiences’ expectations (e.g. Zipcar matching the boroughs’ goals of reducing car ownership). Such aligned identification can offset the power differential to more powerful institutional audiences. This status building (Phillips et al., 2013) or relatively more financial endowment contribute to the key enabler for compromising strategies: a moderately powerful position vis-à-vis the process-dependent actors. The MNE subunit then utilizes this enabler by engaged members’ high reflexivity, which members developed through organizational training policies and socialization, to achieve moderate mobilization of allies (Battilana & Dorado, 2010; Scherer et al., 2013). These processes then function in a further important role as mechanisms in compromise or hybridity strategies. These functions lead to the second hypothesis:

**H2 An MNE subunit is more likely to pursue a compromise or arbitration strategy given higher identification with the dominant field-logic, more moderate status, a more embedded network position, and a more moderate power position. The higher the firm’s status in this setting, whether driven by xenophilia or field category attributes, the more the status can offset power differentials. MNE subunits are more likely to utilize enablers for a compromise or arbitration strategy, given the subunit’s higher reflexivity to see institutional differences and more moderate mobilization of allies.**

**Avoidance** “refers to the attempt by organizations to preclude the necessity to conform to institutional pressures or to circumvent the conditions that make this conformity necessary” (Pache & Santos, 2010, p. 462). Avoidance constitutes instances where MNE subunits are unable to fulfill identity demands or reject specific expectations and regulations while simultaneously evading relevant institutional actors’ notice. When analyzing the two companies, only AOD displayed an instance of institutional avoidance, when the MNE subunit failed to change the Conditional Use Permit, as required since the organization moved office addresses. This avoidance strategy was primarily based on a strong identification with the German headquarters’ identity, the subunits
fringe network position, and low power perception vis-à-vis the CUP legislators. High reflexivity to see institutional differences and anticipating a low probability of legislators’ coercive measures contributed to deploying this avoidance strategy. As opposed to the findings of Regner & Edman (2013), the subunit’s perception of their own status, which was rather low in the empirical cases, only functions as a minor enabler since this option does not fully consider the interpretation of audience expectations. As other empirical examples such as VW’s behavior in the Diesel emission scandal suggest, however, a high status interpretation may equally be present in avoidance strategies. Either way, mobilizing field-level allies is not necessary an avoidance or circumvention strategy delineating a solitary institutional strategy by an MNE subunit. The third hypothesis postulates:

H3 An MNE subunit is more likely to pursue an avoidance strategy given higher identification with the headquarter logic, a more fringe network position, and a lower power perception. The higher the reflexivity to depict institutional differences, the more likely a subunit is to utilize enablers to engage an avoidance strategy.

Similar to avoidance in nature, defiance describes another strategic approach to institutional processes that the MNE subunit neither wants to accept, nor feels the power to proactively shape. Instead, the subunit mostly ignores and rejects inherent institutional demands, attempting to actively contest or “remove the source of contradiction” (Pache & Santos, 2010, p. 463). As Zipcar’s reaction to floating car-sharing schemes such as DriveNow displays, subunits engage in defying strategies when they particularly identify with the headquarter logic, e.g. the station-based car sharing model. Moreover, there is a moderate status, i.e. field-level actors expecting the subunit not to lead (high status), nor neglect (low status), but to respond to (moderate status) certain institutional processes due to an embedded network position. The organization believes it has little power to change or define the institutional process, e.g. changing the floating car-sharing norm. High reflexivity to perceive such institutional ambiguities and the central impact on the business model combined with supporting storytelling through corroborating rationales and moderate mobilization of key stakeholders in the field generates a defiance strategy.

H4 An MNE subunit is more likely to pursue a defiance strategy given higher identification with the headquarter logic, more moderate status, a more embedded network position, and lower power perception. The likelihood to engage such enablers towards a defiance strategy increases given higher reflexivity, higher story coherence, and more moderate capabilities to mobilize. Defiance and manipulation describe the institutional strategies bearing the most friction with prevalent and competing field-level logics. Manipulation extends the conflicting approach of defiance through proactive measures and approaches to control and alter the source of conflicting institutional demands and induce field-level institutional change. As both empirical and theoretical analyses show, MNE subunits decidedly deploy their organizational identity. They may strengthen an extant organizational identity, aspire to or create a certain identity in order to bring about field-level transformations (Kodeih & Greenwood, 2014; Rao, Monin, & Durand, 2003). By compartmentalizing organizational identity proactively, organizations may moreover forge new identities that support novel logic combinations and organizational archetypes, thereby acting as institutional entrepreneurs (Battilana et al., 2009). The analyses above yield two distinct forms of institutional manipulation, manipulation by collective action and manipulation by solitary action. Following the collective action rationale, IB scholarship primarily posits that MNEs, which are simultaneously characterized by a high degree of field foreignness and power, may naturally
display such collective manipulation behavior through proactive legitimization and mobilization strategies (Battilana & Dorado, 2010; Campbell, Eden, & Miller, 2012) as well as reputation-building (Husted et al., 2016). Zipcar’s approach to the Car Club Coalition to create concept awareness for car-sharing poses an archetype for such collective institutional work.

Simultaneous identification with the headquarter and the dominant field logics is the core determinant of a collective manipulation strategy. High status, i.e. field-level actors’ expectation that the subunit will induce change, amplifies this determination. Continuous embedment towards the field center as well as low to moderate power are further enablers for collective manipulation. High reflexivity to depict the field and process ambiguities while simultaneously identifying institutional champions may offset lower resource endowment and subunit power. Intensive and coherent storytelling along with high capability to mobilize champions and other relevant field actors to disseminate the envisioned story leads to institutional creation or change.

**H5 An MNE subunit is more likely to pursue a collective manipulation strategy given higher simultaneous identification with the dominant field and headquarter logics, a more embedded network position, and more moderate power. The subunit is more likely to utilize enablers towards a collective manipulation strategy, given higher reflexivity to identify institutional champions, higher story coherence, and higher capability to mobilize others.**

In contrast to collective manipulation approaches, solitary manipulation occurs when MNE subunits single-handedly change or create institutional processes without mobilizing other potentially competing field-level actors (cf. Bridwell-Mitchell, 2015). This strategizing primarily arises when new actors target a highly ambiguous institutional process, perceiving sufficient power to shape the process and overcome stakeholder complexity without support from further allies, thus reaping institutional first-mover effects. Zipcar’s proactive shaping of Section 106, regulating car-sharing parking spots in new buildings in accordance with the Zipcar business model, falls into this category. Here, the MNE subunit primarily follows the headquarter logics and builds on its high status amongst key institutional audiences, e.g. as a ‘partner/collaborator.’ Proximity to the respective institutional audiences and simultaneous display of a fringe network position to other potentially competing field-level actors further enables solitary manipulation. Primarily power, both through highly-qualified and convinced individuals as well as abundant resources, reinforces such strategizing. These enablers effectuate a high reflexivity to identify ambiguities between home and host countries, thus identifying opportunities for solitary manipulation, which high coherence of stories to provide compelling rationales supports. By nature of this approach, the capability to mobilize is low, since the entity is pursuing a solitary competitive institutional advantage.

**H6 An MNE subunit is more likely to pursue a solitary manipulation strategy given higher identification with the headquarter logic, a more fringe network position, higher status, and higher power. A subunit is more likely to effectuate enablers towards a solitary manipulation strategy given higher reflexivity to perceive institutional opportunities and higher coherence of stories told.**

Lastly, there are cases in which MNE subunits identify ambiguous institutional processes that may be central to the business model, but which display such high stakeholder complexity that they are impossible for the MNE subunit to manipulate. Both empirical cases highlight frictions around the normative stance of public and private transports and the accompanying economic expectations. Neither subunit could develop coherent identification with rival logics, and both occupied fringe network positions due to the multitude of stakeholders delineating such norms.
Consequently, the MNE subunits possessed low power to shape the institutional process, so could not produce reflexivity, coherent story-telling, or ally mobilization to change such norms (e.g. that public transport operators should be able to make a profit). Although the case companies stated these examples as processes they addressed, their strategizing resulted in unresolved institutional frictions.

H7 An MNE subunit is more likely to remain in an unresolved institutional friction given lower identification with any logic, a more fringe network position, and lower power. These enablers lead to lower reflexivity, story incoherence, and low ally mobilization, resulting in strategic attempts that fail to yield coherent strategy results.

In sum, Table 31 maps out the hypotheses and theoretical framework, highlighting possible combinations and relationships of organizational identity-based enablers, mechanisms, and various institutional strategies. All depicted enabler - mechanism combinations are stated, while parameters of no or little relevance are included in parentheses for stake of thoroughness.

<table>
<thead>
<tr>
<th>Enablers</th>
<th>Mechanisms</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification</td>
<td>Status</td>
<td>Network Position</td>
</tr>
<tr>
<td>Dom</td>
<td>Low</td>
<td>Fringe</td>
</tr>
<tr>
<td>Dom</td>
<td>Moderate</td>
<td>Embedded</td>
</tr>
<tr>
<td>HQ</td>
<td>(High/Low)</td>
<td>Fringe</td>
</tr>
<tr>
<td>HQ</td>
<td>Moderate</td>
<td>Embedded</td>
</tr>
<tr>
<td>HQ/Dom</td>
<td>High/Moderate</td>
<td>Embedded</td>
</tr>
<tr>
<td>HQ</td>
<td>High</td>
<td>Fringe</td>
</tr>
<tr>
<td>None</td>
<td>(High/Low)</td>
<td>Fringe</td>
</tr>
</tbody>
</table>

Table 31: A Model of MNE Subunit Identity Responses to Institutional Processes
8. Conclusion and Critical Outlook

“We know what we are, but know not what we may be.”
- Ophelia in William Shakespeare’s Hamlet, Act 4, Scene 5

8.1. Theoretical Contribution

The way organizations, and specifically MNE subunits, frame and cope with multiple institutional processes on various levels is an emerging focal point of analysis for IB and OS research (Holm, Decreton, Nell, & Klopf, 2017; Peng, 2017). The frame of ‘what we are’ (i.e. organizational identity) may not only act as an organizational filter for institutional complexity, but also shape an organization’s response to conflicting demands, the ‘what we may be.’ Building on unprecedented empirical insights and interdisciplinary theorizing, my thesis contributes on a general level to the study of organizational identity in the mediation of MNE subunits and their conflict with multi-level institutional processes.

The primary contribution lies in the developed strategy framework and institutional advantage that combinations of multiple organizational identity traits create, a factor hitherto largely overlooked. In contrast to multiple singular perspectives of IB research (e.g. Regner & Edman, 2013), my research reveals that MNE subunits do not enact their institutional strategies in one best way. Rather, subunits engage in organizational fluidity, applying identity-based enablers and mechanisms on a contingency-basis highly dependent on characteristics and value categories of the addressed institutional processes within distinct fields. The model thus relies on four epistemic assumptions.

First, by introducing the strategic action field perspective (SAF), this thesis extends the much-applied OS institutional field perspective by providing a conceptual scaffold accommodating the multi-level nature of MNE operations. This SAF perspective emphasizes the role of the organization as an interconnected actor, embedded in a web of common understandings, i.e. agreed upon, prioritized logics (Zietsma, Groenewegen, Logue, & Hinings, 2017). By introducing the idea of multiple fields and inherent sub-fields, the Russian ‘nested doll’ perspective from Fligstein and McAdam (2011), my thesis provides a tool facilitating the operationalization of empirical MNE subunit-oriented institutional research. More importantly, it refutes the unilateral nation-only perspective of IB scholarship. While the findings do not call for an irrevocable renunciation of the concepts of multinationality and inherent traits, they emphasize that such constituencies constitute only one of many determinants of MNE subunit strategizing. Agency-inducing, field-level logics that organizational actors confront, connect to, and interact with should thus receive more attention.

Second, the synthesis elucidates how multiple logics are prevalent within institutional processes. Few studies provide holistic institutional views incorporating defined methods of identifying formal and informal institutions or institutional processes (Cantwell et al., 2009; Hoskisson et al., 2013; Stephan et al., 2014). Particularly informal institutions are often idiosyncratically defined (cf. Kang & Jiang, 2012), blurring distinctions between formal, normative, and cultural-cognitive institutions. To rectify this oversight, my thesis builds a twofold ontologically-sound concept. It uses the idea of overarching institutional orders that classify categories of institutional processes, which are valid across interactively-defined strategic action fields of MNE subunits within one organization or industry. Within these orders, the concept then classifies institutional processes as the field-level
rules of action and interaction based on their ambiguity, centrality of representation to actors, compatibility of the organization’s business model with such processes, and stakeholder complexity. In classifying these processes, the concept sharpens the boundaries of the SAF perspective and guides empirical analyses of such processes. Moreover, it enables both inductive empirical and a priori hypothesis-driven analysis of institutional processes. The empirical part of the research exemplifies this approach by applying a qualitative method, triangulating three streams of data and specific coding rules. The application of the concept helps to define the strategic action field and yields both overarching orders and relevant institutional processes. Through these definitions, my thesis significantly advances methodological approaches to institutional research.

Third and most importantly, my thesis elaborates how previously-assumed MNE-specific traits prove to be less relevant and appropriate theoretical constructs in the assessment of MNE subunit institutional strategizing from an SAF-level perspective. IB scholarship posits MNE-specific traits such as foreignness (cf. Regner & Edman, 2013) and MNE-specific institutional advantages or assets of foreignness (Mallon & Fainshmidt, 2017) that prove too broad to depict the idiosyncrasies of MNE subunit strategy formulation. A more fine-grained contextualization of organizational identity provides sharper, more reliable determination of enablers and mechanisms of various institutional strategies. Following an agency-based perspective, the organizational identity is an MNE subunit-level construct that mediates field-level value categories within the logics of institutional processes. Organizational identity filters institutional audience expectations, and thus displays congruence or incongruence with the subunit members’ identities and logics. Representation of differing logics within the subunit’s members delineates the institutional scope of action, and potentially necessitates the compartmentalization of different organizational identities. Without being MNE-subunit-specific, organizational identity enablers encompass four elements, mitigating IB foreignness research with OS perspectives. Identification with field-level dominating or headquarter logics influences the member-level prioritization of multiple logics. Strong ties to relevant actors and contextual capabilities of individual members characterizes identification, which enables mobilization-focused, proactive institutional strategies and potentially compensates for lower financial resource availability. Status delineates how MNE subunit members assume that process-relevant stakeholders appraise the organization in terms of field-level value categories. Higher perceived status may provide an impetus for more proactive institutional strategies. Network position, i.e. ‘where we are,’ determines members’ interpretation of positioning in the SAF. A fringe – in IB terms, foreign – position enables solitary action that deviates from the institutional process. An embedded position on the other side fosters conjoined action and enables the mobilization of others, but also creates the pressure of isomorphism. Finally, the subunit members’ interpretation of power vis-à-vis other SAF actors relevant to specific ambiguous processes poses a seminal indicator for passive strategies (e.g. acquiescence and avoidance). As the empirical analysis highlights, subunits perceive power relative to specific institutional processes and inherent stakeholders. The power interpretation delineates the extent of mobilization necessary to gerrymander an institutional setting.

The fourth contribution of my research is the conceptualization of three specific mechanisms engaging and enacting the organizational identity-based enablers. Based on members’ identification with differing logics, high reflexivity entails the organizations’ ability to see institutional ambiguity and potentially utilize knowledge of various institutional settings on an international or multi-field basis. Reflexivity provides the most relevant mechanism for all forms of proactive institutional strategies. In conjunction with reflexivity, the coherence of stories that MNE subunit
members disseminate enables sustained institutional strategies, for both reactive (i.e. acquiescence) and proactive forms (e.g. solitary manipulation). Cases in which members could not perceive coherent storytelling achieved no sustainable institutional strategy, leading to unresolved friction. The identified mechanism, capability to mobilize comprises not only the ability to gather allies supporting the MNE subunit’s strategic direction, but also the member perception of being able to gather that support, stemming from power identity. As both theoretical and empirical analyses show, highly embedded organizations tend to engage more in mobilization efforts than organizations in fringe network positions, although these tendencies may both be due to opportunity and perceived isomorphic coercion.

Theoretical and empirical findings on organizational identity enrich the framework that merges hitherto existing seminal works on institutional strategizing (cf. Greenwood, Oliver, Suddaby, & Sahlin-Andersson, 2008). Considering acquiescence, compromise, avoidance, defiance, and manipulation, my framework corroborates the previously-developed theoretical quiver of organizational institutional strategies. In the empirical analysis I find that manipulation approaches may be more nuanced into two distinctive perspectives: solitary manipulation, whereby an organization particularly utilizes a fringe network position and high power without mobilizing other field-level actors, and collective manipulation, which echoes the theoretical approach of Battilana et al. (2009), building on an embedded network position and overcoming deficits of power by mobilizing other relevant field-level actors. The thesis also introduces unresolved friction as a strategic category. Plentiful empirical evidence exemplifies how organizations initiate decisive institutional strategizing without yielding sustainable long-term strategies for certain institutional processes.

On a general level, the study highlights how ambiguous institutional processes provide both constraints and vast opportunities. In the context of multiple MNE subunit responses to such processes, organizational identity constitutes a filter of multiple potentially incompatible institutional processes, and moreover, a source of competitive advantage. These observations close a gap between OS institutional complexity literature and IB strategy-related publications (cf. Edman, 2016a; Greenwood et al., 2011; Oliver, 1991). The findings also sharpen respective propositions while simultaneously eclipsing overarching assumptions about multinationality and its concept of foreignness. The resulting model and inherent hypotheses thus contribute valuable archetypes for identity-based institutional strategy research, further increasing the degree of granularity in assessment of institutional work. It would be simple to assume that the developed archetypes provide a perfect paradigm for institutional analysis, since MNE subunits do not only respond to but merely cope with institutional processes, consciously and subconsciously. Strategizing therefore often involves fair amounts of experimentation, trial-and-error, and may potentially allude to serendipity. For this reason, I would like the developed framework to be understood as an impetus to experiment and critically reflect on potential heuristics, while theoretically and empirically analyzing organizational identity settings and contingencies.
8.2. Empirical Contribution

Urban mobility is currently undergoing its most disruptive change since the mass production of passenger cars began in the early 20th century. On the one hand, the number of city dwellers continues to grow, anticipated to easily comprise 60% of the world’s population by 2030. On the other hand, digitization is connecting or merging previously-decoupled business models, a development leading to new products and services from old and new companies. Urban Mobility poses a vast, growing, dynamic global market, whose growth heralds the introduction of city-specific formal and informal institutional processes that steer, reduce uncertainty for, and regulate constituents, regulators, and companies alike.

My empirical case studies of Zipcar in London and Audi on demand in San Francisco offer a glimpse into these newly emerging markets. The cases paint the picture of two MNE subunits that belong to the same or similar industry, but apply distinctive characteristics and strategic approaches to maneuver in different fields. Instances of such industry-focused institutional research are scarce. When industries are considered in academic research, they have hitherto been explicitly defined in mostly single-case studies (e.g. Girschick, 2016) or included through dummies in macro-analyses (Tan & Peng, 2003). Industries or fields are usually assessed using an aggregation approach, e.g. MNEs within the manufacturing industry (Ahlstrom & Bruton, 2001); and MNEs showing high relevance vis-à-vis quality management (Kostova, 1997), governance, or organizational slack (Estrin & Prevezer, 2011). This thesis focuses on Multinational Mobility Providers, thereby providing a first exploratory empirical step to advance industry-focused research and close this gap.

My empirical on-site work contains in-depth insights into the structural, political, and emotional worlds of assessed actors at Zipcar and AOD, as well as in their wider strategic action fields. Like a leitmotiv that reappears in variations throughout a musical piece, the logic-processing and -emitting organizational identity seems to trigger call and response reactions from connected field-level actors. Zipcar’s storytelling was generally attuned to their institutional audiences’ expectations, creating a harmonic, positive mood in most interview situations. In contrast, AOD’s diffused signaling failed to resonate within the field and with its targeted actors, impeding streamlined institutional strategizing. The cases thus offer an unprecedented insight into well-known and debated organizations in the transport and urban mobility discourse. Moreover, the thesis details institutional orders and processes relevant for various other current and emerging multinational companies offering urban mobility services.

In terms of overall empirical approach, my research furthermore highlights the empirical idiosyncrasies and intricacies of institutional strategizing. Both analyses of Zipcar and AOD required curious and intuitive interviewing, involving general assessment of the actors, environments, and insider relationships, while maintaining academic independence and trustworthiness. While posing a limitation due to potential personal interpretation biases, reading between the lines and particularly the off-the-record conversations completed and enriched the research. The noteworthy results of such an approach thus allow me to echo the calls for immersive engagement in qualitative research to uncover the real artifacts and unmask equivocations (Ravitch & Carl, 2016).
8.3. Limitations and Future Research

Although both case studies significantly augmented theoretical and empirical understanding of MNE subunit institutional strategizing in the specific field of Urban Mobility, the findings are firm and context-specific, and as such may not constitute representative samples. As is common in qualitative, case-oriented analyses, the transferability of the findings to other organizations and fields is hence questionable (Yin, 2014), increasing the call for further studies seriously attempting to falsify the above theorizing. A replication in different cities and types of cities (not just “global cities”), and an application with other mobility providers may provide further insights and can strengthen or falsify inductive theoretical findings. Companies that were initially global, digital, and well-funded such as Uber could pose particularly interesting empirical sites to apply the framework analysis as they “move fast and break things” (Runciman, 2017). Moreover, the developed framework could provide a suitable tool for longitudinal analysis as well as mixed methods approaches including larger case samples. I deem set-theoretic approaches such as Qualitative Comparative Analysis a promising avenue to conduct further institutional research (Schneider, 2013).

For the unit of analysis, my research primarily focuses on the organization, i.e. the MNE subunit, as the actor. Although the study acknowledges the role of the individual actor, the scope of the research does not allow for a specific focus on actor-inherent logics, sensitivity, nor individual agency. These underdeveloped perspectives raise the demand to further attend to “everyday identity transformation processes of the existing members of a field, and to the role of less powerful members in institutional change and maintenance processes” (Creed et al., 2010, p. 1360). Specifically, these identity transformation processes constitute discursive, dramaturgical, symbolic, socio-cognitive, and psychodynamic elements (Brown, 2017) that extend to related aspects such as internal company structure, networks, and conflicts of interest (Greenwood, Diaz, Li, & Lorente, 2010; Reay & Hinings, 2009). Although this research does not directly address the issue, the individual actor provides both, a meaningful empirical lens as well as an avenue for theoretical contributions to institutional strategy research.

To infer a connection to organizational-level constructs such as organizational identity, and investigate institutional agency, my study builds on narratives of field-level as well as MNE subunit-inherent individual actors. The personal and potentially emotional statements may have distorted interviewees’ rational, given ex post sensemaking of past institutional work. Though I attempted to extenuate such effects by triangulating the data with other field-level actors’ statements and available documents, a potential for bias remains. If practically feasible, future research may increase the number of field-level interviews and closely analyze the ties, nodes, and respective congruence of statements in the assessed field.

The basic theoretical backbone of my research is neo-institutional theory, applying a specific lens to the peculiarities of MNE subunits. Aware of the over-reaching nature of neo-institutional theory (Alvesson & Spicer, 2018), I undertook serious attempts to operationalize institutions by defining and confining the concepts of the strategic action field, institutional orders, and institutional processes. I distinguished these last, in turn, between so-called overarching institutional processes that MNE subunits deem unchangeable, and ambiguous institutional processes that the actors consider alterable. Nevertheless, questions like “what are institutions?” (Hodgson, 2006, p. 1), or more precisely “is there anything that is not an institutional logic?” (Fine & Hallett, 2014, p. 1786), still hold some value. Most referenced OS and IB articles in this thesis use these
terms synonymously and inchoately, increasing the danger of diluting the theoretical contribution, thus solely yielding pseudo-progress, potentially contributing to a ‘midlife-crisis of neo-institutional theory’ (Alvesson & Spicer, 2018). Future research should uphold the endeavor of focusing the concept of institutional theory and the terms used, sharpening the theoretical lenses, and proactively defining the boundaries, i.e. what is in, and what is out. By doing so, comparative institutional research may then progress the assessment of interrelationships between various concepts and levels of institutions (e.g. formal and informal institutions), and rivaling theoretical propositions (Dörrenbächer & Geppert, 2017).

Consequently, as a further approach to antagonize the myopia of institutional theory, I build a theoretical bridge to neighboring theories such as identity-, power-, and network-based research, and their insights into organizational institutional strategizing. Particularly organizational identity-based attributes and mechanisms are fundamental drivers of such strategies. However, identities are complex constructs; we can only assume that further attributes, mechanisms, and recombination thereof may lead to additional institutional strategies. I thus call for further assessment of organizational identity enablers and mechanisms, particularly emphasizing the compartmentalization of organizational identity. Such academic attempts may benefit from incorporating or bridging rivaling theories such as French pragmatist sociology, which also emphasizes microfoundations (e.g. institutional change at a micro level) as well as more distinct actor-inherent elements such as morality (cf. Cloutier & Langley, 2013).
8.4. Managerial and Societal Relevance

Since the 1977 advent of neo-institutional theory in publications by sociologists John W. Meyer, Brian Rowan, and Lynn Zucker, the analysis of institutions and their impact on firms’ structure and strategy has attracted the attention of academic scholars and practitioners alike. Executives of MNEs globally have started to acknowledge the relevance of strategic approaches to institutional processes alongside well-established resource-based (cf. Barney, 1991) and market-based approaches (cf. Porter, 1979), making institutional strategy a contemporary issue in international business (Castellani et al., 2018).

Institutional strategizing matters. Fundamentally, it is geared to give organizations a sheen of social, normative legitimacy as part of an ever-important corporate responsibility approach. However, as seen throughout this thesis, it may further constitute an element of competitive advantage, enabling managers to shape the rules of the game to drive the market (Jaworski, Kohli, & Sahay, 2000). Multiple institutional processes connect and comprise the demands and expectations of various institutional actors. These demands hold implications not only for managers at MNE headquarters and subunits, but also external stakeholders such as policymakers or the broader society within the relevant strategic action field.

My findings first propose that particularly managers at MNE headquarters should adapt a strategic action field perspective in their assessment of institutional processes. As urban markets constitute ever higher shares of MNE’s turnovers, organizations should structurally and analytically account for more fine-grained analyses alongside nation-based perspectives, thereby explicitly assessing formal and informal institutional processes with regards to their centrality (i.e. necessary representation within the organization, and compatibility such as inherent supportive or conflicting logics with the business model). Moreover, organizations may map relevant stakeholders and evaluate the complexity. If the organization realizes that internal actor involvement within the overall organization creates much of the complexity, it may proactively engage in reducing such complexity, e.g. by offering the field-level subunit more autonomy in strategic decision-making.

In addition to this field-level analysis of institutional processes, MNEs and their subunits may assess internal organizational identity as a driving enabler and mechanism for the formulation of strategic responses. Defining who and what we are, often expressed through mutually-developed mission and vision statements (e.g. Zipcar: We enable smart and sustainable urban living) may provide a valuable starting point. The study further shows that dedicated and reflective individuals within the organization contribute to coherent institutional strategizing. This observation suggests that managers should further focus on hiring and socializing skilled talent who possess contextual capabilities and ideally have already developed credibility with field-level institutional audiences.

I also find that elements of status and power, which may be valid in the home market, may not be mimicked in foreign-market environments. While xenophilia or xenophobia based on the organization’s national heritage can be relevant, field-level specific value categories of status and prestige along with power differences often prove better sources of competitive advantage.

Both the theoretical and empirical assessments highlight that organizations’ reflexivity plays a crucial role in depicting institutional ambiguities. Managers should dedicate specific time to contemplate and creatively address institutional environments. They ought to thoroughly focus on the identification of so-called institutional champions as agents to advance an organization’s
institutional agenda. Moreover, the manager’s language and rationales are key to attuning storytelling with targeted audiences, and mobilizing these audiences to pursue a joint goal. My study indicates that in-depth local learning through pilot projects as opposed to transferring know-how from the headquarters facilitates such coherent storytelling. In addition, I find that organizations that feel capable of evoking change and continuously, persistently prevailing over opposition can amplify such mobilization efforts to elicit the envisioned institutional setting. The collective manipulation approach in turn enables organizations to overcome a lower resource endowment. This may be particularly relevant for start-up organizations or newly-established foreign country MNE subunits.

Could one perceive the manager as a *homo eligēns*, with a quiver of organizational identity attributes from which to choose when formulating institutional strategies? The analysis indicates that distinctive deployment of identity enabler-mechanism combinations can evoke passive or proactive strategies. Equally however, it shows that the organizational identity is dynamic rather than static, evolving based on ongoing crossvergence of individual employee identities. The transmission of their identity values determines which institutional action these individuals deem *worth* pursuing. The *value* as a social principle is thus retraced to its roots in Latin trade vocabulary, *valēre* (to have worth, value) delineating the organizational actor as a *homo valēns*. The *what we are and value* consequently frame *what we choose* and in turn define *what we may be*.

This reasoning transcends the borders of MNE subunits and reverberates in broader social contexts. From policymakers to university staff, religious fraternities, international NGOs, and families, a shared identity serves as a fluid filter for institutional prescriptions, and confines the frame of action. Not only does it uniquely distinguish one organization from others, it also comprises a joint perception of appropriate behavior, and induces a sense of responsibility in related actors. Such assumption of responsibility in situations with ambiguous or conflicting institutional processes may eventually require a philosophical discussion along the lines Emmanuel Lévinas pursues: presuming a per se asymmetry between the *we* as an organization and the *others* as actors connected to a conflicting institutional process, how can an organization have the veritable certainty to do something good by proactively manipulating such institutional processes?
9. References


Baldwin, R. Audi’s concierge-based car rental service is outstanding but pricey; https://www.engadget.com/2017/02/02/audi-on-demand-review/, (accessed 21 Jan 2018).


Kumar, V. 2000. *International marketing research*: Prentice Hall Upper Saddle River, NJ.


