Place-making in publishing: Dutch trade book publishers and the meaning of place in establishing reputation and trust

Barbara Heebels

Departments of Urban and Economic Geography, Urban and Regional Research Centre Utrecht, Utrecht University, Heidelberglaan 2, PO Box 80115, 3508 TC Utrecht, The Netherlands

ARTICLE INFO

ABSTRACT

In-depth interviews with Dutch trade book publishers revealed that the agglomeration of book publishers in Amsterdam cannot be fully explained either by place as a meeting site or by sense of place as a source of inspiration. Instead, publishers make and employ their own places to develop and maintain their personal networks. This involves innercity Amsterdam and its canals, as well as other places and temporary events on multiple levels of scale. Publishers employ place to enhance their status and credibility and to build relation-specific trust. This tends to perpetuate the myth of the traditional publisher. Socialization is important in publishing, but it does not require fixed meeting places and may lead to conservatism rather than innovation. This paper provides a more complete and more dynamic understanding of place and its role in cultural production, by looking at place as a social construct integrating the dimensions of place as locale and place as experience, and by focusing on networked and public reputation and trust, rather than primarily on knowledge exchange and innovation. Without telling yet another cluster success story, this study shows that place still matters in publishing.

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1. Introduction

This paper examines how trade book publishers use place in building their reputations in a cultural field and in developing relationships of trust in the book value chain, and critically assesses the importance of the Amsterdam publishing agglomeration for developing and selling books. In the Dutch context, the area within Amsterdam's *grachtengordel* (the 'canal ring' around the old city centre) is the principal location for publishers and other cultural-product industries. The city and its canals have been an important location for book publishers since the birth of the industry (Heebels and Boschma, 2011; Rasterhoff, 2012). The contemporary publishing industry is now struggling to find a balance between maintaining the image and organization of the cottage industry and craftsmanship it once was, and the new corporate structures and business plans that have arisen since the 1960s. In this context, it is interesting to see to what extent and in what ways urban place – and Amsterdam specifically – are still important for publishers and their firms.

Previous studies on the clustering of cultural-product industries in urban areas often considered the local environment crucial for the performance of cultural-product firms (e.g. Crewe and Beaverstock, 1998; Brown et al., 2000; Drake, 2003; Scott, 2004; Currid, 2007). These studies can be roughly divided into those that focused on the role of place in social relations and knowledge spill-overs (e.g. Bathelt and Boggs, 2003; Scott, 2004), and those that focused on the role of physical place as source of inspiration (e.g. Molotch, 2002; Drake, 2003). The former primarily considered place in terms of geographical proximity, untraded dependencies and informal meeting sites, and stressed the importance of being close to other cultural-product firms and the nearby availability of meeting places, such as bars. The latter studies primarily considered place in terms of its look and feel, and emphasized the importance of small-scale, inner-city blocks and a creative atmosphere. Numerous authors (Sunley et al., 2008; van Heur, 2009; Heebels and Boschma, 2011) have recently criticized the supposed positive influence of urban clusters on the performance of cultural-product firms, both with respect to knowledge exchange between firms within such clusters, and with respect to the inspirational function of urban place. Although this criticism is justified, we should not jump to the conclusion that urban place does not matter at all for cultural production. Our study shows that place is important for book publishers as cultural intermediaries. Nevertheless, its role is more nuanced than in cluster success stories and cannot be explained by either just looking at place as a meeting site or at sense of place as a source of inspiration.

We argue that it is necessary to explore both place as meeting site and sense of place, and to relate these dimensions to the idea of place as a social construct (Massey, 2000) in order to come to a better and more dynamic understanding of place in cultural production. This paper shows that publishers, while developing their personal networks, construct their own meeting places and create

a particular sense of place. The paper also demonstrates that the role of place in cultural-product industries is not only about innovation, knowledge exchange and inspiration. For cultural intermediaries, such as book publishers, gallery owners, and film and music producers (Anand and Peterson, 2000; Allen and Lincoln, 2004; Zafirau, 2008; Lingo and O'Mahony, 2010), reputation is a significant strategic tool. In addition to reputation building, it is important for cultural intermediaries to develop relationships of trust both up and down the value chain, in this case, between publishers and authors and between publishers and booksellers. Book publishers fulfill their intermediary role in a strongly concentrated market (Epstein, 2001; SMB/GfK, 2012). It is therefore important to recognize that book publishers create cultural value but are also businesspeople and part of commercial enterprises. Reputation and trust building not only involve cultural but also commercial aspects of the publishing business. A publishing field functions as a social and business environment with specific kinds of rewards and recognition, in which reputation and trust-building are of strategic importance (Thompson, 2005; Dorleijn and van Rees, 2006). Building on a number of studies on cultural-product industries that have discussed face-to-face contact as a generator of trust (Banks et al., 2000; Kong, 2005) and an instrument for reputation (Neff, 2005; Currid, 2007; Zafirau, 2008), this paper explores the concepts of trust and reputation in depth, and shows how publishers make and employ places to develop and maintain their personal networks.

The making of urban place in publishing was investigated by means of semi-structured interviews with the owners and/or directors of publishing houses that publish for the trade book market. To avoid overstating the importance of Amsterdam as a publishing location, we interviewed not only book publishers with premises in Amsterdam but also those located outside the city. The paper first provides an overview of the literature on the agglomeration of cultural-product industries and discusses the various functions of social interaction and face-to-face contacts and the various dimensions of place. This section illustrates the necessity to examine place as a social construct. Place is used strategically in personal networks to enhance trust and reputation. After this, the concepts of trust and reputation, their definitions, and their relation to the various aspects of place are further discussed. The empirical part of the paper examines how place matters for socialization and the generation of trust and reputation in the current Dutch book publishing industry. The paper ends with conclusions, recommendations for further research, and a discussion of the implications of our conceptualization of place for research on cultural-product industries.

2. Cultural-product industries, social interaction and place

Most studies on the agglomeration of cultural-product industries have focused on how place contributes to innovation and intellectual creativity within these industries. The exchange of tacit knowledge plays an important role in the literature on cultural-product industries (e.g. Brown et al., 2000; Scott, 2006; Currid and Connolly, 2008). This literature fits within a large and rich body of work on social interaction and the exchange of knowledge in spatial agglomerations, and how this leads to innovation in firms, industries and regions (e.g. Jaffe et al., 1993; Feldman, 1994). These ideas date back to Marshall's (1920) concept of agglomeration economies, which included three main reasons why similar firms are found in the same geographical area, namely to make the most of the flow of information and ideas; to draw upon and add to the local provision of untraded inputs, which reduces transportation and transaction costs; and to benefit from the availability of a local pool of specialized labor. Scott (2004) built on

these ideas in his study on the production system of the Los Angeles film industry, and showed that inter-firm labor migration and informal contacts between members of different firms increase the exchange of ideas and stimulate innovation. As in other knowledge-intensive industries, spatial agglomerations provide a local pool of specialized labor, and facilitate face-to-face contact and the informal exchange of ideas. Face-to-face contact and geographical proximity are posited as important for innovation in cultural-product industries, because they promote learning and the exchange of ideas between cultural-product firms (e.g. Crewe and Beaverstock, 1998; Currid and Connolly, 2008). By just 'being there', people share information, gossip and news (Gertler, 1995). The unplanned convergence of gossip, ideas, advice and strategic information is considered to be extremely important in cultural-product industries (Crewe and Beaverstock, 1998; Asheim et al., 2007). The 'local buzz' that results from the combination of face-to-face contacts and the co-presence and co-location of people and firms within the same industry and place may lead to the exchange and development of new ideas (Bathelt et al., 2004).

In recent years, a number of authors have questioned the importance of local networks for innovation. Bathelt et al. (2004) stated that success in innovation is a result not only of the local exchange of knowledge, but also of a synergy between local networks and global pipelines. Boschma (2005) asserted that geographical proximity is neither a necessary nor a sufficient condition for innovation and should be assessed in relation to other dimensions of proximity, such as cognitive, organizational, social and institutional proximity. These authors were critical about the role of 'spaces of place' (Castells, 1996) in generating ideas and stressed the importance of virtual sources of inspiration as part of 'spaces of flows'. Sunley et al. (2008) emphasized that client relations and firm routines are far more important to innovation in design than localized inter-firm networks. They also showed that the relationship between design firms appears to be mainly a competitive one and that the relationship between geographical proximity, inter-firm networking and innovation may not be as straightforward as is often claimed. This does not mean that we should abandon the idea that place matters or that we should focus only on local versus global networks. Rather, it is necessary to move beyond informal meeting places, "local buzz" and the environment as sources of inspiration, in order to gain more insight into the complex relationship between place and networks.

To develop further our understanding of the role of place in 'buzz', the multiple dimensions of both these concepts need to be explored. According to Storper and Venables (2004), buzz is the combined effect of various dimensions of face-to-face contacts. These authors distinguished four main functions of face-to-face contacts: as an efficient *communication technology* for exchanging complex, uncodifiable knowledge; as a *generator of trust and incentives*; as a main element in *screening and socializing*; and as a creator of *psychological motivation* (Storper and Venables (2004), italics added). Following the example of the literature on geographical proximity and technological spill-overs (e.g. Jaffe et al., 1993; Feldman and Audretsch, 1999), the literature on cultural-product industries and clustering has often focused on local knowledge networks and on face-to-face contact as a means to enhance communication and the exchange of information (e.g. Bassett et al., 2002; Asheim et al., 2007; Martin and Moodyson, 2010) Other studies of cultural-product clusters (e.g. Banks et al., 2000; Coe, 2000; Grabher, 2001; Kong, 2005) have built on social network studies (most notably Granovetter's work on embeddedness (1985) and informal networks (1973)), and have discussed how embeddedness in local communities leads to socialization processes and how face-to-face contact functions as a generator of trust and an instrument for reputation. This paper builds on these studies by further exploring the concepts of trust, reputation and motivation and