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Getting the story right: how second-hand stores use storytelling to gain legitimacy with multiple audiences

Getting the story right

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Abstract

Purpose – This paper aims to analyse how sustainable second-hand stores (SSHSs) use storytelling as a legitimization strategy. Second-hand stores have traditionally relied on a charity identity to attract customers. More recently, changing market demands, the growing popularity of second-hand shopping, “vintage” and online shopping have opened up new opportunities for these social enterprises (SEs). This study asks how SSHSs can maintain their legitimacy with incumbent stakeholders while also exploiting these new opportunities.

Design/methodology/approach – This paper uses an abductive approach starting from existing knowledge on how storytelling builds legitimacy in conventional enterprises. The authors collected qualitative data and interviewed owners and managers of second-hand stores in the Netherlands. This paper specifically looked at how second-hand stores are using their web shops to convey stories and build legitimacy with (new) audiences.

Findings – Contrary to the authors’ expectations, they found that the web shop is not used as a site for storytelling the mission of the store but is rather a stage for specific products that tell a story of trendy and vintage shopping. This attracts a new customer segment to the store that conventionally does not shop there. This paper concludes that second-hand stores use vintage products as symbols in storytelling through their web shop to gain access to a new market. By foregoing to tell the story of their mission on the web shop, the second-hand stores are choosing to keep their charity and business identity separate.

Originality/value – To the best of the authors’ knowledge, this paper makes an original contribution by analysing how second-hand stores are actively exploiting new opportunities created by a changing market context and seeking to maintain legitimacy while doing so. This paper argues that legitimacy is not a static “reward,” rather, something that evolves with the enterprise. This research adds to the body of literature on legitimacy and more specifically cultural entrepreneurship, which holds that entrepreneurs can actively gain and maintain legitimacy through storytelling.

Keywords Legitimacy, Storytelling, Cultural entrepreneurship, Social enterprise, Second-hand stores

Paper type Research paper

Introduction

Conventional production and consumption in our “throwaway society” characterize an unsustainable way of living that leads to environmental degradation (Cooper, 2010). There is a widely recognized need to shift to a more sustainable society where businesses are not solely oriented on creating economic profit (Porter and Kramer, 2011; Zahra and Wright, 2016). This need has sparked interest in hybrid organisations (Alexius and Furusten, 2019), which are organisations that respond to social and environmental issues by combining a business identity with a social



identity (Haigh *et al.*, 2015). The most well-known hybrid organisations are social enterprises (SEs) (Battilana and Lee, 2014). SEs use business strategies to create economic value, which is a key condition for these enterprises to survive, yet their primary concern is their social mission (Dacin *et al.*, 2011). We define social mission in a broad sense, which can include the creation of social or environmental value or both (Short *et al.*, 2009). We focus our research on a particular type of SE, namely, second-hand stores that aim to create both social and environmental value.

Traditionally viewed as the “poor man’s shop”, second-hand stores now attract a broad range of customers. In The Netherlands, many second-hand stores are SEs following a work integration social enterprise (WISE) model. They have been mainly concerned with generating social value by offering inclusion through employing people with a distance to the labour market (Accenture, 2014). However, as their core activity is about reusing goods, they also actively promote the move towards a circular economy and create environmental value. While second-hand stores demonstrate the intuitive conjunction of SE and the circular economy, this combination has been covered only recently and relatively sparsely in literature. This might be due to the prevalent understanding of circular economy as concerning only material resources (Lekan *et al.*, 2021; Friant *et al.*, 2020). Second-hand stores are social and circular enterprises, yet present themselves as SEs only, leaving their circular essence implicit. The idea that they can exploit their “circularity” is only recently sinking in. Such second-hand stores that actively pursue social and environmental value creation are the focus of this research and are dubbed sustainable second-hand stores (SSHs). The second-hand market in The Netherlands grew by 30% in 2017 (Export Enterprises SA, 2020), and second-hand apparel shopping is expected to overtake fast fashion worldwide in the near future (ThredUp, 2020). It thus seems that shopping second-hand products becomes more and more legitimized as normal. This might be due to a rise in environmental awareness pushing people to buy second-hand products or an expression of the vintage shopping trend (Yan *et al.*, 2015; Calvo-Porrall and Levi-Mangin, 2020).

The growing second-hand market offers an opportunity to examine how second-hand stores may exploit this trend to increase their legitimacy with, and get access to the wider market without losing legitimacy in the eyes of incumbent customers and beneficiaries. A venture has legitimacy if it is seen as desirable or appropriate within a certain system of norms and beliefs. Legitimacy is instrumental in accessing resources and new markets (Suchman, 1995; Fisher *et al.*, 2017). Most research on legitimacy has focused on how conventional ventures achieve legitimacy (Fisher *et al.*, 2016; Aldrich and Fiol, 1994). Because SEs combine elements of both business and charity they need to fulfil expectations towards the business and charity identity to achieve legitimacy (Battilana and Lee, 2014). Beyond a “liability of newness” that any new enterprise faces, SEs face the additional challenge of convincing their audience of a social business model (Zimmerman and Zeitz, 2002; Battilana and Lee, 2014).

We know from recent research on legitimacy that a venture may have multiple “legitimacy thresholds” (Fisher, 2020), as it has to legitimize itself to different audiences at different points in time. This holds even more true for hybrid organisations, as they are typically accountable to a wide range of stakeholders. They need to appeal to a variety of audiences that may use different values and standards in their legitimacy assessments.

Previous SE research has mainly examined the problems associated with obtaining legitimacy in the context of hybrid organisational identities (O’Neil and Ucbasaran, 2016; Didomenico *et al.*, 2010). From this research we have learned that legitimacy is instrumental

in gaining access to resources (Sarpong and Davies, 2014; Folmer *et al.*, 2018). However, we lack knowledge about the dynamics of legitimacy. Once obtained, it needs to be maintained in the context of changing markets. Our study concerns organisations that have traditionally focused on social value creation. Because of a changing market context they see opportunities to appeal to new audiences. We explore how these organisations can meet the legitimacy demands of various audiences related to both social and environmental value creation. We focus specifically on how they use storytelling as a strategy to do so. This will contribute to our knowledge on legitimacy in organisations that pursue both social and environmental value creation, and how legitimacy may facilitate access to new markets. Our research question is:

RQ1. How does storytelling on the web shop of a sustainable second-hand store function as a legitimization strategy?

Research has shown that entrepreneurial storytelling is an important tool to gain and maintain legitimacy (Garud *et al.*, 2014; Aldrich and Fiol, 1994). Part of a process of cultural entrepreneurship, storytelling can shape an organisation's identity to proactively gain legitimacy from a particular audience (Überbacher, 2014; Fisher *et al.*, 2017). Because the SSHSs are navigating multiple audiences, we are particularly looking at the role of storytelling in connecting to multiple audiences (Lounsbury and Glynn, 2001; Fisher *et al.*, 2017). The establishment of web shops is a recent phenomenon for SSHSs in The Netherlands. This research thus provides new insights into how online storytelling may provide legitimacy as well as how targeted storytelling might attract specific customer segments through the web shop and enable SSHSs to access new markets.

This study makes three main contributions to the recent development in legitimacy studies. First, to recognize and unpack the importance of storytelling for maintaining legitimacy in the context of changing consumer demands. Second, to examine how storytelling strategies can help navigate diverse audiences. Finally, this research explores new avenues for the legitimacy-building literature by viewing a hybrid organisational identity as an opportunity to legitimacy building. It does so through the lens of storytelling, viewing ventures as being proactively in charge of gaining and maintaining their legitimacy as a hybrid organisation, rather than being the "victim" of various stakeholder demands that may pull the two identities of SEs apart. The remainder of this paper is organised as follows. The next section provides an overview of existing literature on legitimacy and establishes the connection to storytelling. We then present our data and methodology before moving on to presenting the results. The results section is followed by a conclusion and discussion of our research findings where we discuss the implications of the findings for theory and practice.

Literature review

The importance of legitimacy

In his seminal work on legitimacy, Suchman (1995) made a distinction between institutional and strategic perspectives on legitimacy. The institutional perspective sees the entrepreneur as reactive to the demands of the audience and views the entrepreneur as taking actions to fit in with already existing expectations (Überbacher, 2014). The strategic perspective highlights the capacity of actors to influence and even proactively create legitimacy for their venture. Fisher *et al.* (2017) developed a typology of legitimation mechanisms connecting these two perspectives. They argue that entrepreneurs can gain legitimacy through three types of mechanisms: associative, identity and organisational mechanisms. The associative and organisational mechanism fits with the institutional perspective, holding that a venture

is deemed legitimate if it engages in “rituals of conformity” (Fisher *et al.*, 2017; DiMaggio and Powell, 1983). The organisational mechanism links to cognitive legitimacy, which can be acquired by making oneself fit in the “taken-for-granted” beliefs that audiences have about “normal” or ‘standard’ behaviour (Suchman, 1995; Überbacher, 2014). The associative mechanism links to evaluative legitimacy, which is gained by being positively related to or evaluated by other authorities (Überbacher, 2014). Although analytically differentiated, associative and organisational mechanisms often overlap. For example, by adopting expected organisational structures or standards, expressed by certifications, a venture can live up to the expectations of its environment, thus gaining legitimacy. Adopting a certain standard (organisational mechanism) only grants legitimacy because the standard was issued by an authoritative actor (associative mechanism).

The strategic view of legitimacy sees it as an “operational resource” (Suchman, 1995) and finds its expression in the identity mechanisms as described by Fisher *et al.* (2017), which holds that an entrepreneur can use identity claims and cultural tools, such as symbols, images or a certain discourse, to gain legitimacy. Cultural entrepreneurship is a key process within the strategic perspective on legitimacy-building, where the entrepreneur is viewed as actively using cultural tools to gain and maintain legitimacy (Überbacher, 2014; Fisher *et al.*, 2017). One of these cultural tools is storytelling (Überbacher, 2014; Fisher *et al.*, 2017; Lounsbury and Glynn, 2001).

Storytelling

Entrepreneurs “continually make and remake stories to maintain their identity and status” (Lounsbury and Glynn, 2001, p. 560). They do so because legitimacy always depends on how you are perceived by your audience (Fisher *et al.*, 2017). Stories are verbal or written expressions that use recognizable and understandable terms through which an audience can make sense of a situation (Lounsbury and Glynn, 2001). Storytelling is an important strategy for SEs to make the “unfamiliar familiar” and explain their “raison d’être” as a business and charitable organisation (Margiono *et al.*, 2019). As these stories make the hybrid identity comprehensible and meaningful to its audience, the venture gains legitimacy. Traditionally, the audience of a venture was seen as rather homogenous. Only recent research recognizes diverse groups of distinct audiences that all want and expect different things from the venture (Fisher *et al.*, 2017; Thornton *et al.*, 2012; Gehman and Soublière, 2017). This is especially relevant for hybrid organisations: Hybrid organisations have been defined in research as combining multiple:

- organisational identities;
- organisational forms; or
- institutional logics (Battilana and Lee, 2014).

An institutional logic is a certain “taken-for-granted” belief or practice that guides behaviour in a particular industry or organisational field (Thornton *et al.*, 2015; Battilana and Lee, 2014). It results in a set of standards, norms and practices, which shapes the expectations a venture must fulfil. If a venture conforms to these expectations, it gains legitimacy (DiMaggio and Powell, 1983).

Because hybrid organisations combine different institutional logics, they face institutional pluralism, meaning they must “speak to” audiences embedded in different institutional logics. For example, a for-profit SE that combines a social mission with economic value generation needs to be able to speak to an audience with a salient “social welfare logic” as well as to an audience where “commercial logic” is dominant (Pache and

Santos, 2013). Thus, hybrid organisations face the struggle of having to conform to different (perhaps even opposing) expectations from different audiences to gain legitimacy (Thornton *et al.*, 2015; Fisher *et al.*, 2016).

To navigate these diverse audiences, a venture may have to cultivate multiple identities to appeal to its different audiences, running the risk that one identity might invalidate the other (Gehman and Soublière, 2017; Fisher *et al.*, 2016). Alternatively, an organisation may be able to use storytelling to effectively combine a business and charity identity. Storytelling may enable the SE to harmonize different identities and not only gain more legitimacy, but they might even have the advantage of being able to draw on multiple identities to connect to their different audiences, for example through storytelling their identity and/or mission (Battilana and Lee, 2014; Pache and Santos, 2013). Hybridity can thus open up new avenues of success if a venture is capable of successfully formulating and communicating its identity.

Conveying stories to present an organisational identity is not just the occupation of a new venture, it is an ongoing affair. The strive for legitimacy does not end when ventures are beyond the “liability of newness” (Zimmerman and Zeitz, 2002), which is often seen as the main legitimacy threshold that needs to be met (Fisher *et al.*, 2016). To stay relevant, and hence legitimate in the eyes of the public, ventures have to satisfy the changing preferences and expectations of their customer base (Gehman and Soublière, 2017; Fisher *et al.*, 2016; Raffaelli and Glynn, 2015). Existing ventures often maintain their legitimacy by conforming to the norms surrounding “hot topics” like climate change and sustainability (Debenedetti *et al.*, 2020). This may be a similar concern for SEs that have primarily been focused on social value creation. The increased traction of “circular economy thinking” may put additional demands on SEs to integrate environmental value creation and gain “green legitimacy” (Baah *et al.*, 2021).

In sum, a venture does not simply comply to *one* set of norms and is then rewarded with everlasting legitimacy. The process of legitimization is characterized by the formulation of different identities and discourses to appeal to differing audiences (Debenedetti *et al.*, 2020). Rephrasing, remaking and maybe even juggling identities might simply be part of the daily routine of some ventures, especially hybrid organisations (O’Neil and Ucbasaran, 2016).

The legitimization process, and thus the success of a SE, is an ongoing endeavour that depends on its ability to engage with topics that its audiences find important (Garud *et al.*, 2014).

This research will focus on a particular site of storytelling, namely, the online web shop of SSHSs. Recently, the SSHSs in this study have shifted towards offering their products online. It demonstrates an interest to connect with a broader audience, as it takes away barriers of access and visibility that might have kept potential customers from second-hand shopping. Moreover, it indicates a willingness to satisfy the evolving market demand. SSHSs could potentially use these new online web shops to present their hybridity and tell the story of social and environmental value creation. This would connect to the growing environmental awareness of consumers and help them gain legitimacy with a broader audience.

Data and methods

Most existing research on storytelling as a legitimation strategy is based on conventional, commercial enterprises. Limited research exists on how SEs gain and maintain legitimacy through storytelling, especially through online channels. We take an exploratory, abductive approach, where we start from explanations about storytelling from existing research on conventional enterprises. To understand “empirical gaps”, i.e. where these explanations are

not applicable to SEs, we will expand on existing explanations to construct a plausible theory for the SEs in our sample (Alvesson and Kärreman, 2007). We collected data using qualitative methods. Because our research is concerned with how social entrepreneurs use storytelling as a legitimization strategy, semi-structured interviews were most effective.

In this regard, semi-structured interviews with open-ended questions were conducted, allowing for flexibility in the answers of the interviewees. The interviews took around 50 min and due to the COVID-19 situation the interviews were conducted via online video conferencing.

The interviews were firstly concerned with mapping the story that is told by the SSHSs and the sources they draw on for their storytelling. Secondly, it investigated how this story was communicated, and thirdly it examined the role of the web shop specifically in this storytelling process. Lastly, to map the degree of storytelling as a legitimization strategy to gain market access, there were interview questions aimed at understanding to what extent a particular consumer segment was actively targeted and why. The interview questions were based on previous literature (Kallio *et al.*, 2016). Data has been gathered by interviewing directors or head managers of SSHSs, as they are deemed to be in the position to coordinate and influence the storytelling strategies of their venture(s). The Interview data were supplemented with additional qualitative material on the organisations in the form of website material, blogs, vlogs and annual reports.

Sample

We selected six SSHSs with a web shop, located in The Netherlands. The information about the selected SSHSs is displayed in Table 1. They are BKN certified, which means that they have gotten the “100% second-hand store” certificate from the Dutch branch association of second-hand stores (BKN). To get this certificate the stores must codify and follow their social and environmental goals. The certificate is based on the ISO 9001 standards and is tested every 1.5 years, thus assuring that the interviewed SSHSs are upholding their mission of creating social and environmental value. Additional selection criteria consisted of the mission statement as phrased on the website of the SSHSs, which had to include “people and planet”, with some adding “social” or “society”. Selecting only SSHSs with comparable mission statements and BKN certification aids the comparative analysis of the stories and storytelling strategies of the SSHSs.

Data analysis

The mission statement of a SE is the main source of their story, as it reflects the identity of the venture (Margiono *et al.*, 2019; Moore, 2012). Other “storytelling material” for specifically hybrid organisations can be the sustainable impact they make (Gomez-Barris, 2017; Grimes, 2010), of which (sustainable) certificates are proof (Rao, 1994), and the relations they have with other (sustainable) organisations (Sarpong and Davies, 2014). The main channels for the SSHSs to tell their story are the website, social media, conventional media like television or the newspaper, the web shop and the store itself. All of these channels were used to map the story that was told and how. Story materials from these channels were categorised in terms of “mission”, “certificates/impact”, “social relationships”, “partnerships” and “customers”. These themes of the story were initially based on existing literature. The interview data was mostly coded inductively. The abductive approach thus guided our analysis by being based on existing literature while staying open to themes emerging from the interview data to generate a best fitting explanation or theory (Lehane, 2019). The first phase of data analysis consisted of organising the respondent’s accounts according to the interview questions, thus allowing comparison of the themes between interviews (Tie *et al.*,

Case	Year established	Operation radius	Description	Mission statement	Respondent
1	2001	South of the Netherlands	One large "flagship" store and one smaller branch	People, planet and profit for society. Provide work for people with a distance to the labour market, recycle as many products as possible and provide access to goods for low-income customers	Manager
2	1990	Middle/North of the Netherlands	One large "flagship" store and one smaller branch	People and planet. Provide work for people that do not easily fit in society and give a second chance to user goods	Manager
3	1998	Nationwide	Chain of 16 stores	People, planet and no profit. Provide work for people with a distance to the labour market and recycle goods, with no profit-making ambition	Business development manager
4	1984	Nationwide	Merger of a chain of five stores and an independent second-hand store consisting of two stores	Planet and people. Recycle as many goods and provide work for as many people as possible	Manager
5	1982	Middle/North of the Netherlands	Single location store	Planet and people. Sustainability and inclusivity. Recycling goods and provide a way through work to include people that do not fit well in society	Owner/board member
6	1989	North of the Netherlands	Chain of four stores	People, planet and profit for society. Provide goods for low-income customers, provide work for people with a distance to the labour market, recycle goods and donate profits to charity	Strategic manager

Table 1.
Second-hand stores/
interview
respondents

2019). Next, the data was ordered and coded according to themes that emerged and recurred in various interviews. These themes were then iteratively compared until their relationships became apparent and the themes became “saturated”, meaning that the identified themes keep re-emerging in the analysis (Sarpong and Davies, 2014). Finally, this saturation allowed the themes to be ordered according to first- and second-order themes.

The next section presents the themes that became apparent as well as the relationships between them (Tie *et al.*, 2019). In the discussion section, the findings are related to theoretical implications.

Findings

Sustainable second-hand stores’ storytelling in mission and impact

The story of the mission of all second-hand stores concentrated itself on two goals. Firstly, to help people with a distance to the labour market get a job and be included into society again. Secondly, to be an environmentally sustainable business by reusing products and giving them a second chance, thus promoting a circular economy. It became clear from the interviews that historically the core activity has been work integration. The environmental dimension of was more or less a side effect of its business model of reusing and upcycling products. While all SHSSs mention both people and planet as part of their mission, they typically show more saliency in the one or the other in their mission description (see Table 2).

The impact SHSSs have is a potentially strong source for storytelling, yet this impact is rarely used as storytelling material. It is difficult to measure social impact, and storytelling

Case ID	Telling the story of the mission	
	Website	Web shop
1	People, planet and society; emphasis on WISE identity	Not mentioned
2	People and planet, emphasis on WISE identity	Working with “volunteers” is mentioned
3	People and planet, emphasis on WISE identity	Not mentioned
4	People, planet and circularity	Limited; mentions WISE identity and importance of re-use
5	Planet and people; emphasis on planet	Not mentioned
6	People, planet and society; emphasis on their charity fund Telling the story of impact creation	Limited; it is mentioned that buying online helps their charity fund
	Website	Web shop
1	Limited; mention of recycle and re-use impact	No
2	Limited; mention of how many people they employ	No
3	Limited; mention of re-use impact	No
4	Yes; emphasis on environmental impact	No
5	Yes; emphasis on environmental impact	No
6	Yes; emphasis on money raised for charities and on re-use and recycle.	No

Table 2.
SHSS’s storytelling
on website and web
shop

the private success stories of beneficiaries comes with privacy complications. Environmental impact, due to state regulations, is measured but is not regarded as storytelling material because the SSHSs do not believe people to be interested in those numbers. In sum, most SSHSs are sceptical about the value that the story behind their products really adds:

I don't think that the customer is very conscious of the value they add by buying second-hand. But once they bought it, it is maybe nice to have, to tell. (Case 4)

SSHSs mainly engage in storytelling to gain awareness for their mission, rather than that they believe it will generate extra revenue. In general, SSHSs communicate their story through their website and social media. Many SSHSs are engaged in storytelling through “new social media” by partnering up with “micro-influencers” that have many followers on YouTube or Instagram, to attract younger consumers (Case 4, 5 and 6). Surprisingly, the web shop is not used as a venue for storytelling through mission and impact. Table 2 demonstrates that while their story is told on the websites of the SSHSs, none of them use their web shop to showcase impact, and only few of them mention their mission to a very limited extent.

Although they are involved in many partnerships, the SSHSs do not collaborate much among each other, especially regarding knowledge and experience concerning online shopping. But when they do, they are in contact with each other through the BKN, the Dutch second-hand store branch organisation, which is also the most important source of authority to show you are a professional and SSHS. Through the BKN they can gain the “100% circular” certificate, and for most second-hand stores this is the only certificate they are concerned in getting and displaying on their communication channels.

Implicit storytelling through item selection

The web shops of the SSHSs display a selection of items that the stores have for sale. As mentioned above, we found that for most SSHSs the web shop is not a site where they tell the story of their mission:

The story of the product has nothing to do with our story. (Case 1)

If you go to the web shop you'll see a little story of who we are and what we do, but you won't see it in the products. (Case 5)

However, aside from Case 3, all SSHSs carefully select the products they put on the web shop. This happens for various reasons. First and foremost, the web shop is seen as a “signpost” (Case 5), “shop window” (Case 3 and 5) and way to “profile yourself” (Case 6). Most SSHSs started with a web shop to reach a wider geography and create more revenue. SSHSs with longer running web shops however feel that a web shop is more a “medium of promotion” (Case 1) to generate “visibility” (Case 1 and 3) and brand awareness (Case 1).

To this end most SSHS only put “treasures” online, which are usually high-end vintage products (Case 1 and 4). According to the SSHS with the longest running web shop most people that visit the web shop are consumers between 30 and 40 with an interest in vintage. It is therefore sensible that many SSHSs select vintage products for their web shops because they simply sell better. Thus, while the web shop is not a site for storytelling the mission of the SSHS, the products embody a story in itself, in the sense that they attract new customers:

The way to sell your product is through vintage. (Case 1)

Another reason for placing these items on the web shop is that these treasures do not get sold for their market value in the store. Many SSHSs mention that if they try to sell these items in the store they often get bought by traders that sell them again for a higher price (Case 2 and 4). The SSHS is unable to ask the market price in the store, because this generates negative backlash from their low-budget customer as it does not fit in their perception of the identity of the second-hand store (Case 5). Although low-income customers are not the only customer group of second-hand stores anymore, this customer segment is still an important one and for many SSHSs delivering goods to this group is part of their mission (Case 6). To this extent the image of the second-hand store as a place for low-income consumers seems to constrain the revenue-generating ability of SSHSs. One way to manage this problem is by placing the high-end products on a web shop so that they can be bought by consumers with a higher budget.

Speaking to multiple audiences

The “clash” of different consumer segments, i.e. the low-income customers and the high-income customers, is also mirrored in the dilemma that SSHSs face with conforming or differentiating from the standard image of the second-hand store as being “dirty” (Case 6), filled with “weird people” (Case 5) and meant for “poor customers” (Case 3). Many SSHSs actively try to differentiate themselves from this image through looking professional by keeping the store clean and orderly (Case 3 and 6). Here, the physical appearance of the store and its interior design are used as symbols in storytelling. Some SSHSs believe that the “poor man’s shop” is not necessarily a problematic image, only so in the eyes of a specific customer segment:

I think that our customers like to go treasure hunting and at the moment you make everything really orderly and clean, you miss a part of these people that come to your store for the experience. But you do reach another audience when you are really clean. (Case 6)

This quote demonstrates the expectations that different audiences use to assess legitimacy. Those customers that expect an “orderly” store are applying other criteria in their legitimacy assessment compared to those who frequent second-hand stores for a “treasure hunt”.

Most SSHSs use the web shop to generate sales *and* as a promotion mechanism to attract more customers to the physical store. For one SSHS, the purpose of the web shop is not for people to shop online, but to draw them to the physical store. The director expresses how this works: “people can see where the products are, and just go straight to the store. They don’t order” (Case 3). This approach seems contradictory with the function of the web shop as a place where more high-end products can be linked to a more high-income customer segment. SSHSs have different conceptions about the type of customer the web shop attracts. Various SSHSs believe the web shop is visited mainly by a new, younger, customer segment and hence also actively target this customer base by selectively displaying items for sale. Others think it does not attract young customers, rather elderly ones, incumbent customers or traders. Opinions also differ on whether the web shop functions as an invite to a new customer segment to visit the physical store or rather accommodates a customer segment that specifically wants to shop online. The latter is typically perceived as a separate, more high-income customer segment that is new to the second-hand store and does not shop out of economic necessity, nor is into the “treasure hunting” activity (Accenture, 2014):

It's not the normal second-hand shop goer, it is really a different segment you touch upon. It is an addition to the physical store. It is the type of second-hand shopper who does not want to spend time treasure hunting but still wants to buy vintage products. (Case 4).

Most of these SSHSs do not experience that the web shop reduces visits to the store, mainly because the store is seen as an experience where you can shop adventurously and can go “treasure hunting” (Case 2 and 6). The average customer wants to go there as a daytime activity, rather than because they need to. This leaves SSHSs with the need to keep two images – and hence two stories – afloat; the image of a “messy” or “adventurous” shop where the needs of both low-income and treasure hunters are met, and the image of a “vintage” shop where higher income customers can find original pieces. The following chapter will demonstrate how these results fit with the literature on legitimacy as presented in the theory chapter. Secondly, it will answer the research question before moving on to the implications of this research.

Conclusion and discussion

Being a hybrid organisation, SSHSs must unite two different institutional logics, namely, that of charity and business (Battilana and Lee, 2014). Such differing institutional logics generate different expectations from different types of consumers that must be satisfied to attain and maintain legitimacy (Fisher *et al.*, 2017; Thornton *et al.*, 2015). This research has shown that these institutional logics of charity and business create two identities for SSHSs that at times conflict each other, reinforcing existing literature (Gehman and Soubliere, 2017; Fisher *et al.*, 2016). On the one hand, the SSHSs are viewed from the standard image of the second-hand store. They are thus expected to be a place for low-income consumers, offering cheap products. This view of the SSHS corresponds with the identity of charity and is complemented and conflicted by their rise as store for a wider audience. While the SSHSs seem to be able to narrate both social and environmental aspects of their mission, the absence of the mission from their web shop points to a more fundamental identity conflict between charity and business.

“Treasures”, such as vintage products, attract a more high-income consumer. However, often the products cannot be sold for their value because increasing prices will antagonize the low-budget consumer who expects prices to be low as part of the identity of a SSHS as a “poor people store” (Haigh and Hoffman, 2012). In this way, the expectations set by earlier “stories” of the SSHSs, namely, as a store for the poorer people, obstruct the SSHS's ability to respond to new expectations by other consumer bases, also known as relational lock-in (Fisher *et al.*, 2016). When the venture then tries to meet the new expectations, it runs the risk of not meeting the previous expectations, which then threatens the legitimacy of the venture in the eyes of the “old” audience (Garud, Schildt and Lant, 2014). In sum, changing expectations are both an opportunity and a threat to the legitimacy of a venture.

One way to solve the problem of clashing demands is by creating a separate space for the “vintage” treasures, namely, the web shop. This way, more revenue can be generated by connecting the products to a higher consumer segment. Moreover, it is a great way to promote the physical store, which is the most important function of the web shop for most SSHSs. Because we know that storytelling is especially important for hybrid organisations, one would expect the web shop to act as a channel for storytelling the SSHS mission (Gomez-Barris, 2017; Powell and Osborne, 2015). However, this research found that the web shop is not a site for storytelling the mission of the SSHSs but is a place where the products act as stories to attract more customers to the store. Vintage, high-end products seem to be used as marketing material instead of stories. This finding is counter to our expectations, as we expected the SSHSs to “market” their mission on their web shop to appeal to changing

attitudes towards sustainable consumption. However, the SSHSs view the mission of their organisation (their story) and its consequent storytelling as belonging to their charity identity, precluding its use for marketing purposes. Storytelling the mission of your venture in a business setting, so alongside the products you aim to sell, bears strong resemblance to brand marketing. This is associated with profit-seeking efforts and is therefore understood by many SEs as undermining the social values of the organisation (Bandyopadhyay and Ray, 2019; Powell and Osborne, 2015). Showcasing vintage products which tell the story of a “trendy” store, however, does fit with the business identity and is thus a marketing strategy complementing the story of the mission of the SSHS’s, that is told via other platforms, such as social media. The products are thus symbols, conveying a meaning along and beyond its mere functional use (Zott and Huy, 2007).

SSHSs seem to thus smartly take note of the “law of requisite variety”, selecting different symbols for different audiences, because a symbolic action that might appeal to one, might not to someone else (Zott and Huy, 2007). Similarly, Fisher *et al.* (2017) view “framing” as the solution to appeal to different audiences, which involves adjusting symbolic actions or language to context by “reading” audiences. We clearly see this strategic framing in the SSHSs in our sample. However, while Fisher *et al.* (2017) argue that frames are temporary and easily adjusted, we do not see the SHSSs in our sample as being capable of quickly pivoting between frames. Being able to draw on several institutionalized templates with their corresponding stories and symbols might look like an advantage for the hybrid organisational form, yet stories and symbolic gestures are not “easily adjusted” to audiences in practice (Fisher *et al.*, 2017). For example, complications may arise as more high-end customers are drawn to the physical second-hand store; will its appearance and atmosphere change such that the low-end customers no longer feel included? Because the social mission of providing goods to low-end customers is so salient in the organisation’s structure and operations, one may expect that SSHSs need to adapt their story to actively include multiple audiences in their mission.

In conclusion, we do not see that the SHSSs are crafting a story to tell on their web shops, a story that could appeal to a new audience by emphasizing the environmental value that is created by recycling and reusing. Rather, we see that they profile their charity identity through storytelling their mission on their main communication channels. Meanwhile, their business identity finds its expression in the web shop, through symbolic action. Through the selection of products that are trendy and high-end, a more business-oriented audience is attracted, which implies a more high-end audience. This separation of images and stories may be productive until a point is reached where the mixing of customer segments necessitates recrafting the main story. Moreover, while the SSHSs claim that they do not want to “misuse” their mission as a marketing tool, not using the web shop as a site for storytelling the mission of the SSHSs can also be seen as a missed opportunity to raise awareness for circularity and responsible consumption.

One of the limitations of our study is that we could not follow the SSHSs over a longer time period to see how this separation of identities works out over the long run. Also, at the time of our study, the SSHSs had only recently established their web shops. This also constitutes an opportunity for future research; to examine the development of the stories told by SEs to see how they unfold over the long term to maintain legitimacy.

This research contributes to the theory on legitimacy in multiple ways. First, our findings demonstrate that symbolic action and storytelling can be used alongside each other

to make the identity and mission of a venture comprehensible for an audience (cognitive legitimation) and ways to create desirability for an organisation (evaluative legitimation). We see that the SSHSs do not cultivate separate stories, but resort more to symbolic action than storytelling to gain legitimacy with new audiences. The web shop has a promising role to play for SSHSs, because customers increasingly expect an omnichannel experience where they can research products online and buy them offline or vice versa (Melero *et al.*, 2016). Hence, understanding the web shop as a signposting tool and separate communication channel is important in the context of hybrid organisations. Second, our study contributes to understanding the problem of “relational lock-in”, that may be particularly prevalent for non-profit or charity organisations that are in the early stages of developing revenue-generating activities. While existing research has found difficulties of obtaining legitimacy for SEs generally, the legitimacy process of charitable organisations developing SE activities might be even more complex as they might be met with disapproval from their incumbent audience that does not see generating revenue as something that fits a charity identity.

Third, this research breaks down the division between actor- and audience-centred views of legitimacy as it has shown that SSHSs are not independently acting cultural entrepreneurs, nor merely passively responding to their audience’s fancies. Audiences have certain expectations to which the actors react, in turn shaping audience’s demands (Überbacher, 2014). This observation has implications for how organisations like SSHSs may have a wider influence on consumer behaviour. Through collective action like coordinated storytelling entrepreneurs could actively shape the interests and preferences of their audience (Wry *et al.*, 2011). By seeing legitimacy attainment and management as a feedback loop between an entrepreneur and its audience, we can also see the role it may play in driving trends of more responsible and sustainable consumption.

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