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Information Spillovers from Protests against Corporations: A Tale of Walmart and Target

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Abstract

In this study of the impact of protests against Walmart (a first entrant) on Target (a second entrant) from 1998 to 2008 in U.S. geographic markets, we develop and test a theory of information spillovers from protests against corporations proposing to enter a new market. We argue that the number of protests directed against a first entrant is a noisy signal for the second entrant because such protests are likely to be dominated by protest-prone activists and so do not reflect the sentiments of the community. The second entrant is likely to discount protests against the first entrant that are led by protest-prone activists and rely instead on protests led by local, decentralized activists as indicative of a community's preferences. We argue that the second entrant differentiates between protests against the first-entrant firm and the organizational form, and discounts protests against a specific firm but not those against the form (e.g., big-box stores). Further, the second entrant is likely to rely on the reaction of the first entrant as an indication of the meaning of the protest. Finally, all of these signaling effects will be stronger in markets in which the second entrant has no experience and so lacks local knowledge. The study provides broad support for our arguments.

Keywords: information spillover, protests, market entry, Walmart, Target

In contrast to the traditional social movement literature, which has emphasized opposition to the state, a fast-growing body of work analyzes private politics: why and how activists target large corporations (Davis et al., 2005; Baron and Diermeier, 2007; Ingram, Yue, and Rao, 2010; King and Pearce, 2010; Rao, Yue, and Ingram, 2011). Big corporations exert an enormous influence over wages and employment in communities, the exploitation of natural resources, and the use of space. Unlike democratic governments, which are highly open

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to influence by the electorate and protected from consequent delegitimation, large business firms are less open to outside influence and have few access channels for the public (Walker, Martin, and McCarthy, 2008; Weber, Rao, and Thomas, 2009). As a result, those lacking influence through access to corporate suites are more likely to use subversive and confrontational tactics such as protests, strikes, and boycotts. Protests against corporate opponents communicate the dissatisfaction of key stakeholders, signal curtailed sales and cash flows, and jeopardize the reputation of the firm. Media attention amplifies the effect of such tactics and induces firms to give in to the demands of activists (King and Soule, 2007; King, 2008).

Yet for the most part, the new literature on private politics has been concerned with the direct effect of protests on their intended target but has neglected the spillover effects of protests on other firms. The premise is that protests targeting a large firm, such as Nike, are assumed to have an impact only on Nike. A staple of the social movement literature, however, is that the outcomes of protests include ''an enormous range of unanticipated effects . . . [that] far surpasses the explicit demands made by activists'' (Tilly, 1998: 268). Haveman, Rao, and Parachuri (2007) developed a typology to understand such spillover effects. They distinguished between original targets and unintended targets, and direct and indirect effects, and suggested that translational work is needed for protests to have effects that scale beyond their immediate targets. While their typology is useful, it leads to the interesting question of how the translation process happens. Understanding the translation process matters because researchers have long noticed that not all protests are created equal (Lipsky, 1970; Verba and Brody, 1970; Nie and Verba, 1975). One avenue to understanding the unintended consequences of social movements is to see if there are spillovers in protests against corporate targets; this requires that we analyze how second entrants in a market interpret and respond to protests directed against a first entrant.

The literature on market pioneers provides an account to explain ''externalities'' in a market but glosses over possible spillovers from protests targeting first entrants, or pioneers. The literature holds that those who develop new technologies or new markets generate externalities, that is, they incur costs, but the benefits are appropriated by subsequent entrants (see Golder and Tellis, 1993; Agarwal and Gort, 1996; Min, Kalwani, and Robinson, 2006). Some scholars argue that first entrants who enter markets early can develop cost advantages, preempt scarce assets, or erect other barriers to entry, such as consumer loyalty (see Lieberman and Montgomery, 1988; Agarwal and Gort, 1996). Other scholars insist that pioneers are at a disadvantage due to high development costs and easy imitation by later entrants (Golder and Tellis, 1993; Min, Kalwani, and Robinson, 2006). The implicit premise in this literature is that the constraints for pioneers include only capabilities rather than the organized political opposition from consumers and stakeholders in markets that is represented by protests.

Protests against market pioneers can provide information to later entrants because they help to make public some of the previously hidden information about the preferences of consumers and stakeholders in a market. Informational spillovers occur when protests against a first entrant reveal a community's preferences and affect second entrants' assessment of the potential viability and profitability of the market. Yet protests against a first

entrant are noisy signals for the second entrant. On the one hand, activists in communities attack first entrants to keep out other possible entrants in the future. Because it is costly to organize collective action, activists do not want to repeatedly incur the costs of organizing such action and so have strong incentives to deter the first entrant in the hope that subsequent entrants may then be deterred from entering the market. On the other hand, because the second entrant has a different organizational identity, it needs to distinguish whether a protest against a first entrant is an opportunity or a threat. A related problem, as Lohmann (1993) argued, is that activism is usually dominated by the protest-prone, that is, activists who are fired by ideological zeal and represent an extreme end of the distribution of preferences. So a second entrant needs to decide whether the sheer number of protests against a first entrant truly represents the preferences of the majority in a community.

We theorize here that to make sense of protests, second entrants will go beyond simply observing the number of protests. Instead, to tell whether protests are informative or not, second entrants will pay close attention to who sponsors the protests, what their claims are, and how a first entrant reacts to the protests. Second entrants will discount protests led by protest-prone activists, such as those associated with national social movement organizations, who reflect the position of the national leadership more than that of the local community. When protests against a first entrant are led by local activists belonging to the community and representative of it, second entrants are unlikely to enter the market. But second entrants are likely to discount protests that target only the first entrant firm, focusing on its identity, and to be dissuaded when protests attack the organizational form itself. We expect that second entrants will rely on informational spillovers from protests when they lack local knowledge because they have no experience in that particular area.

We use the term first and second entrant broadly. Hence, there may be first and second entrants in a geographic market, a customer segment, or adopting a new practice, such as executive compensation, or even exiting a market through divestment. In this paper, we test our hypotheses in the context of protests against Walmart and their effect on Target's entry behavior from 1998 to 2008. Walmart and Target are the two largest discount retailers in the U.S., and the period between 1998 and 2008 was an era of expansion and contention for big-box stores in the U.S. In that period, Walmart made 2,049 proposals to open new stores in American communities, out of which it encountered 805 protests and managed to open 1,234 stores. At the same time, its closest rival, Target, floated 1,110 proposals, but attracted only 74 protests, and was able to open 1,046 stores. While accounts in the popular media trace the fact that there are more protests against Walmart to the better corporate image of Target (e.g., Serres, 2005), our paper tests the idea that Target encountered fewer protests than Walmart because it usually entered markets after Walmart did and therefore benefited from information spillovers from protests against Walmart.

INFORMATION SPILLOVERS FROM PROTESTS AGAINST FIRST MOVERS

When a firm is seeking to enter a market, collective voice conveys information about possible demand to the entering firm. Because potential consumers cannot individually complain to the potential entrant, activists mobilize the

sentiments of the market members and organize protests that crystallize complaints about the firm (Berg and Zald, 1978). Protests against a firm seeking to enter the market first also provide information to potential second entrants. Both individuals and organizations learn vicariously by watching the outcomes of actions taken by other individuals or organizations (Bandura, 1977). Typically, firms rely on other firms as learning targets (Levitt and March, 1988) and free-ride by avoiding technological mistakes or copying successes, and second-mover advantage stories rely on such information spillovers (Lieberman and Montgomery, 1988; Porac et al., 1995).

Protests against First Entrants as Noisy Signals for Second Entrants

The mere number of protests against a first entrant is a noisy signal to the second entrant. On the one hand, protests are costly contributions to a public good, in this case, the welfare of a community, and require the effort, time, and enthusiasm of the activists. They are also subject to the free-riding problems discussed by Olson (1965). On the other hand, the free-rider problem may be overcome if individuals have selective incentives to participate, if preexisting organizations reduce the costs of participation and increase the chances of success, or if individuals are able to connect with each other (Lichbach, 1998). Furthermore, anything that enhances group solidarity increases both the significance of an individual's contribution, the share of collective benefits, and even the psychological benefits derived from the process itself. Lohmann (1993) argued that ideologically committed activists are likely to oversupply activism in communities because they feel a sense of solidarity and represent an extreme end of the propensity to protest. When the protest-prone mobilize, their hope is that their actions will induce the participation of individuals with more moderate preferences. Their turnout, however, does not necessarily induce the participation of moderates, because many view extremism as a signal that a protest is unlikely to succeed. If ideologically committed activists expect that others are going to discount the informational value of their protests, they will tend to supply even more activism, falling into a ''trap'' of futile attempts (Lohmann, 1993: 321).

As a result, protest-prone actors who engage in political actions may not be representative of the policy preferences of the population at large. The mere incidence of protests against the first entrant is not a reliable proxy for the preferences of a community. One way for second entrants to resolve the uncertainty is to pay close attention to who sponsors protests against a first entrant. According to the median voter theorem in political science, politicians who position their policies according to the median voter's preference are likely to win the majority's votes and consequently political elections (Downs, 1957; Congleton, 2003). Similarly, if the median voter or political moderates arise to oppose a certain policy, then their protests signal that the majority is not favorable to the policy.

In our context, national social movement organizations are particularly protest-prone for two reasons. First, because the activities of national social movement organizations are centrally coordinated, they are likely to be driven by the policy preferences of the national leadership and are unlikely to reflect the sentiments of the local community. Some national social movement organizations regularly organize local protests against the same set of opponents,

such as the Audubon Society against wind power firms and Greenpeace against fisheries. Thus their protests may not necessarily reflect local sentiments. Second, national social movement organizations may have more resources than local activists and would consequently be more likely to supply protests. When protests against a first entrant are led by these protest-prone activists, then the second entrant is likely to conclude that moderates in the community will not support them and so will discount the protests against first entrants. When the protests are led by individuals and small local groups belonging to a community, however, the second entrant is likely to perceive them to be indicative of the community's preferences and thus likely to be leading indicators of demand for their product and so will not enter the market.

Hypothesis 1: Prior protests against the first entrant that are not spearheaded by protest-prone activists reduce the second entrant's tendency to propose to enter the same market.

Content of Protests against First Entrants as a Signal

Benford and Snow (2000) observed that protests unfold in an identity field in which there are defined antagonists, protagonists, and audiences, and identities are imputed to players in the field. As a result, second entrants can observe not just the fact of protest but also who is defined as an antagonist and, by implication, the identity imputed by activists to the antagonist. When activists specifically attack the firm that is the first entrant, then the second entrant is likely to discount such protests because it has an identity that is differentiated from the first entrant. For example, if the protests are against Walmart, Target, being a relatively up-scale discounter, can differentiate its image from Walmart and secure acceptance in a community. If the protests assail the organizational form, however, then the second entrant is likely to be deterred. For example, if the protests assail the identity of the big-box store, then a stereotype of the category of big-box store develops, all members of the category are de-individualized, and the range of stigmatized targets expands. Thus Pontikes, Negro, and Rao (2011) showed that during the Red Scare in Hollywood, even those who co-appeared with blacklisted actors in one prior film project were stigmatized. When the identity of one organizational form is spoiled, all organizations falling within that form face the threat of being stigmatized (Jonsson, Greve, and Fujiwara-Greve, 2009; Yue, Luo, and Ingram, 2013).

Hypothesis 2: Prior protests with claims that are specifically targeted at the first entrant increase the second entrant's tendency to propose to enter the same market.

Hypothesis 3: Prior protests with claims that are targeted at the category of organizations decrease the second entrant's tendency to propose to enter the same market.

First Entrant's Responses to Protests as a Signal

A second entrant can observe the first entrant's responses to protests. White (1981) suggested that firms are unable to directly observe consumers but instead observe their rivals' actions and make inferences about consumers.

Because firms have to undertake a costly effort to interpret signals such as protests, the responses of rivals convey interpretations and thereby provide more information to observers (Kim and Miner, 2007). Learning from other firms is typically complicated because information about failures is suppressed (Strang and Macy, 2001; Denrell, 2003). When it is available, it is likely to be very consequential because negative outcomes are often heavily weighted (Rozin and Royzman, 2001). A number of studies attest to the potency of outcome-based imitation. Firms emulate other firms more on the basis of observed successful outcomes than similarity of traits (Haunschild and Miner, 1997). An early study by Conell and Cohn (1995) demonstrated that successful strikes in the coal mining industry were swiftly imitated by others.

Market entry is a risky decision for organizations because it often incurs substantial costs, and locations are less adjustable than other costs in the short run. Economists have tried to model these risks using market entry games in which each retailer processes private knowledge about its own probability of success but does not know those of others and therefore infers the profitability of a market from other retailers' entry decisions (e.g., Jia, 2008; Zhu, Singh, and Manuszak, 2009; Holmes, 2011). Empirical research on retailers' location choice, for example, has found evidence of outcome-based imitation among fast-food restaurants (Toivanen and Waterson, 2005; Shen and Xiao, 2011; Yang, 2013), retail banks (Feinberg, 2008; Damar, 2009), and department stores (Vitorino, 2012).

The first entrant can be expected to persist in entering a market in the face of protest when the market opportunity is strongest and where it has plenty of allies (Ingram, Yue, and Rao, 2010). In contrast, in communities where the opportunities for profitability are meager or the resistance is strong, the first entrant is more likely to withdraw. The first entrant's response to protests reveals its private assessment of the favorability of a market. Thus the first entrant's reactions to activists may consequently affect second entrants' decisions to enter.

Hypothesis 4: The higher the first entrant's withdrawal rate due to protests, the less likely the second entrant will propose to enter the same market.

Local Knowledge of Second Entrants

Second entrants' local knowledge of a market conditions the effect of information spillovers from protests against the first entrant. The less familiar a second entrant is with a market, the more likely it is to rely on the signals of protests against a first-mover's bid to enter the market. After all, learning from a secondary source of information such as protests against the first entrant is a less-than-perfect process. There are at least three reasons why having direct knowledge of a local market mitigates the effects of protest signals. First, protests targeting the first entrant are often reported by the media or activist organizations. The media tends to pick up news-worthy information, and activists have incentives to amplify the impact of protests. Thus the secondary source of information about protests can contain systematic biases. Second, inference can contain cognitive errors and consequently lead to irrational responses such as herding (Banerjee, 1992), fads and fashion (Abrahamson and Rosenkopf, 1993), and blind social compliance (Rao, Greve, and Davis, 2001). Third,

because second entrants may be differentiated from the first entrant, a market condition that works for the first entrant may not be ideal for the second entrant, and vice versa.

Under these conditions, direct knowledge is a more reliable source of information, and organizations that have already dived into a market should rely less on social learning, including signals from protests against the first entrant, to resolve uncertainties in a market. For example, during the Internet boom around the turn of the millennium, organizational decision makers who had direct knowledge about the Internet relied less on social information when deciding whether to form or dissolve a tie with an Internet company (Yue, 2012). Uncertainties about a market are greatly reduced once a market player has already entered a market or has had a previous experience in it. Second entrants with direct experience that indicates that their organizations will prosper in a local market are likely to enter regardless of the resistance faced by the first entrant. Therefore,

Hypothesis 5: The effects hypothesized in H1–H4 will be stronger when the second entrant lacks local knowledge.

METHOD

Research Setting: Walmart and Target

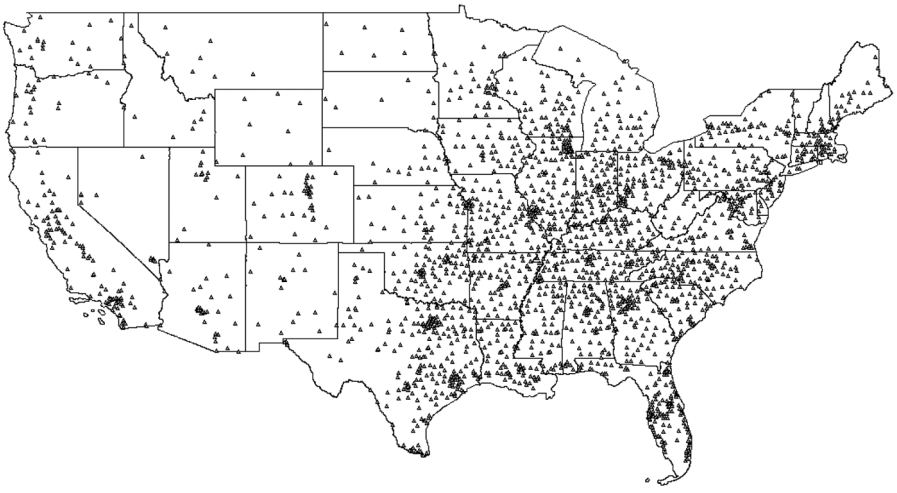
In 1962, the Dayton Company founded the first four Target stores in Minneapolis, entering the then-novel discount retailing industry, which offered a wide variety of branded goods at discounted prices. Dayton was not the only company that shrewdly sensed the potential of discount retailing; in the same year, Sam Walton founded Walmart.[1] In the next thirty years, Target and Walmart grew into retailing giants through different paths. Starting from the rural South, Walmart opened discount stores in towns with populations of 5,000–25,000. Spending little money on advertising and marketing, Walmart focused on selling goods as cheaply as possible. Target, in contrast, expanded from the Midwest, opening stores in urban markets. Target positioned itself as an upscale discounter offering a wider selection of higher-quality designer products and a better shopping environment. By 1998, Walmart was operating 2,332 stores in all 50 states, with sales of about $100 billion, larger than all three of its main rivals (Target, Kmart, and Sears) combined. Figure 1 clearly demonstrates Walmart's national presence, while Target had most of its 764 stores concentrated in metropolitan areas and had $20.4 billion in sales.

Since the middle of the 1990s, Walmart and Target have moved closer to each other's territory. Walmart faced a saturated market in the South. To avoid cannibalization, it shifted the focus of expansion to urban and suburban markets, the traditional territory of Target. As figure 2 clearly shows, the geographical areas in which Walmart and Target opened stores from 1998 to 2008 largely overlapped.

Since the late 1980s, Walmart has adopted a supercenter-centered growth strategy, building 187,000-square-foot superstores that include a full selection

[1] Kmart, another of the big three in discount retailing, was founded in the same year. We did not include Kmart in this paper because by 1993 the company was having serious financial troubles and was under bankruptcy for most of the period of our investigation.

Figure 1. Walmart and Target store openings before 1998.

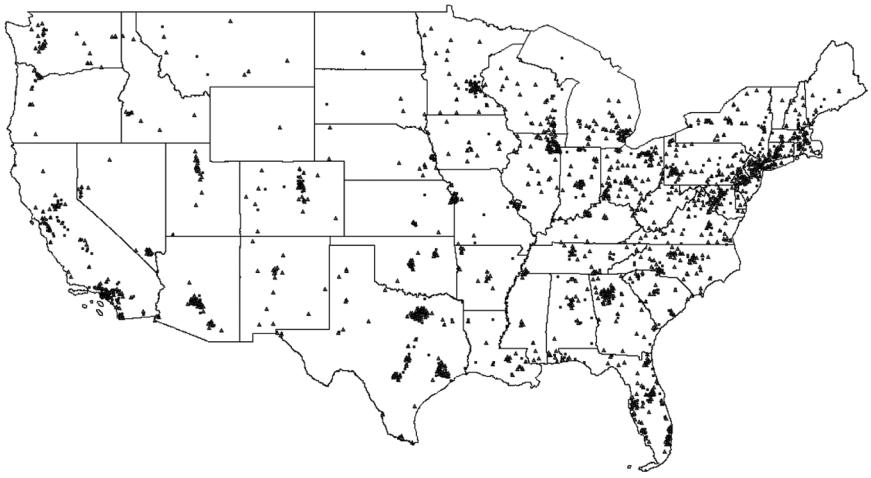


Walmart Stores: 2332

Target Stores: 764

of groceries in addition to standard general merchandise. Supercenters enable Walmart to enter the grocery segment with a relatively high margin. Moreover, because consumers shop for groceries more frequently than for general merchandise, grocery sales significantly increase Walmart's store traffic and promote one-stop shopping. Supercenters fueled Walmart's growth, making it the world's largest retailer in 1991 and the world's largest company in 2002. Walmart's success resulted in competitors' imitation. In 1995, Target entered the grocery business and launched its first Super Target stores, which were modeled after Walmart supercenters with a slightly smaller footprint of about

Figure 2. Walmart and Target store openings, 1998–2008.



1311 Walmarts (in triangles) vs. 1004 Targets (in dots)

174,000 square feet. By 2002, Target had become the second largest discount retailer in the U.S., competing head to head with Walmart.

Between 1998 and 2008, Walmart's proposals to open new stores in American communities faced a protest rate of nearly 40 percent while Target's were less than 7 percent. Accounts in the popular media trace the fact that there are more protests against Walmart to starkly different images of the two corporations (e.g., Serres, 2005): Walmart is a poster child of extreme capitalism, and Target has a socially responsible image through contributing to a variety of civic and cultural causes. Yet there are substantial similarities between Walmart and Target that cast doubt on these stereotypes. Walmart too is a regular contributor to community causes (Ingram, Yue, and Rao, 2010). Like Walmart, Target also fiercely opposes unions. Target's ''wages and benefits mirror Wal-Mart's'' (Bustillo and Zimmerman, 2010). Just as Walmart builds superstores combining groceries with general merchandise, Target has constructed Super Targets—so much so that a United Food and Commercial Workers (UFCW) official in Minneapolis who has tried to organize Target workers lamented, ''We've complained to national folks, 'Why is Wal-Mart the bad guy?''' (Bustillo and Zimmerman, 2010).

Target encountered fewer protests than Walmart because it enters markets usually after Walmart does and therefore benefits from information spillovers from protests against Walmart. The *Star Tribune* in Minneapolis reported that ''at the company's annual meeting, Target executives spoke about how the retailer tries to avoid the issues that have been dogging Wal-Mart'' and that ''Target CEO Bob Ulrich told shareholders that the retailer works 'very hard' to avoid the kinds of public image issues that Wal-Mart is facing'' (Levy and Baker, 2004: 1D). Walmart is also aware of the externalities it created for the market's second entrants. Amy Hill, Walmart's Northwest community affairs manager, said that, in choosing store locations, ''Wal-Mart opts for secrecy to

maintain an advantage over competitors like Target and Lowe's'' (Sprawl-Busters, 2011). But the outbreak of anti-Walmart protests helps to put the information about where Walmart is going and the preference of the market into the public domain.

Data

Our dependent variable is whether Target proposed to open a new store in a place in a year. Our unit of analysis is place, which refers to a city, town, village, or unincorporated census area. According to the Census of 2000, there were 25,375 places in the United States. Our dataset consists of all places in the U.S. from 1998 to 2008. We started our observation in 1998 because one of our data sources (the Sprawl-Busters database of protests) did not begin to collect data on anti-big-box-store protests until 1998. We ended in 2008 because we need at least three years to determine whether a proposed store eventually resulted in an opening. Finally, because creating time-lagged variables requires information from the previous three years, the final sample used in the statistical analysis includes observations representing all the places from 2001 to 2008.

To compile the data on Target's and Walmart's new store proposals, we conducted a media search from 1998 to 2008 using the Lexis-Nexis, America's News, and Sprawl-Busters databases. We matched these with a list of Target and Walmart store openings from 1998 to 2010. From those store openings for which both the proposal and opening time can be accurately identified, we calculated the average construction time for a Target store to be 568 days and that for a Walmart store to be 789 days. We then estimated the proposal time for an opened store for which the proposal date cannot be identified from the media search as 568 or 789 days, respectively, before the opening date.

We collected the data on anti-Walmart and anti-Target protests from two sources. First, we collected the data on the protests that targeted store proposals of Walmart and Target from Sprawl-Busters, an anti-Walmart organization that has been collecting news about anti-big-box store protests from various sources since 1998. We also collected reports of protests from other activists' websites. Second, we added more protest data from a media search on the Lexis-Nexis and America's News databases. From our search of activists' sites and media, we coded whether a specific proposal was protested. We coded protests as occurring if our sources reported that individuals or organizations did any of the following in response to a proposed Walmart or Target store: organized rallies or boycotts; encouraged public hearings; collected citizens' signatures to initiate a referendum; demanded additional studies of a proposed store's impact on local businesses, traffic, and environment; highlighted environmental hazards; deployed zoning restrictions; lobbied for store-size-cap legislation; requested a community-wide ballot; or filed lawsuits against big-box retailers or a local government.

Finally, we matched the data on protests obtained from these sources and dropped duplicated cases. A protest against a proposed Walmart store can be reported multiple times, and we coded multiple reports as one protest as long as they were targeted at the same store proposal. So each store proposal is either protested or not, and there are no situations in which multiple protests are targeted at the same store proposal. The multiple sources of our data with

different interests in the contention, including the representations of big-box stores, protestors, and media, mitigate the concern about selection bias that would loom large if we relied on only one source.

Dependent Variable and Estimation

Our dependent variable is a dummy variable coded 1 if Target proposed to open a store in a census place in a year. We used a probit model to estimate the effect of anti-Walmart protests on the proposal behavior of Target. One problem is that our estimation of Target's proposals is conditional on (a) Walmart proposing to enter in the first place and (b) Walmart facing a protest, and (c) Walmart either withdrawing or entering. Clearly, there may be unobserved factors that simultaneously affect all the stages of this process. Therefore, we adopted a new estimation method, the Conditional Mixed Process (CMP) model (Roodman, 2011). CMP controls for selection biases that arise from the fact that some unobserved variables affect several outcomes, by building on the well-established system of ''seemingly unrelated'' regression (SUR) equations and allowing errors to be correlated and share a multidimensional normal distribution. It implements the Geweke, Hajivassiliou, and Keane (GHK) algorithm to simulate the multidimensional normal distribution and then compute the likelihood value. Exploiting maximum likelihood SUR's ability to consistently estimate parameters in a recursive simultaneous equation system, CMP is able to account for correlated error terms among outcomes and multistage selection (Greene, 2011; Kashyap, Antia, and Frazier, 2012). CMP also allows models to vary by observations so that equations can be conditional on the data (i.e., protests could only be observed where Walmart made proposals). An added benefit is that different dependent variables may be scaled differently: ordinal or binary dependent variables can simultaneously be estimated with continuous variables. Moreover, for repeated observations, a sandwich variance estimator accounts for clustering. Finally, by allowing error terms of control equations to be correlated, CMP controls for estimation bias caused by correlations between dependent variables in recursive models.

We simultaneously estimated four equations: the number of Walmart's proposals within 15 miles in the past three years (Y_1), the number of anti-Walmart protests within 15 miles in the past three years (Y_2), the number of Walmart's withdrawals due to protests within 15 miles in the past three years (Y_3), and Target's proposals in a place in a year (Y_4). We assumed the error terms fall into a 4-dimension normal distribution.

$$
\begin{aligned}
&Y_1 = I(\mu_{j-1} \le (Y_1^* = \beta_1 X_1 + \varepsilon_1) \le \mu_j), j = 0 \ldots 16 \\
&Y_2 | Y_1 > 0 = I(\mu_{k-1} \le (Y_2^* | Y_1 > 0 = \beta_2 X_2 + \delta Y_1 + \varepsilon_2) \le \mu_k), k = 0 \ldots 12 \\
&Y_3 | Y_1 > 0 = I(\mu_{l-1} \le (Y_3^* | Y_1 > 0 = \beta_3 X_3 + \gamma Y_2 + \varepsilon_3) \le \mu_l), l = 0 \ldots 11 \\
&Y_4 = I(Y_4^* |_{Y_1 > 0} = \beta_4 X_4 + \phi Y_{2i} + \varphi Y_3 / Y_2 + \eta K + \psi Y_{2i} \times K + \\
&\zeta (Y_3 / Y_2) \times K + \varepsilon_4 > 0)
\end{aligned}
\quad
\begin{pmatrix} \varepsilon_1 \\ \varepsilon_2 \\ \varepsilon_3 \\ \varepsilon_4 \end{pmatrix} \sim N_4(0, V)
$$

We treated Y_1–Y_3 as categorical variables and estimated them using ordered probit models. In a robustness check, we also estimated them using OLS

models and found that the results remain robust. Y_4 is a dummy variable estimated using a probit model. X_1–X_4 are four sets of control variables. In equation 1, we included a place's distance to the nearest Walmart distribution center, besides other control variables. In equation 2, we controlled for the number of proposals that Walmart made within 15 miles in the past three years. In equation 3, we controlled for the number of protests that Walmart experienced within 15 miles in the past three years. In equation 4, Y_{2i} represents different types of protests, Y_3/Y_2 is the rate of Walmart's withdrawal due to protests, and K is an indicator of Target's local knowledge.

To calculate the number of Walmart's proposals within 15 miles in the past three years, we first calculated the distances from all the places where proposals were made (at the zip-code level) to the centroid of a place and then counted the number of those falling within 15 miles in the past three years. We chose 15 miles because this is the distance that retailing scholars have found that Walmart stores attract shoppers from neighboring areas (Davidson and Rummel, 2000). Although 15 miles may fall within or out of the judicial boundary of a place, judicial boundaries and the market reach of a store do not have to be the same. Rao, Yue, and Ingram (2011) showed that big-box retailers consciously take into account the difference between the two when making store location choices and consider the demand of customers that are outside of judicial boundaries but within the market reach of their stores. In addition, to ensure that our findings are robust to the geographical radius and time lag chosen, we also conducted analyses by using 5, 10, and 20 miles as the radius and 1, 2, and 4 years as the time lag. These results are reported below.

Independent and Control Variables

Big-box stores seek to keep wage costs low and so see unions as ideological foes. In turn, unions are concerned about the wage-lowering effects of big-box stores, and their efforts to deter union organizing attempts, and have also invested in efforts to prevent such stores from entering markets (Lichtenstein, 2009). So we used union-led protests against Walmart's proposal to enter a market as a proxy for protests against the first entrant that are spearheaded by protest-prone activists belonging to a national organization. Protests led by local residents, merchants, or politicians were coded as protests not spearheaded by protest-prone activists against a first mover. We measured such protests against Walmart's new store opening proposals within a 15-mile radius of the center of a place in the past three years (i.e., *nonunion-led anti-Walmart protest*). For comparison purposes, we also measured the number of protests against Walmart's new store opening proposals that are backed by unions within a 15-mile radius of the center of a place in the past three years (i.e., *union-led anti-Walmart protest*). We coded a protest as being union-led if our sources reported that at least one protest activity was backed by unions. Hypothesis 1 predicted that nonunion-led anti-Walmart protest would have a negative effect.

Prior protests with claims that are specifically targeted at the first entrant were measured by the number of protests with Walmart-specific claims only within a 15-mile radius of the center of a place in the past three years (i.e., *protest with Walmart-specific claims*). These specific concerns include the lack of

retail diversity due to too many Walmart stores nearby, problems with a particular location that Walmart chose, a poor proposal and planning process that Walmart made, neighbors' concerns over the design of a Walmart store, and public subsidy to a Walmart project. We adopted two variables to measure prior protests with claims that were targeted at the category of big-box stores. One variable is the number of protests that made general claims against big-box retailers within a 15-mile radius of the center of a place in the past three years (i.e., *protest with general claims*). General concerns include the disruption by the presence of a big retailing chain to the identity of a small town or historical district, the impact on local business, the poor labor conditions, the anti-union attitude, the reliance on imported goods from overseas, the store size, or too many other big-box stores (such as Target and Home Depot) nearby. If a protest made both Walmart-specific and big-box-store-general claims, we count it as a protest with general claims but not as one with Walmart-specific claims only.

The second variable measuring protests against the form of big-box stores is *protests adopting store-size-cap tactics.* Store-size-cap rules that limit the square footage of any new store is a severe measure to wipe out big-box stores. We measured the number of protests that attempted to introduce store-cap legislation within a 15-mile radius of the center of a place in the past three years. Hypothesis 2 predicted that protests with Walmart-specific claims would encourage Target to enter a market, while hypothesis 3 implied that protests with general claims and protests that adopt store-size-cap tactics would dampen Target's tendency to do so. Two trained research assistants independently coded the above explanatory variables from reports of anti-Walmart protests, and they were able to reach a high interrater agreement (the average Cohen's kappa is 0.91).

Rate of withdrawal measures the percentage of protests from which Walmart withdrew its store opening proposals within a 15-mile radius of the center of a place in the past three years. Hypothesis 4 predicted that Walmart's rate of withdrawal would negatively affect Target's entry tendency. We created a dummy variable to indicate whether *Target lacks local knowledge* in a place and coded the variable as 1 if Target neither had a store nor made any proposal within 15 miles in the past three years. Then we created the interaction effects between this variable and the above six independent variables that measure specific types of protests. Hypothesis 5 predicted that the hypothesized relationships in H1–H4 would be stronger when Target lacked local knowledge.

We included a list of control variables. First, we controlled for basic community characteristics. We controlled for *population size, income per capita, unemployment rate*, and *the percentage of urban population, race homogeneity*, and a place's geographical location in the *Northeast, South*, and *West*, with the *Midwest* serving as the omitted category. Second, we controlled for variables related to a place's political ideology. We measured the political ideology of a place using *pro-Democrat*. We controlled for the *hazard of institutional escalation* by including a dummy variable that indicates whether an enacted legislation that restrains store size existed in a state in the prior year. Third, we controlled for variables related to the organization of mobilization. We controlled for the number of *anti-Target protests* within 15 miles in the past three years. We controlled for the *contagion effect of anti-Walmart protests* by including

the count of all prior protests from all over the country weighted by geographical distance. We controlled for *union density*, the number of *churches per capita*, and a dummy variable that indicates if a place was enrolled with the *Main Street Program* (a national community preservation program) in a year.

Fourth, we controlled for two variables that are related to community identity. The first is *the distance to the closest national historical landmark*. Communities with a historical monument or close to one are likely to have an attachment when compared with communities far away from such monuments. The second variable is an indicator of whether a community organized *collective action during the Panic of 1907* to control for the effect of the mutualism tradition in an area. Greve and Rao (2012) showed that the history of a place matters in that institutional legacy may affect activism in a place. The Panic of 1907 was the largest nationwide financial crisis before the Federal Reserve was established in 1914. Lacking government assistance, many communities issued private currencies to help local banks survive the financial crisis. As a community-wide collective action, the issuing of private currency indicates cohesion and a self-reliant spirit within a community. Fifth, we controlled for a set of variables about a place's retail economy. We measured the percentage of the civilian labor force employed in *the retail sector, the distance to the closest Target distribution center*, and the number of *Walmart and Target stores within 15 miles*. Sixth, we controlled for media attention to anti-Walmart sentiment by controlling for the *annual count of editorials* with Walmart as a keyword and the annual *percentage of editorials with an unfavorable attitude* about Walmart.

Finally, we controlled for *the total number of proposals* that Walmart made within a 15-mile radius of the center of a place in the past three years and *the percentage of Walmart proposals that were protested*. We also controlled for the total number of *Walmart withdrawals* by measuring the number of cases in which Walmart yielded to protestors' requests and withdrew its store opening proposals within a 15-mile radius of the center of a place in the past three years. We controlled for the *time trend* of our data. This variable is highly correlated with the count of editorials in a year, but our results remain robust if we drop one of these variables. We used the time trend rather than year dummies because the variables on media attention were measured at the year level, but using year dummies does not change our hypothesized results. Online Appendix A (http://asq.sagepub.com/supplemental) provides a complete list of all control variables, their measures, and sources. Table 1 reports the descriptive statistics for all variables used in the analysis of Target's proposal.

RESULTS

We present in table 2 a full-format baseline model of Target's proposals. This model has four equations: (1) Walmart's proposals within 15 miles in the past three years, (2) anti-Walmart protests within 15 miles in the past three years, (3) Walmart's withdrawals due to protest within 15 miles in the past three years, and (4) Target's proposals to enter the market. When estimating the first equation, the risk set includes all census places, while the risk set for the second, third, and fourth equations consists of only the places where Walmart proposed to enter. We provide all four models for the sake of completeness and only discuss Target's proposals to enter the market. Atanhrho values reported

Table 1. Descriptive Statistics and Correlations (N = 32,167)

Variable	Mean	S.D.	1	2	3	4	5	6	7	8	9	10
1. Target proposal	0.01	0.11										
2. Ln Population (in 1k)	–3.11	1.69	.17									
3. Income (in 1k)	23.83	12.80	–.01	.03								
4. Unemployment rate	0.05	0.04	.02	.07	–.36							
5. % Urban	0.80	0.37	.05	.56	.16	.00						
6. Race homogeneity	0.78	0.19	–.10	–.44	.16	–.31	–.25					
7. Northeast	0.26	0.44	–.02	–.07	.01	–.02	.07	.22				
8. South	0.29	0.45	.01	.00	.00	–.04	.00	–.14	–.38			
9. West	0.20	0.40	.03	.17	–.03	.18	.03	–.34	–.29	–.31		
10. Pro-Democrat	–0.03	0.24	.02	.21	.14	.06	.23	–.24	.13	–.19	.05	
11. Political hazard	0.51	0.50	.01	.05	.01	.07	.07	–.10	.21	.00	.19	.18
12. % Union	0.09	0.04	–.02	–.02	.04	.03	.05	.10	.34	–.71	.05	.26
13. Dist. to hist. landmark	2062.91	627.85	–.02	–.12	.03	–.15	.03	.26	.38	.42	–.89	–.02
14. Collective action in Panic of 1907	0.01	0.08	.11	.17	–.02	.04	.04	–.09	–.03	–.01	.01	.05
15. Churches per capita	0.09	0.05	–.04	–.39	–.27	.04	–.43	.31	.04	.03	–.13	–.41
16. Main Street Program	0.02	0.15	.04	.15	–.04	.04	.06	–.09	–.03	.07	–.01	–.02
17. % Retail workers	0.11	0.04	–.01	.00	–.21	–.09	.01	.10	.05	.04	–.07	–.12
18. Target distr. ctr. (in 100mi.)	1.57	2.05	.00	–.01	–.03	.05	.02	–.14	–.02	.00	.11	.03
19. WM store in 15 mi.	5.18	4.26	.06	.30	.15	–.06	.31	–.20	–.19	.16	–.07	.10
20. Target store in 15 mi.	4.32	5.27	.05	.36	.21	–.03	.31	–.31	–.16	–.07	.17	.33
21. Editorial total (in 100)	2.42	1.27	–.02	.01	.04	.01	.00	–.02	.03	–.05	.02	.00
22. Unfavorable editorial	0.42	0.03	–.01	.00	.01	.00	.01	–.01	.04	–.03	.01	.03
23. Anti-WM protest diffusion	1.42	0.77	–.02	.06	.04	–.04	.14	.05	.27	–.04	–.20	.06
24. Anti-Target protest	0.12	0.41	.00	.07	.11	–.05	.10	.00	.06	–.05	–.04	.10
25. Year	2005.07	2.25	–.02	.01	.03	.01	–.01	–.01	.03	–.07	.03	.00
26. WM proposal	2.81	2.08	.03	.24	.13	–.02	.27	–.17	.03	.03	.04	.16
27. Rate of anti-WM protest	0.70	0.30	–.01	–.18	–.16	.07	–.24	.11	–.01	–.05	.04	–.08
28. WM withdrawal due to protest	1.17	1.08	.02	.09	.04	.04	.13	–.06	.20	–.10	.02	.18
29. Rate of withdrawal due to protest	0.70	0.42	.03	–.02	.00	.05	–.01	.00	.28	–.14	–.06	.12
30. Union-led protest	0.05	0.34	.06	.03	.13	–.03	.03	–.02	.12	–.08	.01	.05
31. Nonunion-led protest	1.55	1.06	–.01	.14	.01	.03	.16	–.10	.00	.02	.07	.14
32. Protest with WM-specific claims	0.48	0.66	.03	.05	.02	–.02	.08	–.02	–.05	.05	–.06	–.06
33. Protest with general claims	0.62	0.75	–.02	.05	.02	.04	.06	–.05	.03	–.07	.13	.13
34. Protest with store-size-cap tactics	0.07	0.26	–.01	.03	.02	.03	.00	–.04	–.02	–.03	.12	.07
35. Target without local knowledge	0.16	0.36	–.02	–.28	–.19	.10	–.34	.13	.11	–.04	–.04	–.16

(continued)

at the bottom of the table are the arc-hyperbolic tangents of rhos to make them unbounded by –1 and 1. A positive value of the Atanhrho indicates that there are unobserved factors that positively affect two outcomes.

The results show that Target is more likely to propose a store in markets in which the population is large, there is a preexisting Walmart store in place, the rate of protest against Walmart is high, and Walmart experienced more withdrawals. It is less likely to propose stores in places with high unemployment rates, with numerous churches, that are in the West, that have a stronger

Table 1. (continued)

Variable	11	12	13	14	15	16	17	18	19	20	21	22
12. % Union	–.12											
13. Dist. to hist. landmark	.02	–.22										
14. Collective action in Panic of 1907	–.01	–.01	–.03									
15. Churches per capita	–.14	–.09	.07	–.02								
16. Main Street Program	–.02	–.06	.02	.03	.00							
17. % Retail workers	.01	–.08	.09	–.02	.05	–.01						
18. Target distr. ctr. (in 100mi)	–.08	.11	–.10	–.01	–.01	–.01	.02					
19. WM store in 15 mi.	–.04	–.17	.06	.03	–.38	–.01	–.02	–.06				
20. Target store in 15 mi.	.04	.08	–.18	.02	–.44	–.02	–.10	–.15	.70			
21. Editorial total (in 100)	.12	–.09	–.01	.00	–.01	.00	–.02	–.13	–.10	–.01		
22. Unfavorable editorial	.02	.02	.00	.00	.00	–.03	–.01	.00	–.01	.02	.06	
23. Anti-WM protest diffusion	.18	–.02	.25	.00	–.05	–.01	.01	–.26	.00	.05	.66	.18
24. Anti-Target protest	.01	.02	.00	.00	–.11	–.03	–.01	–.05	.06	.10	–.01	–.02
25. Year	.12	–.07	–.03	.00	.00	–.03	–.02	–.12	–.10	–.01	.89	.18
26. WM proposal	.07	–.07	.00	.01	–.31	–.02	.00	–.09	.43	.41	.05	.00
27. Rate of anti-WM protest	.05	.02	–.06	.01	.26	.02	.01	.05	–.35	–.28	.07	.02
28. WM withdrawal due to protest	.21	.09	.00	.02	–.14	–.02	.01	–.09	.03	.15	.21	.05
29. Rate of withdrawal due to protest	.18	.17	.05	.01	.03	–.02	–.01	–.04	–.13	–.01	.12	.07
30. Union-led protest	.05	.18	.00	.01	–.07	.00	–.04	–.01	–.08	.04	.09	.02
31. Nonunion-led protest	.13	–.10	–.03	.02	–.18	.00	.02	–.08	.20	.22	.16	.01
32. Protest with WM-specific claims	.01	–.05	.04	.00	–.09	–.01	.01	–.01	.17	.07	.07	.01
33. Protest with general claims	.11	–.03	–.08	.01	–.09	.01	–.01	–.11	.03	.13	.26	.05
34. Protest with store-size-cap tactics	.06	–.03	–.10	.01	–.08	–.01	.00	.01	–.03	–.01	.07	.07
35. Target without local knowledge	–.01	.05	.02	–.03	.49	.00	.01	.20	–.34	–.35	–.03	–.01

Variable	23	24	25	26	27	28	29	30	31	32	33	34
24. Anti-Target protest	.02											
25. Year	.75	–.01										
26. WM proposal	.22	.14	.02									
27. Rate of anti-WM protest	.05	–.09	.13	–.61								
28. WM withdrawal due to protest	.45	.08	.24	.52	.06							
29. Rate of withdrawal due to protest	.23	.07	.16	.02	.07	.57						
30. Union-led protest	.07	.00	.09	.08	–.03	.14	.06					
31. Nonunion-led protest	.38	.07	.16	.63	.04	.77	.08	–.18				
32. Protest with WM-specific claims	.16	–.01	.07	.26	.02	.28	.00	.02	.36			
33. Protest with general claims	.32	.03	.26	.35	–.01	.46	.08	.07	.50	–.16		
34. Protest with store-size-cap tactics	.11	.04	.13	.12	.04	.25	.06	.12	.20	.05	.28	
35. Target without local knowledge	–.07	–.13	–.03	–.27	.27	–.08	.08	–.04	–.15	–.05	–.08	.00

union base, that are far away from a historical landmark, that have a pro-Democratic inclination, or where there is a preexisting Target store within a 15-mile radius. Target is significantly less likely to enter a market when media opinion toward Walmart is more negative and there are more anti-Target protests.

The estimation of correlations between equation residuals shows that those among the three control equations are consistently positive. Thus in places where Walmart made more proposals, it was also more likely to face protests and withdraw. This is consistent with Ingram, Yue, and Rao's (2010) finding of Walmart's ''test-for-protest'' strategy: where Walmart faced more uncertainties, it flooded the market with proposals and withdrew when proposals

Table 2. CMP Analysis of Target Proposals, 2001–2008 (N = 62,576)*

Variable	Equation (1) WM proposal	Equation (2) Anti-WM protest	Equation (3) WM withdrawal	Equation (4) Target proposal
Population	0.023••••	–0.003	–0.011	0.379••••
	(0.005)	(0.007)	(0.008)	(0.018)
Income per capita	0.005••••	–0.003••••	0.001	–0.002
	(0.001)	(0.001)	(0.001)	(0.003)
Unemployment rate	–1.261••••	0.554••	0.861••••	–1.716•
	(0.141)	(0.220)	(0.247)	(0.985)
Urban %	0.265••••	–0.079•••	–0.002	–0.032
	(0.017)	(0.026)	(0.032)	(0.111)
Race homogeneity	0.087••	0.256••••	–0.167••	–0.149
	(0.038)	(0.056)	(0.068)	(0.127)
Northeast	0.291••••	–0.337••••	0.572••••	0.105
	(0.019)	(0.029)	(0.038)	(0.066)
South	0.119••••	–0.115••••	0.285••••	–0.077
	(0.022)	(0.031)	(0.040)	(0.077)
West	0.666••••	0.239••••	–0.800••••	–0.380•••
	(0.035)	(0.053)	(0.079)	(0.123)
Pro-Democrat	0.023	0.240••••	0.286••••	–0.339••••
	(0.028)	(0.038)	(0.049)	(0.096)
Political hazard	–0.278••••	0.175••••	0.330••••	0.080•
	(0.013)	(0.020)	(0.021)	(0.045)
Union %	–0.856••••	–2.041••••	2.393••••	–1.557•
	(0.215)	(0.336)	(0.346)	(0.794)
Dist. to his. landmark	0.000••••	–0.000••••	–0.001••••	–0.000••
	(0.000)	(0.000)	(0.000)	(0.000)
Coll. action in Panic of 1907	0.143	0.157	0.416••	0.111
	(0.095)	(0.146)	(0.176)	(0.118)
Churches per capita	–5.125••••	–2.036••••	0.033	–1.387••
	(0.124)	(0.203)	(0.232)	(0.680)
Main Street Program	–0.186••••	0.058	–0.009	0.081
	(0.030)	(0.049)	(0.072)	(0.071)
Retail worker %	0.313••	0.586•••	0.593••	–0.129
	(0.133)	(0.222)	(0.252)	(0.836)
WM store in 15 mi.	0.126••••	0.016•••	–0.031••••	0.014••
	(0.003)	(0.005)	(0.005)	(0.006)
Target store in 15 mi.	0.023••••	–0.015••••	0.017••••	–0.009•
	(0.002)	(0.003)	(0.003)	(0.005)
Editorial total	0.184••••	0.017•	–0.177••••	0.071••
	(0.006)	(0.009)	(0.010)	(0.033)
Unfavorable editorial	–1.006••••	–0.487••••	0.797••••	–1.219••
	(0.067)	(0.100)	(0.136)	(0.580)
Anti-WM protest diffusion	1.073••••	1.372••••	0.739••••	–0.051
	(0.013)	(0.020)	(0.027)	(0.057)
Anti-Target protest	0.329••••	0.259••••	0.215••••	–0.111••
	(0.017)	(0.018)	(0.018)	(0.053)
Year	–0.308••••	–0.191••••	0.042••••	–0.063•••
	(0.000)	(0.000)	(0.003)	(0.024)
Dist. to WM distr. ctr.	–0.003••••			
	(0.000)			
WM proposal in 15 mi. past 3yrs.		0.263••••		0.001
		(0.017)		(0.013)
Anti-WM Protest in 15 mi. past 3yrs.			1.403••••	
			(0.064)	

(continued)

Table 2. (continued)

Variable	Equation (1) WM proposal	Equation (2) Anti-WM protest	Equation (3) WM withdrawal	Equation (4) Target proposal
Rate of anti-WM protest in 15 mi. past 3yrs.				0.189•••
				(0.059)
WM withdrawal due to protest in 15 mi. past 3yrs.				0.048•
				(0.026)
Dist. to Target distr. ctr.				–0.001
				(0.011)
Constant				125.473•••
				(47.249)
atanhrho_12	0.176••••	atanhrho_23	0.463••••	
	(0.032)		(0.027)	
atanhrho_13	0.137••••	atanhrho_24	–0.003	
	(0.017)		(0.013)	
atanhrho_14	0.008	atanhrho_34	0.062••••	
	(0.009)		(0.014)	
Log likelihood			–248045.63	

• $p < .10$; •• $p < .05$; ••• $p < .01$; •••• $p < .001$ (two-sided).
* Clustered standard errors are in parentheses.

encountered protests that signaled local hostility. Further, there is a significant positive correlation between Walmart's withdrawals and Target's proposals (Atanhrho 3, 4): this means that the unobserved characteristics of communities that lead Walmart to withdraw are positively correlated with the unobserved factors that explain Target's decision to enter. Importantly, the CMP estimation allows us to account for such correlations and then test our hypotheses. So our hypothesis testing is robust because we can check if there is support for our predictions even after controlling for correlated residuals between control equations and the main prediction equation.

Interestingly, table 2 (equation 4) shows that the effect of the rate of anti-Walmart protest is significant and positive: so Target seeks to enter markets when people protest against Walmart. Why does Target discount protests against Walmart? Is it because protests are noisy signals? Is it because Target thinks such protests are irrelevant? We turn to an analysis of protest sponsors, content, and related matters in table 3.

In table 3, we present only the equations predicting a Target proposal and omit all other control equations for the sake of brevity, while providing the correlations among the residuals of the equations. Model 1, which includes control variables, is identical to equation 4 in table 2 and is presented to facilitate easy comparison. Model 2 reports the main effect of nonunion-led protests within 15 miles in the past three years. The results show that Target was less likely to propose stores in places where there were more nonunion-led anti-Walmart protests and that union-led protest has an insignificant effect on Target's tendency to propose. Thus hypothesis 1 is supported. Model 3 includes the effect of protest with Walmart-specific claims and protests with general claims. The result shows that Target was more likely to propose stores where there were more protests with Walmart-specific claims but less likely to do so in places

Table 3. CMP Analysis of Target Proposals, 2001–2008*

Variable	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Population	0.379$^{••••}$	0.374$^{••••}$	0.376$^{••••}$	0.379$^{••••}$	0.385$^{••••}$	0.379$^{••••}$	0.382$^{••••}$	0.377$^{••••}$
	(0.018)	(0.018)	(0.018)	(0.018)	(0.023)	(0.023)	(0.023)	(0.024)
Income per capita	–0.002	–0.003	–0.002	–0.002	–0.001	–0.003	–0.003	–0.002
	(0.003)	(0.003)	(0.003)	(0.003)	(0.004)	(0.004)	(0.004)	(0.004)
Unemployment rate	–1.716$^{•}$	–1.521	–1.642$^{•}$	–1.689$^{•}$	–1.162	–0.627	–0.729	–0.527
	(0.985)	(0.959)	(0.959)	(0.986)	(1.225)	(1.138)	(1.150)	(1.217)
% Urban	–0.032	–0.027	–0.033	–0.040	0.074	0.052	0.093	0.194
	(0.111)	(0.112)	(0.111)	(0.111)	(0.152)	(0.153)	(0.160)	(0.213)
Race homogeneity	–0.149	–0.088	–0.114	–0.141	–0.349$^{••}$	–0.209	–0.196	–0.169
	(0.127)	(0.130)	(0.127)	(0.127)	(0.167)	(0.169)	(0.169)	(0.174)
Northeast	0.105	0.008	0.113$^{•}$	0.100	0.039	–0.084	–0.104	–0.133
	(0.066)	(0.070)	(0.067)	(0.067)	(0.091)	(0.098)	(0.098)	(0.102)
South	–0.077	–0.151$^{•}$	–0.076	–0.080	–0.126	–0.249$^{••}$	–0.255$^{••}$	–0.290$^{•••}$
	(0.077)	(0.078)	(0.078)	(0.077)	(0.099)	(0.103)	(0.102)	(0.106)
West	–0.380$^{•••}$	–0.372$^{•••}$	–0.326$^{•••}$	–0.365$^{•••}$	–0.242	–0.239	–0.220	–0.212
	(0.123)	(0.122)	(0.125)	(0.125)	(0.169)	(0.173)	(0.173)	(0.176)
Pro-Democrat	–0.339$^{••••}$	–0.293$^{•••}$	–0.294$^{•••}$	–0.333$^{••••}$	–0.252$^{••}$	–0.086	–0.082	–0.145
	(0.096)	(0.097)	(0.098)	(0.096)	(0.120)	(0.126)	(0.126)	(0.127)
Political hazard	0.080$^{•}$	0.073	0.070	0.075$^{•}$	0.095	0.080	0.074	0.093
	(0.045)	(0.046)	(0.045)	(0.045)	(0.059)	(0.063)	(0.064)	(0.064)
% Union	–1.557$^{•}$	–2.933$^{••••}$	–1.674$^{••}$	–1.615$^{••}$	–1.419	–4.151$^{••••}$	–4.165$^{••••}$	–4.541$^{••••}$
	(0.794)	(0.837)	(0.794)	(0.798)	(1.087)	(1.188)	(1.182)	(1.266)
Dist. to his. landmark	–0.000$^{••}$	–0.000$^{••}$	–0.000$^{•}$	–0.000$^{••}$	–0.000	–0.000	–0.000	–0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Coll. action in Panic of 1907	0.111	0.110	0.121	0.113	0.049	0.090	0.095	0.090
	(0.118)	(0.114)	(0.116)	(0.118)	(0.137)	(0.139)	(0.139)	(0.138)
Churches per capita	–1.387$^{••}$	–1.548$^{••}$	–1.339$^{•}$	–1.463$^{••}$	–0.754	–1.043	–1.496$^{•}$	–1.900$^{••}$
	(0.680)	(0.680)	(0.685)	(0.684)	(0.855)	(0.852)	(0.856)	(0.917)
Main Street Program	0.081	0.088	0.092	0.083	0.065	0.089	0.080	0.112
	(0.071)	(0.071)	(0.071)	(0.071)	(0.090)	(0.091)	(0.091)	(0.093)
% Retail workers	–0.129	0.033	–0.114	–0.068	–0.285	–0.056	–0.049	–0.144
	(0.836)	(0.842)	(0.839)	(0.850)	(1.217)	(1.244)	(1.246)	(1.316)
Dist. to Target distr. ctr.	–0.001	0.003	–0.003	–0.001	0.000	0.006	–0.001	–0.005
	(0.011)	(0.011)	(0.010)	(0.011)	(0.011)	(0.011)	(0.012)	(0.012)
WM store in 15 mi.	0.014$^{••}$	0.018$^{•••}$	0.012$^{••}$	0.014$^{••}$	0.024$^{•••}$	0.028$^{••••}$	0.029$^{••••}$	0.028$^{••••}$
	(0.006)	(0.006)	(0.006)	(0.006)	(0.008)	(0.008)	(0.008)	(0.008)
Target store in 15 mi.	–0.009$^{•}$	–0.011$^{••}$	–0.007	–0.010$^{••}$	–0.015$^{••}$	–0.015$^{••}$	–0.015$^{••}$	–0.017$^{•••}$
	(0.005)	(0.005)	(0.005)	(0.005)	(0.006)	(0.006)	(0.006)	(0.006)
Editorial total	0.071$^{••}$	0.086$^{••}$	0.078$^{••}$	0.067$^{••}$	0.070$^{•}$	0.074$^{•}$	0.072$^{•}$	0.066
	(0.033)	(0.034)	(0.033)	(0.033)	(0.041)	(0.043)	(0.043)	(0.044)
Unfavorable editorial	–1.219$^{••}$	–1.352$^{••}$	–1.203$^{••}$	–1.192$^{••}$	–1.440$^{•}$	–1.524$^{•}$	–1.502$^{•}$	–1.615$^{•}$
	(0.580)	(0.588)	(0.580)	(0.582)	(0.777)	(0.801)	(0.805)	(0.832)
Anti-WM protest diffusion	–0.051	0.021	–0.051	–0.047	–0.059	0.007	–0.001	–0.011
	(0.057)	(0.056)	(0.057)	(0.057)	(0.066)	(0.067)	(0.067)	(0.070)
Anti-Target protest	–0.111$^{••}$	–0.093$^{•}$	–0.106$^{••}$	–0.109$^{••}$	–0.055	–0.025	–0.018	–0.042
	(0.053)	(0.054)	(0.054)	(0.054)	(0.057)	(0.060)	(0.060)	(0.061)
Year	–0.063$^{•••}$	–0.090$^{••••}$	–0.063$^{•••}$	–0.060$^{••}$	–0.077$^{•••}$	–0.095$^{•••}$	–0.092$^{•••}$	–0.088$^{•••}$
	(0.024)	(0.024)	(0.024)	(0.024)	(0.030)	(0.031)	(0.031)	(0.032)
WM proposal in 15 mi. past 3yrs.	0.001	0.046$^{•••}$	–0.002	0.000	–0.050$^{••}$	–0.004	–0.005	0.009
	(0.013)	(0.016)	(0.014)	(0.013)	(0.025)	(0.026)	(0.026)	(0.026)
Rate of anti-WM protest in 15 mi. past 3yrs.	0.189$^{•••}$	0.396$^{••••}$	0.170$^{•••}$	0.181$^{•••}$	0.053	0.211	0.195	0.215
	(0.059)	(0.068)	(0.060)	(0.059)	(0.126)	(0.130)	(0.132)	(0.132)
WM withdrawal due to protest in 15 mi. past 3yrs.	0.048$^{•}$	0.212	0.063$^{•}$	0.060$^{•}$	0.116	0.425	0.419	0.283
	(0.026)	(0.145)	(0.038)	(0.035)	(0.144)	(0.279)	(0.277)	(0.281)
Union-led protest		0.066				–0.004	0.004	0.057
		(0.064)				(0.081)	(0.079)	(0.082)

(continued)

Table 3. (continued)

Variable	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Nonunion-led protest		–0.308••••				–0.418••••	–0.408••••	–0.300••••
		(0.052)				(0.067)	(0.066)	(0.072)
Protest with Walmart-specific claims			0.091••			0.074	0.071	0.027
			(0.042)			(0.048)	(0.047)	(0.050)
Protest with general claims			–0.106•••			–0.052	–0.051	–0.047
			(0.040)			(0.047)	(0.047)	(0.048)
Protest with store-size-cap tactics				–0.196••		–0.231••	–0.241••	–0.184
				(0.095)		(0.115)	(0.115)	(0.120)
Walmart's rate of withdrawal					–0.049	–0.325•••	–0.309•••	0.077
					(0.099)	(0.117)	(0.113)	(0.122)
Target lacking local knowledge							0.214••	2.696••••
							(0.093)	(0.447)
Union-led protest × Target lacking local knowledge								0.068
								(0.148)
Nonunion-led protest × Target lacking local knowledge								–2.103••••
								(0.416)
Protest with Walmart-specific claims × Target lacking local knowledge								0.588••••
								(0.170)
Protest with general claims × Target lacking local knowledge								–0.161
								(0.337)
Protest with store-size-cap tactics × Target lacking local knowledge								–0.532
								(0.550)
Walmart's rate of withdrawal × Target lacking local knowledge								–2.772••••
								(0.441)
Constant	125.473•••	181.306•••	126.832•••	121.074••	153.288•••	190.773•••	183.564•••	175.686•••
	(47.249)	(48.177)	(47.839)	(47.646)	(59.059)	(62.485)	(62.916)	(64.614)
atanhrho_12	0.176••••	0.177••••	0.184••••	0.185••••	0.193••••	0.191••••	0.191••••	0.180••••
	(0.032)	(0.032)	(0.032)	(0.032)	(0.032)	(0.032)	(0.032)	(0.032)
atanhrho_13	0.137••••	0.137••••	0.142••••	0.143••••	0.145••••	0.145••••	0.145••••	0.137••••
	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)
atanhrho_14	0.008	0.004	0.008	0.008	0.028•	0.019	0.019	0.018
	(0.009)	(0.009)	(0.009)	(0.009)	(0.016)	(0.016)	(0.016)	(0.016)
atanhrho_23	0.463••••	0.464••••	0.472••••	0.473••••	0.476••••	0.476••••	0.475••••	0.461••••
	(0.027)	(0.027)	(0.027)	(0.027)	(0.027)	(0.027)	(0.027)	(0.027)
atanhrho_24	–0.003	0.021	–0.003	–0.004	–0.014	0.009	0.009	0.013
	(0.013)	(0.013)	(0.013)	(0.013)	(0.017)	(0.017)	(0.017)	(0.017)
atanhrho_34	0.062••••	0.036•••	0.057••••	0.060••••	0.040•••	0.022	0.021	0.013
	(0.014)	(0.014)	(0.014)	(0.014)	(0.015)	(0.015)	(0.015)	(0.015)
N	62576	62576	62576	62576	32167	32167	32167	32167
Log likelihood	–248045.63	–247997.21	–248031.44	–248041.49	–247021.62	–246963.19	–246961.21	–246901.36

• $p < .10$; •• $p < .05$; ••• $p < .01$; •••• $p < .001$ (two-sided).

* Clustered standard errors are in parentheses. The sample size in models 5–8 drops because the inclusion of the variable, Walmart's rate of withdrawal due to protest, restricts the estimation to places with at least one anti-Walmart protest.

where there were more protests with general claims. Model 4 reports the main effect of protest with store-size-cap tactics and shows that this variable has a significantly negative effect on Target's tendency to propose a store in a place. Thus both H2 and H3 are supported when tested alone. Model 5 reports the main effect of the rate of Walmart's withdrawal due to protests and shows that this variable has a negative effect on Target's tendency to propose a store in a place, but the effect is not statistically significant. Model 6 includes all independent variables. After controlling for the effects of other types of protests, the coefficient of the rate of Walmart's withdrawal due to protests becomes significant. Thus hypothesis 4 is supported in the more complete model. Moreover, in model 6, the effects of nonunion-led protest and protest with store-size-cap tactics remain robust, but the effects of protest with Walmart-specific claims and protest with general claims lose their statistical significance.

Model 7 includes the indicator that Target lacks local knowledge. This variable has a significantly positive relationship with Target's tendency to enter a market, showing that Target actively explored new markets and tended to avoid places where it already had stores. This result is also consistent with the finding (model 1) that Target is less likely to propose stores in places where there is a preexisting Target store within a 15-mile radius. Finally, model 8 reports the interactions between Target's lacking local knowledge and the independent variables hypothesized in H1–H4. The results show that Target is less likely to propose to enter a market where there are more nonunion-led protests, and the rate of Walmart's withdrawal rate due to protests is high, when it lacks local knowledge. The results also show that Target is significantly more likely to propose to enter a market where there are more protests with Walmart-specific claims when it lacks local knowledge. The coefficients of the interaction effects between Target lacking local knowledge and union-led protest, protest with general claims, and protest with store-size-cap tactics have directions as predicted, but these effects lack statistical significance. Thus hypothesis 5 receives partial support.

The inclusion of the variable *Walmart's withdrawal rate due to protests* in an estimation model reduces the sample to places with at least one anti-Walmart protest nearby. To test the robustness of our findings to the full sample, we ran models 6, 7, and 8 of table 3 again by dropping Walmart's rate of withdrawal due to protests. Table 4 reports the results. Models 9 and 10 show that, in the full sample, nonunion-led protests and protests adopting store-size-cap tactics are negatively related to Target's tendency to propose to enter a market, while protests with Walmart-specific claims are positively related to Target's tendency of doing so. Model 11 shows that the interaction effects between the indicator of Target's lacking local knowledge and the nonunion-led protests and protests with Walmart-specific claims have coefficients with the same directions and statistical significance levels as those in the restricted sample. Thus our findings regarding the interaction effects are robust to both the full and the restricted samples.

It is important to note that the effect of an interaction term in limited dependent variable models depends not only on the interaction coefficient but also on the individual coefficients of the two variables underlying the interaction and on the values of all other independent variables (Ai and Norton, 2003; Hoetker, 2007; Wiersema and Bowen, 2009; Greene, 2010). To assess the magnitude of

Table 4. Full Sample CMP Analysis of Target Proposals, 2001–2008 (N = 62,576)*

Variable	Model 9	Model 10	Model 11
Population	0.372••••	0.375••••	0.374••••
	(0.018)	(0.018)	(0.019)
Income per capita	–0.003	–0.003	–0.003
	(0.003)	(0.003)	(0.004)
Unemployment rate	–1.497	–1.590•	–1.509
	(0.940)	(0.953)	(0.972)
% Urban	–0.030	–0.002	–0.027
	(0.111)	(0.114)	(0.125)
Race homogeneity	–0.059	–0.046	–0.096
	(0.129)	(0.130)	(0.151)
Northeast	0.017	0.005	0.018
	(0.070)	(0.070)	(0.155)
South	–0.146•	–0.150•	–0.141•
	(0.078)	(0.078)	(0.078)
West	–0.330•••	–0.315••	–0.388•••
	(0.124)	(0.125)	(0.141)
Pro-Democrat	–0.248••	–0.244••	–0.304•••
	(0.098)	(0.098)	(0.117)
Political hazard	0.061	0.058	0.077
	(0.047)	(0.047)	(0.076)
% Union	–2.966••••	–3.001••••	–2.730•
	(0.837)	(0.834)	(1.492)
Dist. to his. landmark	–0.000••	–0.000•	–0.000
	(0.000)	(0.000)	(0.000)
Coll. action in Panic of 1907	0.115	0.120	0.107
	(0.112)	(0.112)	(0.116)
Churches per capita	–1.586••	–2.019•••	–1.470••
	(0.686)	(0.708)	(0.703)
Main Street Program	0.101	0.091	0.087
	(0.072)	(0.071)	(0.096)
% Retail workers	0.082	0.074	0.026
	(0.860)	(0.855)	(0.839)
Dist. to Target distr. ctr.	0.002	–0.003	0.002
	(0.011)	(0.010)	(0.011)
WM store in 15 mi.	0.016•••	0.017•••	0.014
	(0.006)	(0.006)	(0.061)
Target store in 15 mi.	–0.011••	–0.010••	–0.012
	(0.005)	(0.005)	(0.029)
Editorial total	0.081••	0.079••	0.091
	(0.034)	(0.034)	(0.058)
Unfavorable editorial	–1.323••	–1.303••	–1.327•
	(0.594)	(0.595)	(0.692)
Anti-WM protest diffusion	0.013	0.009	0.002
	(0.057)	(0.057)	(0.483)
Anti-Target protest	–0.088	–0.082	–0.107
	(0.055)	(0.055)	(0.208)
Year	–0.084••••	–0.082••••	–0.090
	(0.025)	(0.025)	(0.115)
WM proposal in 15 mi. past 3yrs.	0.041•••	0.042•••	0.060
	(0.016)	(0.016)	(0.400)
Rate of anti-WM protest in 15 mi. past 3yrs.	0.379••••	0.374••••	0.374••••
	(0.069)	(0.069)	(0.068)
WM withdrawal due to protest in 15 mi. past 3yrs.	0.222	0.223	0.177
	(0.245)	(0.245)	(0.147)

(continued)

Table 4. (continued)

Variable	Model 9	Model 10	Model 11
Union-led protest	0.067	0.070	0.094
	(0.066)	(0.066)	(0.063)
Nonunion-led protest	–0.322••••	–0.318••••	–0.259••••
	(0.055)	(0.054)	(0.053)
Protest with Walmart-specific claims	0.116•••	0.111••	0.122•••
	(0.044)	(0.044)	(0.047)
Protest with general claims	–0.029	–0.030	–0.022
	(0.044)	(0.044)	(0.047)
Protest with store-size-cap tactics	–0.231••	–0.241••	–0.203•
	(0.104)	(0.104)	(0.112)
Target lacking local knowledge		0.176••	0.219•
		(0.069)	(0.113)
Union-led protest ×			0.454
Target lacking local knowledge			(0.336)
Nonunion-led protest ×			–0.565••••
Target lacking local knowledge			(0.138)
Protest with Walmart-specific claims ×			0.559••••
Target lacking local knowledge			(0.141)
Protest with general claims ×			0.126
Target lacking local knowledge			(0.116)
Protest with store-size cap tactics ×			–0.207
Target lacking local knowledge			(0.434)
Constant	168.533••••	164.173••••	166.989••••
	(49.095)	(49.211)	(49.801)
atanhrho_12	0.177••••	0.177••••	0.177••••
	(0.032)	(0.032)	(0.032)
atanhrho_13	0.137••••	0.137••••	0.138••••
	(0.017)	(0.017)	(0.017)
atanhrho_14	0.004	0.005	0.006
	(0.009)	(0.009)	(.009)
atanhrho_23	0.464••••	0.464••••	0.464••
	(0.027)	(0.027)	(0.027)
atanhrho_24	0.020	0.020	0.019
	(0.013)	(0.013)	(0.013)
atanhrho_34	0.034••	0.034••	0.037•••
	(0.014)	(0.014)	(0.014)
Log likelihood	–247984.95	–247982.01	–247951.12

• $p < .10$; •• $p < .05$; ••• $p < .01$; •••• $p < .001$ (two-sided).
* Clustered standard errors are in parentheses.

the interaction effects that are statistically significant, we calculated the average marginal effects (AMEs), using the ''margins'' command of Stata 12. Because the moderating variable (i.e., Target lacks local knowledge or not) is dichotomous, the interaction effect is the difference in the marginal effect of independent variables on outcome between the situations in which Target has or lacks local knowledge (Karaca-Mandic, Norton, and Dowd, 2012). As table 5 clearly shows, Target's proposal behavior varies greatly according to whether it has local knowledge, and the proposal behavior is much more sensitive to information regarding protests against Walmart when Target lacks local knowledge.

Table 5. Average Marginal Effects of Interaction Terms*

Variable	Target without knowledge	AME
Nonunion-led protest	0	–.0066 (–9.01)
	1	–.0205 (–5.96)
Protest with Walmart-specific claims	0	.0025 (2.76)
	1	.0158 (5.27)
Walmart's rate of withdrawal	0	.0012 (0.51)
	1	–.0420 (–4.62)

* Z-scores are in parentheses. The effects of nonunion-led protest and Walmart-specific protest are calculated based on model 11 of table 4, and that of Walmart's rate of withdrawal is calculated based on model 8 of table 3.

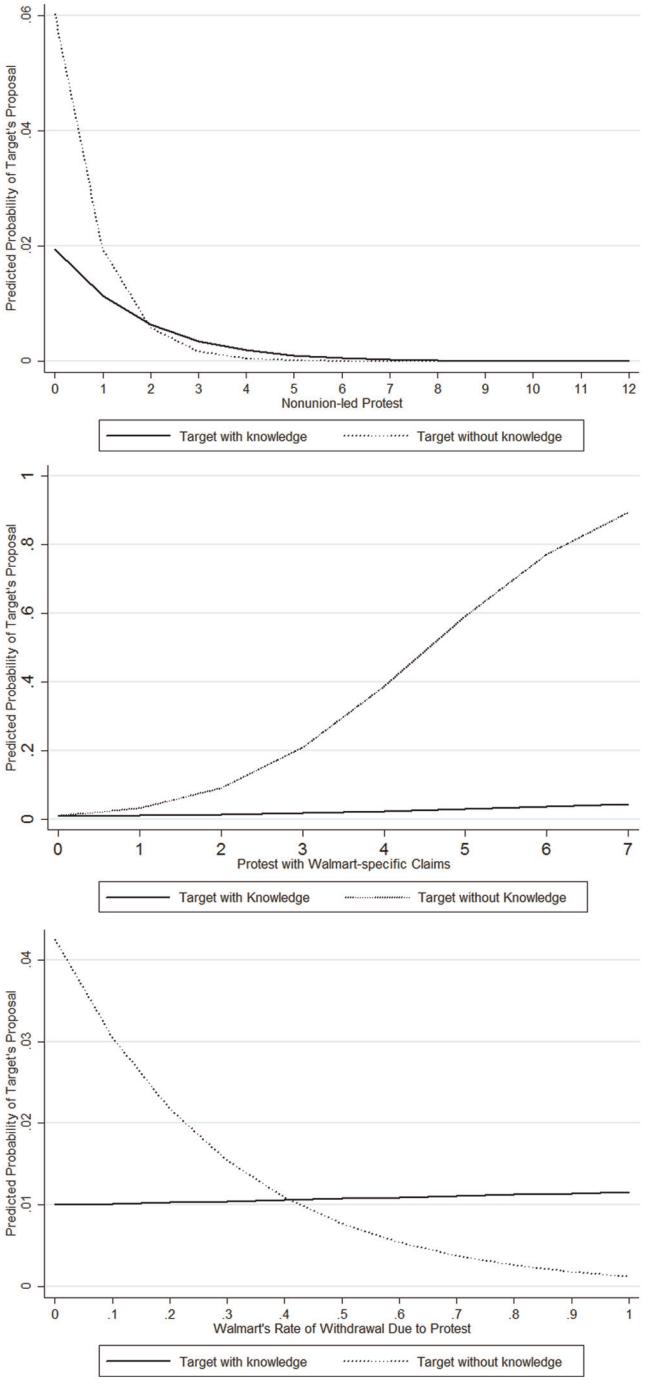
On average, one single nonunion-led protest nearby reduces Target's tendency to propose by 1.4 percent [–0.0205 – (–0.0066)] when Target moves from a place with local knowledge to a place without such knowledge. Similarly, one protest with Walmart-specific claims increases Target's tendency to propose by 1.3 percent [0.0158 – 0.0025]. To further demonstrate the interaction effects across a range of values of the independent variables, we graph the average impact of Target's knowledge on the probability of Target's proposal over representative values of independent variables, as shown in figure 3.

It is useful to consider why we may have failed to find robust support for some of the hypothesized effects. Protest with general claims has a negative coefficient but it was insignificant in all models, except when tested alone. The lack of robust effect for protest with general claims may be due to the fact that general claims against big-box stores are often vague, without specific targets. Target, as an upscale discounter with a better image, may think that it is able to get away from the problems exemplified by the stereotype of Walmart and thus may be less sensitive to this type of protest. In contrast, a store-size cap, once established, applies to all big-box stores and essentially wipes out a potential market, and this variable is consistently negative and significant. This pattern of results suggests that rhetorical claims have less signal value than actual initiatives put on the ballot in a local community. It is noteworthy that, for the interaction effects, we find that Target is insensitive to weak signals such as protest with general claims, regardless whether it has local knowledge or not. Similarly, the effect of protest with store-size-cap tactics is not moderated by Target's local knowledge either, because the signal is so strong. More generally, Target's local knowledge matters most when protests are led by local activists, when protestors make Walmart-specific claims, or when Walmart withdraws. In all of these cases, the local knowledge helps it to disambiguate the signals.

Robustness Checks and Further Analysis

We checked the robustness of our findings to the specifications of the distance radius of 15 miles and the time lag of three years by alternating them with a radius of 5, 10, or 20 miles, and a lag of 1, 2, or 4 years. Appendix B in the Online Appendix reports the results. Walmart's high rate of withdrawal due to protests consistently reduces Target's tendency to propose to enter a market

Figure 3. Estimated probability of Target's proposals.



when Target lacks local knowledge in all six alternative model specifications, indicating that the first entrant's reaction to protests is the most robust source of information for a second entrant. In addition, nonunion-led protests reduce Target's tendency to propose a store when Target lacks local knowledge, and

the effect reaches statistical significance in all alternative model specifications except one (i.e., 10-mile radius and 3-year time lag). Protests with Walmart-specific claims increase Target's tendency to propose a store when Target lacks local knowledge in the model with the specification of a 20-mile radius. Finally, model A3 does not include the interaction term between protests with store-size-cap tactics and Target lacking local knowledge because this term predicts failure (i.e., Target proposal) perfectly and is consequently dropped out of the estimation. Overall, the results show that our findings are robust to the alternative specifications of geographical radius and time lag.

Second, we conducted an additional set of analyses estimating the three control equations using OLS models or estimating a stand-alone probit model of Target's tendency to propose to enter a market without the three control equations. Our findings endure. We also conducted a set of analyses restricting the sample used to estimate Target's proposal to places where Target had no stores in the nearby 15 miles so that our measurement of Target lacking knowledge was not complicated by Target's reduced tendency to propose a store because it already had stores nearby. Our findings similarly endure. These results are available upon request.

Finally, we considered whether our hypotheses are supported when Target is the first entrant and Walmart is the second entrant. In 77.4 percent of the places where Target made a proposal, Walmart had already made a proposal within 15 miles in the past three years. Furthermore, we also considered, in places where Target was the first entrant, how anti-Target protests would have affected Walmart's entry. Appendix C in the Online Appendix reports the CMP analysis of the impact of anti-Target protests on Walmart's proposals with three other simultaneous equations to control for Target's proposals, the incidence of anti-Target protests, and Target's withdrawals due to protests. Out of the 74 anti-Target protests, none of them were union-led protests, and only three adopted the store-size cap tactics. Thus we tested only the main effects of protests with Target-specific claims, protests with general claims, and Target's rate of withdrawal due to protest. Both protests with Target-specific and general claims have negative effects on Walmart's tendency to propose a store. In the more restricted sample of places with at least one anti-Target protest nearby, we found that coefficients of these two variables became more significant. Moreover, Target's rate of withdrawal also deterred Walmart's entry. In addition, the interaction terms between the moderator, Walmart lacking local knowledge, and protests with general claims, and Target's rate of withdrawal due to protest predicted failures (i.e., Walmart proposal) perfectly and were consequently dropped out of estimation. Finally, the interaction between Walmart lacking local knowledge and protests with Target-specific claims had a positive coefficient, but the effect was not statistically significant. Overall, these results show that when Walmart is a second entrant in a market, it also responds to anti-Target protests. But it is much more cautious, avoiding places where anti-Target protests occur and especially where Target withdraws.

DISCUSSION AND CONCLUSION

We began this paper by arguing that the literature on private politics has emphasized the direct effect of protests on their intended opponent and has

overlooked information spillovers to unintended targets. Just as the social movement literature is moving from a focus on the state to corporations as intended targets, we advocate widening the consideration of movements' impact to consider unintended targets. Our results suggest that protests against first movers occur in strategic action fields that contain other second movers and highlight spillovers that have previously been ignored. Protests against a first mover and its responses to them serve as signals through which other actors estimate protestors' interests and predict their future behaviors. Operating within this system becomes like unbundling a Russian doll, as actors interpret others' behavior and respond to it, knowing that the original behavior may have been taken in anticipation of both the interpretation and the response, and that still others are watching them, with an eye to understanding them and those they are responding to.

Our paper contributes to the literature on social movements and strategy. First, our paper implies that protests generated by the ideologically protest-prone have less impact than those of moderates. When protests are signals, it is the representativeness of protestors, and not their ideological intensity, that is most informative to sense makers. When moderates protest, they are more influential. There is no reason to think that this signal is limited to the intended target's rivals. For example, in protests against big-box stores, actors as diverse as Ma-and-Pa retailers, real-estate interests, elected representatives, and even people thinking of moving to town may reliably interpret that a protest by assuming neighbors is more indicative of a pervasive negative sentiment than is a union-led protest and is likely to dissuade Walmart and Target from entering a community.

This finding also has implications for the strategies of protestors. It suggests that there are significant limitations to protests led by the protest-prone, that is, national organizations that have extreme policy preferences. Protests by local activists are perceived as more representative of the community's preferences, especially if they use moderate tactics. To be sure, media amplify protests that use extreme tactics (King, 2008), and extreme tactics may fire up outrage in the community against a corporation. But an issue meriting future research is the trade-off between these benefits of extremism and their being discounted by second movers. A related question is whether extreme tactics alienate a portion of community members and so impede mobilization.

Our theory of information spillover from social movements applies not only to protestors and their targets entering a market but also for second movers in making other types of decisions, such as acquiescing to shareholders' requests (Reid and Toffel, 2009) and compliance with environmental standards (Thorton and Gunningham, 2005). In our study, the second entrant primarily relies on the secondary sources such as reports from the media and activist organizations to obtain information about protests against the first entrant. In such cases, the second entrant may not be able to accurately assess other dimensions of the signal, such as the turnout and the severity of protest. But second entrants may invest time and effort in gathering such data, and future studies should investigate these dimensions of signaling when applying the theory of information spillover from protests to explain the second movers' behaviors.

Second, our finding that Target was dissuaded from entry by certain types of protests, but not others, has implications for the non-market strategy literature. Understanding the interdependencies between actors in the impacts of

protests depends on their categorization into classes. Although Walmart and Target are differentiated rivals, they share an organizational form. This means that they may have aligned or opposing reactions to a protest, depending on how the protest is targeted. This fact can serve as a reminder to protest strategists—when your protests operate beyond your targets, as signals in a community, it pays to be accurate in your complaints. It also suggests strategic opportunities for organizations that share a form. Even though such organizations are typically competitors, they have a shared interest in the political standing of their form. Protest spillovers create a commensalism between some organizations and create an opportunity for collective strategic responses. This suggests research questions so far unexamined in the non-market strategy literature, such as whether and when organizations collaborate in their response to protests.

The issue of whether a protest is directed against the firm or the form underscores how a second entrant's own identity filters the interpretation of protests against the first mover. When Target interprets a protest against Walmart, it apparently does so through the lens of its own identity, which includes both that it is a big-box store and that it is different from Walmart. As the company's spokeswoman, Denise Workcuff put it, ''we go head-to-head with Kmart and Wal-Mart . . . but we just fill a different niche'' (Eichhorn, 1998: Z4-1). Our results indicate that this identity makes all the difference when interpreting a protest signal. A retailer that sees itself as more like Walmart, or not a big-box store at all, would respond differently to anti-Walmart protests than Target did. In this way, organizations enact protest signals by asking, ''Am I like the target on the dimension that is being protested?''

Finally, our results also add to research on market entry in the strategy literature. Although a large literature has analyzed first entrants' advantages and disadvantages, the literature has emphasized internal capabilities as the constraint rather than community preferences and activism as constraints. Our findings imply that market entry is also a political project. To thrive in a community, organizations need to be perceived as desirable, proper, and appropriate in shared systems of norms and beliefs.

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