

CELEBRITY FIRMS: THE SOCIAL CONSTRUCTION OF MARKET POPULARITY

VIOLINA P. RINDOVA
University of Maryland

TIMOTHY G. POLLOCK
The Pennsylvania State University

MATHEW L. A. HAYWARD
University of Colorado at Boulder

We extend the concept of celebrity from the individual to the firm level of analysis and argue that the high level of public attention and the positive emotional responses that define celebrity increase the economic opportunities available to a firm. We develop a theoretical framework explaining how the media construct firm celebrity by creating a “dramatized reality” in reporting on industry change and firms’ actions. Firms contribute to this process by taking nonconforming actions and proactively seeking to manage impressions about themselves.

Imagine a country-club dinner dance, with a bunch of old fogies and their wives shuffling around halfheartedly to the not-so-stirring sounds of Guy Lombardo and his All-Tuxedo Orchestra. Suddenly young Elvis comes crashing through the skylight, complete with gold-lame suit, shiny guitar, and gyrating hips. Half the waltzers faint; most of the others get angry or pouty. And a very few decide they like what they hear, tap their feet . . . start grabbing new partners, and suddenly are rocking to a very different tune.

In the staid world of regulated utilities and energy companies, Enron Corp. is that gate-crashing Elvis. Once a medium-sized player in the stupefyingly soporific gas-pipeline business, Enron in the past decade has become far and away the most vigorous agent of change in its industry, fundamentally altering how billions of dollars’ worth of power—both gas and electric—is bought, moved, and sold, everywhere in the nation (O’Reilly, 2000: 148).

The quotation above compares a now infamous utility company—Enron—to one of America’s most beloved celebrities. The comparison lauds the norm-breaking nature of Enron’s stra-

tegic behavior and dramatizes its impact on the utilities industry. In this article we argue that journalists often attribute extraordinary qualities to some firms and their actions and, in the process, endow these firms with celebrity. We develop a theoretical framework to explain why and how the media socially construct firm celebrity and discuss the implications of achieving celebrity for firm performance. As Enron’s current predicament suggests, achieving celebrity is not necessarily indicative of the long-term effectiveness and success of a firm. Yet celebrity alters the economic opportunities available to those who achieve it (Frank & Cook, 1995; Gamson, 1994), and therefore needs to be recognized and studied as a potentially important intangible asset of a firm.

According to Rein, Kottler, and Stoller, celebrity refers to an individual “whose name has attention-getting, interest-riveting and profit-generating value” (1987: 15). These authors therefore define celebrity in terms of its consequences for audience members and celebrity individuals, respectively, and suggest that celebrity’s economic value derives from the heightened public attention and interest it generates. Therefore, one defining characteristic of celebrity is that a social actor attracts large-scale public attention: the greater the number of people who know of and pay attention to the actor, the greater the extent and value of that

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actor's celebrity. A second defining characteristic of celebrity is that the actor elicits positive emotional responses from the public. These responses arise because the actor has a positive valence (Heider, 1946; Trope & Liberman, 2000) for the audience to the extent that he or she helps fulfill various behavioral goals,¹ which, in the case of celebrity, include meeting an audience's needs for gossip, fantasy, identification, status, affiliation, and attachment (Adler & Adler, 1989; Gamson, 1994; O'Guinn, 2000). Thus, actors who become celebrities have high salience and positive emotional valence for their audiences, and celebrity arises from the audience's attention and positive emotional responses to the actor. Celebrity is therefore a property of the actor's relationship with an audience, rather than a characteristic of the actor him/her/itself.²

In this article we extend the concept of celebrity from the individual to the firm level of analysis in order to explain the sources and consequences of the disproportionate levels of public attention and excitement that some firms attract. We define celebrity firms as those firms that attract a high level of public attention and generate positive emotional responses from stakeholder audiences. Both public attention of significant scale and positive emotional responses are necessary to generate a firm's celebrity. Without the attention of an audience of significant size, a firm's ability to generate positive emotional responses is likely to have limited economic consequences. Without positive emotional responses, the level of attention a firm commands may be insufficient to influence stakeholder choices. Together, the ability to attract large-scale public attention and to stimu-

late positive emotional responses provides celebrity firms with access to critical resources (e.g., human capital, capital markets, and sources of raw material or product inputs) and strategic opportunities (e.g., alliances and partnerships, M&A opportunities) that it might have only limited access or no access to otherwise. To the degree that access to such resources and opportunities increases a firm's competitive advantage (Rindova & Fombrun, 1999), celebrity is an intangible asset of the firm.

How a firm may benefit from differential levels of public attention and positive emotional responses is a question that has not been widely considered in the strategy literature on intangible assets. Research on other intangible assets, such as reputation, status, and legitimacy, describes how stakeholders evaluate firms (Benjamin & Podolny, 1999; Fombrun & Shanley, 1990; Rindova & Fombrun, 1999; Suchman, 1995), while presupposing that these firms have attracted sufficient attention and interest to motivate stakeholders' continued evaluations of their different attributes. Further, this research emphasizes how stakeholders evaluate firms based on rational self-interest or socially acquired values and beliefs (Suchman, 1995; Weigelt & Camerer, 1988). In contrast, the concept of celebrity focuses on how firms attract public attention and how they generate positive emotional responses.

Some organizational researchers have begun to examine celebrity CEOs, who are highly visible individuals that often command significant public attention in their own right (Chen & Meindl, 1991; Hayward, Rindova, & Pollock, 2004; Khurana, 2002; Meindl, Ehrlich, & Dukerich, 1985; Wade, Porac, Pollock, & Graffin, in press). Further, such CEOs often command high-value compensation packages without commensurately high levels of firm performance, attesting to the idea that the "ownership" of celebrity leads to the ability to appropriate its economic benefits (Wade et al., in press). Extending this argument, here we are concerned with firm-level characteristics and behaviors that create a firm-level intangible asset allowing the firm, rather than individuals associated with the firm, to gain access to the benefits associated with celebrity.

We base our theoretical framework for the firm-level celebrity creation process on the idea that modern-day celebrities are products of

¹ Some individuals may also attract significant public attention with negative emotional responses. Analysis of this type of relationship, which may be termed *infamy*, is beyond the scope of this article. The reason for this is that psychologists have shown that positive and negative emotions affect individual cognition and behavior differently (Fiske & Taylor, 1991) and should be viewed as two distinct continua (Brief & Motowidlo, 1986).

² Whereas we define *celebrity* through the nature of the stakeholder audience's response to an individual or firm actor, in the remainder of the paper we also use the term to refer to the individual or the firm that evokes such responses. We do so in order to avoid more cumbersome terms, such as *individuals or firms that have achieved celebrity*, or *celebrity individual* and *celebrity firms*.

mass communication (Boorstin, 1961; Gamson, 1994; Rein et al., 1987). This view draws on considerable evidence that mass media play a powerful role in setting the agenda of public discourse and directing the public's attention toward particular actors and issues (Gans, 1979; Gitlin, 1981; McCartney, 1987; Schudson, 1978). Further, we view the media as "a social institution . . . directed toward the production of knowledge and culture" (McQuail, 1985: 97). In this context, the journalists who represent media outlets face the challenge of creating products that are "supposed to be creative, novel, original, or unexpected (news) yet produced with extreme regularity and often against much more demanding schedules than apply to other industries" (McQuail, 1985: 97). To manage these demands for novelty, originality, and the ongoing delivery of news about business, journalists seek out obtrusive events in the environment and turn them into news (Lippmann, 1922). To further increase the attractiveness of their news reports to readers, viewers, or listeners, journalists create dramatized representations of these events, along with the individuals and organizations participating in them (Lippmann, 1922; Shoemaker & Reese, 1996). These dramatic narratives then direct stakeholder interest in and attraction toward the firms they feature (Dyer, 1979; Gamson, 1994; O'Guinn, 2000; Reeves, 1988; Rein et al., 1987), thereby socially constructing their celebrity.

To summarize, in our view, firm celebrity arises as the media search for firms that serve as vivid examples of important changes in industries and society in general. The media tend to focus on firms that take bold or unusual actions and display distinctive identities. Such firms lend themselves to the construction of a "dramatized reality" (Bryant & Miron, 2002; Zillmann, 1994) that engages audiences emotionally and increases the appeal of the cultural products the media creates (Bryant & Miron, 2002). In our model firms also contribute to the construction of their celebrity by taking nonconforming actions and seeking to manage the impressions about themselves presented in the media (Elsbach, 1994; Lounsbury & Glynn, 2001). As strategy research increasingly focuses on how firms gain competitive advantage from novel actions (Ferrier, Smith, & Grimm, 1999; Schumpeter, 1934), there is a need for richer theory on the consequences of such actions. Our

theoretical framework examines how the nonconforming behaviors of a firm underlie the creation of a valuable intangible asset for the firm. It also underscores the role of the media in this process and draws the attention of organizational and strategy scholars to the cultural production of firms' images by the media.

In the remainder of the paper, we first provide some background on the history of the construct of celebrity and compare it to other intangible assets of firms. Next, we discuss how the media produce celebrity firms by using elements of drama in reporting about change and firm actions. We then turn to discussing what firm behaviors contribute to firms' construction as celebrities. We conclude with the implications of the concept of firm celebrity for future research and practice.

FIRM CELEBRITY AS AN INTANGIBLE ASSET OF THE FIRM

Celebrity in Historical Perspective

Research in marketing and the sociology of culture shows that although celebrities play important roles in society and markets, the subject of celebrity has been "tremendously underexamined" (Gamson, 1994: 6). Existing research on celebrity is scattered among a number of bodies of literature and academic disciplines, and all of the theoretical and empirical work we found on the topic focuses on the creation of celebrity at the individual level. Below we discuss key ideas from this literature that inform the conceptual development of our model of celebrity creation at the firm level.

Marketing researchers characterize celebrity as a product of the "marriage of entertainment and fame to create and sell highly visible products called celebrities" (Rein et al., 1987: 21). Celebrity is created through the mass communication of carefully selected, prearranged, and oftentimes manipulated information about an individual's personality, talent, and style in order to create a "persona" that triggers positive emotional responses in audiences (McCracken, 1989; Reeves, 1988).

Reviewing the history of the celebrity construct, Gamson (1994) highlights the existence of two contrasting perspectives on celebrity that lead to its paradoxical treatment as both desirable and suspect. In one perspective, "fame is

deserved and earned, related to achievement and quality." In the other, "the publicity machine focuses attention on the worthy and the unworthy alike, churning out many admired commodities, called celebrities, famous because they have been made to be" (Gamson, 1994: 15–16).

Scholars of celebrity tend to emphasize one or another of these perspectives. Frank and Cook reflect the former perspective when arguing that celebrities are "people of enormous talent, energy and drive" (1995: 8) who become winners of contests for the top positions in winner-take-all markets. Boorstin advocates the latter perspective when he argues that celebrities result from modern communication technologies heightening an individual's presence in the public eye, making that person "known for his well-knownness" (1961: 47). Examining reports of celebrity from the turn of the twentieth century through the 1990s, Gamson (1994) suggests that the themes of merit and ability were gradually replaced by an emphasis on personality and lifestyle with the rise of the modern consumer culture in the 1930s and 1940s. McCracken (1989) similarly argues that the attractiveness of modern celebrities derives from their ability to symbolize the lifestyle aspirations of audiences and to embody highly self-relevant meanings related to social categories, such as gender, class, and status.

The degree of manipulation in the production of celebrity affects its extent, sustainability, and value. Whereas "celebrity personas" can be entirely fabricated, resulting in "minor," "short-lived," or "flash in the pan" celebrities, individuals with real ability and a unique style become "stars," "superstars," or "cultural icons" (Dyer, 1979; Gamson, 1994; McCracken, 1989; O'Guinn, 2000; Reeves, 1988). The extent of an individual's celebrity affects the economic opportunities that become available to her or him. With greater celebrity, individuals attract more rent-generating opportunities, including participation in films, shows, games, and endorsement opportunities. Their participation also increases the value created through such projects, thereby enabling celebrities to attain large shares of the rents available from their involvement. At one end of the continuum, the activities and fortunes of individuals such as Oprah Winfrey and Michael Jordan demonstrate that individual celebrities can convert their names into valuable

brands,³ thereby further increasing the value they can appropriate from their celebrity status. At the opposite end of the continuum, the one-time celebrities of a recent television series, "American Idol," sign away all future rights to their names, identities, likenesses, and personal histories.⁴

This review of the literature on individual celebrity informs our theorizing about the construct at the firm level. Namely, celebrity rests on the dissemination of carefully selected information that could be either largely fabricated or well substantiated by evidence of individual achievement (Hayward et al., 2004). In either case, the provision of such information increases the attractiveness of celebrities to audiences by converting them into symbols of varied individual aspirations (McCracken, 1989) and collective myths about achievement and success (Rein et al., 1987). The media play a central role in the process by broadcasting the carefully controlled content of information about celebrities that embellishes both the extent of their achievement and the attractiveness of their identities (Adler & Adler, 1989; Gamson, 1994). Celebrity varies in extent, and ultimately in value as an intangible asset, as a function of the levels of public attention and positive emotional responses it generates. To delineate the construct of firm celebrity as an intangible asset further, we now contrast it with other intangible assets of the firm.

How Celebrity Differs from Other Intangible Assets

Celebrity resembles other intangible assets, such as reputation, status, and legitimacy, because it influences stakeholders' perceptions of and willingness to exchange resources with a

³ As we discuss later, while celebrity individuals, such as CEOs or company founders, are often an integral part of the firm celebrity creation process, the presence of these individuals alone is not sufficient to create a celebrity firm.

⁴ Epitomes of the fabrication of celebrity are shows such as "American Idol," which turns unknown individuals into instant celebrities when they win the votes of the contests' judges, and "reality" programs such as "Making the Band." The newly created celebrity receives potentially lucrative performance contracts but must sign away any future rights to the use of his or her name, image, and personal stories for projects not sponsored by the creators of the show (Olsen, 2002).

firm (Fombrun & Shanley, 1990; Lounsbury & Glynn, 2001; Podolny, 1994; Rindova & Fombrun, 1999; Suchman, 1995). Yet celebrity also differs from these assets in (1) its underlying theoretical foundations, (2) the social basis of the asset, and (3) the mechanisms by which it is built. Table 1 summarizes these differences.

A firm's reputation refers to the beliefs of various stakeholders regarding the likelihood that the firm will deliver value along key dimensions of performance (Rindova & Fombrun, 1999),

chiefly product quality and financial performance (Fombrun & Shanley, 1990; Shapiro, 1983). These beliefs derive in large part from a firm's past actions (Weigelt & Camerer, 1988), resource deployments (Dierickx & Cool, 1989), and performance (Fombrun & Shanley, 1990), which are treated as signals of underlying, but unobserved, strategic characteristics of the firm that can create value for stakeholders.

Like reputation, status is an intangible asset based on stakeholders' evaluations of a firm's un-

TABLE 1
Comparison of Celebrity, Reputation, Status, and Legitimacy As Intangible Assets

	Reputation	Status	Legitimacy	Celebrity
Theoretical foundations	Signaling theory: strategic actions signal underlying strategic characteristics of the firm, such as being a quality producer	Network theory: relationships with others serve as indicators of quality	Institutional theory: endorsements by legitimate or authoritative actors confirm desirability and appropriateness	Sociology of mass media: the media dramatize activities of firms, guiding public attention and positive emotional responses toward select firms
Sociocognitive basis of the asset	Perceived ability of the firm to create value for stakeholders	Relative position in the network of market actors as a proxy for quality	Fit with normative values and beliefs	Perceived potential to achieve important results and an attractive social identity
Processes through which the asset is built	Firms' strategic choices and outcomes that serve as signals: <ul style="list-style-type: none"> ● advertising and pricing strategies as signals of ability to produce quality products (Shapiro, 1983) ● persistent pattern of investments (Dierickx & Cool, 1989) ● market, accounting, institutional, and strategy signals (Fombrun & Shanley, 1990) ● financial performance, product quality, management effectiveness, or a combination of these (Dollinger, Golden, & Saxton, 1997) 	Pattern of affiliations: past demonstrations of quality combined with the actor's exchange partnerships (Benjamin & Podolny, 1999; Podolny, 1994)	External validation through: <ul style="list-style-type: none"> ● structural conformity with established norms (Meyer & Rowan, 1977) ● ties to established social institutions and external legitimacy of these institutional linkages (Baum & Oliver, 1991) ● institutional certifications, such as awards in contests (Rao, 1994) ● coverage by financial analysis (Zuckerman, 1999) ● communication activities of firms, such as storytelling (Lounsbury & Glynn, 2001) 	Creation of a dramatized reality by the media through: <ul style="list-style-type: none"> ● portrayal of change as conflict ● selection of firms as protagonists and overattributing them with responsibility for resolving conflict (based on firm's nonconforming strategic behavior) ● character development to provide identity-relevant information (based on firm's impression management efforts)

derlying quality and capabilities (Podolny, 1994). Unlike reputation, status derives not so much from observation of or direct experience with a firm's past actions and investments but, rather, from observation of its affiliations with prominent network partners and its centrality within market exchange networks. The ability of status to increase the confidence of stakeholders in the quality of a firm is based on the assumption that the willingness of others to associate with a firm provides a gauge of the firm's underlying quality (Podolny, 1994; Podolny & Phillips, 1996). Overall, both status and reputation are intangible assets of the firm that derive from stakeholders' attempts to rationally evaluate a firm's value-creating potential by observing signals reflected in its past performance and transaction behaviors.

Legitimacy also has been associated with the ability of a firm to gain access to resources and, as such, is viewed as an intangible asset (Lounsbury & Glynn, 2001; Suchman, 1995).⁵ Legitimacy is the degree to which broader publics view a company's activities as socially acceptable and desirable because its practices comply with industry norms and broader societal expectations (Lounsbury & Glynn, 2001; Suchman, 1995). Legitimacy can be achieved through a variety of means, including structural conformity with established norms (Meyer & Rowan, 1977), ties to or certification by legitimated institutions (Baum & Oliver, 1991; Zuckerman, 1999), the winning of certification contests (Rao, 1994), and organizational communications (Elsbach, 1994; Lounsbury & Glynn, 2001; Wade, Porac, & Pollock, 1997). Thus, legitimacy differs from reputation and status in that it focuses on the degree to which a firm's products, practices, and structures are consistent with societal expectations, rather than on its distinctive performance outcomes. In other words, both firms with and without reputations as high-quality producers must produce products with a minimum level of quality in order to be legitimate.

Further, research on reputation, status, and legitimacy tends to focus on how a firm's behaviors and performance are evaluated, assuming that the firm is already noticed. As a result, this research is silent regarding how a firm attracts pub-

lic attention. In contrast, the construct of celebrity specifically addresses how and why some firms attract greater levels of public attention. Further, celebrity recognizes the emotional dimension of stakeholder responses to firms. Positive emotional responses can influence stakeholders' subsequent interactions with the firm, because emotional reactions underlie cognitive appraisals (Zajonc, 1980) and influence behavioral responses (Reeve, 1992). Positive emotions, for example, increase individuals' tendencies to engage in supportive behaviors (Brief & Motowidlo, 1986) and to be "expansive, inclusive, and somewhat impulsive" (Fiske & Taylor, 1991: 449). Thus, positive emotional responses may lead to favorable perceptions of a firm's quality and ability, even if a firm's performance history or network relationships do not provide sufficient "evidence" to suggest such interpretations. Therefore, the benefits that celebrity confers on a firm are distinct from those associated with other intangible assets and may predispose stakeholders favorably in their subsequent evaluations of firms' legitimacy, status, and reputation.⁶

PRODUCING CELEBRITY: HOW THE MEDIA DRAMATIZE REALITY

Why the Media Create Dramatic Narratives

The pervasiveness of celebrity reflects the growing reach and range of media outlets, including television and the internet. Growth in media outlets provides "more space for more faces" (Gamson, 1994: 43) and increases both the demand for and capacity to produce celebrities. Gamson argues that the creation of celebrity is an enterprise "made up of highly developed and institutionally linked professions and sub-industries" (1994: 64). The workings of this enterprise increase celebrity-related content in the media and contribute to the convergence of information and entertainment in media accounts that cover not only the traditional domains of

⁵ The definition and usage of legitimacy as it pertains to its value as an intangible asset is most consistent with sociopolitical conceptions of legitimacy rather than with the taken-for-grantedness typically ascribed to "cognitive" legitimacy (Suchman, 1995).

⁶ Reputation, status, and legitimacy similarly can be viewed as independent constructs. For example, a firm may have high status based on its pattern of affiliations, but it may have low legitimacy if it is pursuing a new or untested business model, or is engaging in other unorthodox practices. Similarly, a firm may be perceived as legitimate if it has won certification contests or is certified as legitimate by an accrediting institution, even if it does not have an established history of performance or product quality (Rao, 1994).

celebrity, such as sports and entertainment, but all aspects of social life, especially business (Gamson, 1994; Khurana, 2002). Overall, the growth of mass communication technologies is an important factor contributing to the emergence of celebrity and its spread to a variety of industries.

The media play a central role in the process of celebrity creation because they control both the technology that disseminates information about firms to large audiences and the content of the information disseminated. Although organizational researchers have recognized that the media inform the public about issues and events (Chen & Meindl, 1991; Deephouse, 2000), thereby influencing stakeholders' impressions of firms (Abrahamson & Fombrun, 1994; Deephouse, 2000; Lounsbury & Glynn, 2000; Pollock & Rindova, 2003), they have seldom addressed the specific means through which the media accomplish these tasks (Deephouse, 2000; Pollock & Rindova, 2003).

Understanding how the media socially construct firm celebrity requires a theoretical framework that explicates how the media present information about firms and how the presentation of information may create disparities in public attention and positive emotional responses to firms. We base this framework on theory and evidence that the media represent "a complex, sometimes private and enclosed world in which people solve the practical problem of producing culture to order, routinely providing news of the unexpected, and maintaining some kind of a stable relationship to a largely unknown audience" (McQuail, 1985: 97). In responding to these dual demands to inform and engage audiences, the media do not simply provide information about events, they also tell stories that seek to engage their audience and increase their desire for more information on the subject of a story (Hirsch, 1972; McCartney, 1987; Peterson, 1976, 1979). In other words, the media produce and sell cultural products (Peterson, 1976, 1979). Consequently, theoretical frameworks for analyzing media accounts as narratives, drama, and entertainment are now central to mass communication research (e.g., Bryant & Miron, 2002; McCartney, 1987).

This perspective on the media further suggests that, in order to routinely provide news, journalists focus on obtrusive aspects of the environment and so report on change rather than

on the status quo (Lippmann, 1992). According to Andreassen:

When change occurs there may be typically both sets of facts that suggest that a change should have happened and yet another set that suggests it should not have occurred. To form a coherent and complete story, reporters will tend to focus on the former set of information and omit the latter (1987: 490).

In other words, in fulfilling their role as purveyors of news and information, journalists tend to provide accounts of change processes. Moreover, they seek to provide accounts that render these processes coherent and comprehensible. Providing such accounts often involves identifying individuals and firms to whom journalists can attribute the causes of change (Andreassen, 1987).

Further, journalists seek to make their "breaking" stories more dramatic and newsworthy (Lippmann, 1922; Shoemaker & Reese, 1996). Thus, in presenting information, journalists implicitly or overtly invoke principles of drama in order to enhance the impact of their story on stakeholder audiences, as well as on fellow journalists (Darnton, 1975). By impressing their colleagues, journalists rise to the top positions in their profession, occasionally becoming celebrities in their own right. By engaging audiences through the elements of drama, they bring into relief the moral values and sentiments of audiences and increase their involvement with the issues presented in their reports (Smiley, 1971; Zillmann, 1994). Journalists thus seek information that highlights change and present that information in dramatic narratives. In the process, the firms that they select to exemplify the change, by featuring them as protagonists in their dramatic narratives, become celebrities.

The idea that the media socially construct celebrity firms by featuring them in dramatic narratives is consistent with research on celebrity creation at the individual level. According to this literature, the media mix "on-screen" and "off-screen" personalities, fact and fiction, tidbits about luxurious lifestyles and an emphasis on professional achievement, to create a "dramatized reality" (Rein et al., 1987) out of a celebrity's life story. In the following section we discuss how journalists employ similar tactics in creating celebrity firms.

How Dramatic Narratives Create Dramatized Reality

Applied to reporting on firms, the media's dramatic narratives organize facts and events about firms according to the principles of drama, thereby creating a "dramatized reality" about these firms. As Smiley explains, "Whereas life consists of diverse action, *drama is structured action*" (1971: 41). Dramatized reality therefore refers to the organization of what may be otherwise factually accurate information about firms in ways that stress certain facts and meanings and underplay others. Using dramatic narratives, journalists are able to "selectively distill a complex jumble of otherwise ambiguous and contradictory activities, pronouncements, and impressions into a simplified and relatively coherent portrait" (Ashforth & Humphrey, 1997: 53), thereby reducing the uncertainty associated with the events they report on (Lounsbury & Glynn, 2001).

The creation of a dramatized reality about firms constructs firm celebrity because the elements of drama convey information in a manner that stimulates audience interest, identification, and engagement with such firms. For example, dramatic narratives increase the apparent importance of a firm's actions by virtue of its centrality in the unfolding plot. Presenting information about firms in the form of dramatic narratives, therefore, allows journalists to both report news and engage their audiences morally and emotionally (Aldrich & Fiol, 1994; Lounsbury & Glynn, 2001). We summarize the preceding discussion in the following proposition.

Proposition 1: The use of dramatic narratives in media reporting about a firm increases the likelihood that the firm will achieve celebrity.

By creating a dramatized reality about a firm, the media affect the likelihood that the firm will achieve celebrity. The extent of this celebrity further depends on the use of specific elements of dramatic narratives. Although a detailed analysis of the elements of dramatic narratives and their use in storytelling about firms lies beyond the scope of this article, below we highlight three elements of drama that are particularly germane to constructing firm celebrity: the portrayal of dramatic conflict, use of a firm as a

protagonist, and the development of its "character" (Bryant & Miron, 2002).⁷

Portrayal of dramatic conflict. Dramatic narratives usually begin with a disturbance to a seemingly calm or balanced situation. The disturbance creates conflict, defined as the set of circumstances that present players with change and adversity (Smiley, 1971). In industries, changes and uncertainties arise from numerous sources, including exogenous shocks, such as changes in the economic, technological, political, or cultural environment, as well as from the competitive actions of firms inside or outside the industry. All such changes enable journalists to portray dramatic conflict, because they disrupt the status quo and present both firms and their stakeholders with new risks and challenges.⁸ For example, the introduction of a new technology puts the investments that users and producers have made in older technologies at risk. Deregulation opens the industry to new entrants who may offer cheaper products, but of unknown quality or safety. Overall, industry change provides the backdrop for the portrayal of dramatic conflict in media accounts. It is therefore one of the key conditions that give rise to the construction of firm celebrity. The greater the impact of the change on various stakeholders, the greater the extent to which it can be portrayed as a source of dramatic conflict, and the greater the extent to which firms can be constructed as celebrities.

Using a firm as a protagonist. Faced with change, some firms take actions to establish

⁷ Smiley (1971) suggests that ten elements determine the quality of a dramatic narrative: balance, disturbance, a protagonist, a plan of action, obstacles, complications, substory, crisis, climax, and resolution. Bryant and Miron (2002) stress the three categories we use. These categories group Smiley's categories as follows: conflict includes balance, disturbance, complications, and obstacles; actions to resolve the conflict include plan of action, climax, and resolution; and character development includes protagonists. Substories may be the means for presenting conflict when they point to additional obstacles or complications or for character development when they show the protagonist in action under different circumstances.

⁸ Conditions of change serve as a catalyst for the construction of dramatic narratives and provide the basis for developing conflict within the narrative. However, since change is largely an exogenous variable in our model, we do not develop propositions about its effects but include it in the model to represent its impact on the processes we describe.

new competitive positions. Journalists can report on these actions and use them to organize the information about the change they observe around a central character—or protagonist—who takes a principal or “leadership” role in responding to the change. The protagonist in a drama is the character who makes events happen and propels the dramatic action forward (DiYanni, 1990; Smiley, 1971). When journalists present a firm’s strategic actions as efforts to resolve a conflict, the firm becomes a protagonist in the dramatic narrative. Using a firm as a protagonist in a dramatic narrative leads to overattributing industry-level change processes to the actions of the firm, thereby making the firm appear to be more important in causing the change, and the outcomes resulting from the change, than it actually was.⁹

Journalists, like other individuals, seek to answer questions about what has caused outcomes that often have complex and uncertain antecedents. Attribution research shows that individuals tend to give accounts that are both more coherent and more extreme than the actual circumstances warrant when answering attributional questions about what caused an outcome (Andreassen, 1987; Harvey, Harkins, & Kagehiro, 1976; Taylor & Fiske, 1978; Tetlock, 1983). Attribution theory would therefore suggest that journalists tend to focus on facts that cohere around assigning responsibility to a single actor or factor, and tend to ignore or underplay facts that point to alternative explanations.¹⁰

Journalists increase the coherence of their accounts of change by overattributing responsibility for its outcomes to select firms, while underattributing responsibility to broader environmental or situational factors (Hayward et al., 2004; Ross, 1977). For example, the media portrayed Apple as overturning the mainframe computing paradigm, even though the personal computer was a product of a long and complex evolution of ideas and technology (Bardini &

Horvath, 1995). Similarly, media accounts credited the Starbucks Coffee Company with “elevating the coffee experience” (Reese, 1996: 190), even though many of the cities where it opened its coffee bars already had vibrant coffee shop cultures (Schoenholt, 1996: 34). A third example of this phenomenon is Yahoo!, which was portrayed as “the first” among search engine companies to be launched, taken public, and become profitable (Himelstein, Green, Siklos, & Yang, 1998), even though Yahoo! went public after rivals Excite and Lycos.

To summarize, using the firm as a protagonist enables journalists to provide coherent accounts of the origins and direction of industry-level change and to answer the questions of why change has occurred and who is responsible for its consequences. In turn, selecting a firm as a protagonist accords greater centrality to its actions in explanations of industry-level change, leading to overattributions of industry-level outcomes to the firm. Overattribution of change-related outcomes to a given firm contributes to its construction as a celebrity, because the attributions exaggerate the consequences of its actions, making the firm appear “larger than life,” or at least more proactive and capable than its competitors.

Character development. Once journalists select firms as protagonists for their dramatic narratives, they also engage in the “character development” of these firms (Bryant & Miron, 2002; Chen & Meindl, 1991). According to Smiley, the purpose of character development in drama is “devising credible agents to execute the action” (1971: 91). Character development—the provision of information about the physical, dispositional, motivational, cognitive, and behavioral attributes that characterize a protagonist—also enables audiences to like, dislike, or identify with the protagonist, thereby emotionally engaging with the dramatic narrative (Zillmann, 1994).

In the case of protagonist firms, by developing their character, journalists can enhance the credibility of their claims that a firm is capable of taking the actions that resolve the uncertainty created by the change and, therefore, the dramatic conflict. One way in which journalists can develop the character of a firm is by providing information about the firm’s culture, identity, and leadership, because these organizational attributes reveal values, beliefs, and behaviors

⁹ We discuss the role of firm agency in increasing the likelihood that journalists will select the firm as a protagonist in the next section.

¹⁰ Attribution theory distinguishes between attributions of causes (explanations) and attributions of responsibility (sanctions; Hamilton, 1980). The second type refers to the degree to which a social actor is viewed as being responsible for a given action so that the action can be sanctioned—punished or rewarded—accordingly.

that are distinctive characteristics of the organization (Albert & Whetten, 1985; Hatch, 1993). In the example below, a journalist gives the audience quasi-inside glimpses of Yahoo!'s culture and work routines:

Despite Yahoo!'s meteoric ascent, Edwards [VP of marketing at the time] and her colleagues continue to exude an air of humility. The company has moved out of its initial headquarters, a nondescript building that resembled a distribution warehouse, to a more modern structure. Even by Silicon Valley standards, the office climate at Yahoo! is relaxed yet scarily efficient. While Yahoo! staffers typically work sweatshop hours, the buzz of activity resembles a frat house more than an office building. Visitors tell stories of staffers busily working at monitors decked out in shorts and T-shirts, and sometimes shoes. Workers typically wear competitors' T-shirts and decorate their work space with their ads, Edwards said. One notorious story is that a senior producer of the Yahoo! financial pages tattooed the company logo on his buttocks to make good on a promise he made should the stock price hit \$50 (Warner, 1997: 70).

Providing information about a firm's identity and leadership affects how stakeholders relate to the firm. First, identity-related information influences how individuals perceive and evaluate the actions of others, because "people interpret behavior in terms of an applicable and accessible personality trait, either one provided or one that comes to mind" (Fiske & Taylor, 1991: 301). Information about an actor's identity serves as an interpretative frame that facilitates the understanding of an action because it links it to an ongoing property of the actor. Second, identity-related information triggers the dynamics of interpersonal attraction (Berscheid, 1994) and facilitates individual identification with firms (Scott & Lane, 2000). Thus, information about organizational culture and identity contributes to constructing firm celebrity because it facilitates identification with the firm and generates the attendant positive emotional responses.

Finally, providing information about the firm's culture, identity, and the personal characteristics of its leaders resembles the provision of small, intimate details about a celebrity's personal life, habits, and tastes. The provision of such details enables audiences to develop pseudointimate, vicarious relationships that intensify their emotional responses to the celebrity (Adler & Adler, 1989; Gamson, 1994; O'Guinn, 2000). Armed with details about an organiza-

tion's culture and identity, stakeholder audiences can relate to it in an immediate fashion by remembering and relating to those idiosyncrasies. All of these processes are likely to generate positive emotional responses and enhance the extent of a firm's celebrity.

We summarize these ideas about the role of various elements of drama in constructing a firm's celebrity in the following proposition.

Proposition 2: The greater the extent to which the dramatic narratives of the media portray conditions of change and uncertainty as conflict; attribute industry-level change to the actions of the firm selected as a protagonist; and develop the firm's character through provision of information about its culture, identity, and leadership, the greater the extent of the firm's celebrity.

In the foregoing we argued that the media produce firm celebrity while performing their dual roles of purveying news and producing cultural products for sale. We also discussed how journalists socially construct celebrity firms by creating dramatic narratives that present some firms as protagonists with attractive organizational cultures and identities, and overattribute them with responsibility for changes in their industries. We now turn to the question of how the strategic behaviors of firms influence the likelihood that the media cast them as the protagonists in dramatic narratives and construct them as celebrities.

INVITING FAME: HOW FIRMS ATTRACT MEDIA ATTENTION

Standing Out Through Nonconforming Strategic Actions

Competing firms face conflicting pressures to be different in order to reduce competition for similar resources and to conform to norms in order to be perceived as legitimate (Deephouse, 1999). Industry norms are rules and standards that define the acceptable or typical range of firm behaviors and actions (Hawkes, 1975; Lounsbury & Glynn, 2001; Scott, 1995). Consequently, "a firm which selects strategies outside the range of acceptability does so at its own peril. It is subject to questions and actions chal-

lenging its legitimacy, reliability, and rationality" (Deephouse, 1999: 152).

Yet firms often take novel actions in order to improve their competitive positions and undermine those of rivals (Grimm & Smith, 1997; Schumpeter, 1934, 1942). The potential benefits of taking novel actions are realized only to the degree that these actions are accepted and appreciated by customers (Smith, Ferrier, & Grimm, 2001). Therefore, the processes that lead customers and other stakeholders to evaluate novel, nonconforming actions positively warrant closer attention.

Research on social deviance offers a useful lens through which to view how society responds to behaviors that deviate from existing norms. Deviance researchers are divided over what constitutes deviant behavior (Heckart & Heckart, 2002). Some researchers have argued that the behavior itself and its objective, positive (overconforming), or negative (underconforming) difference from an existing norm define its degree of deviance (Hawkes, 1975; Tittle & Paternoster, 2000). Others have argued the social milieu's positive or negative reaction to a behavior "labels" it as deviant (e.g., Becker, 1973). Heckert and Heckert (2002) combine these approaches in a two-by-two matrix that categorizes nonconforming behaviors as (1) "negative deviance" (what researchers most often refer to when they use the term *deviance*), which describes behaviors that underconform to norms and are evaluated negatively; (2) "rate busting," which refers to behaviors that overconform to norms but are evaluated negatively; (3) "deviance admiration," which refers to behaviors that underconform to norms but are evaluated positively; and (4) "positive deviance," which refers to behaviors that overconform to norms and are evaluated positively. Figure 1 depicts these categories of nonconforming behaviors.

Using Heckert and Heckert's (2002) framework as a guide, we suggest that both under- and overconforming firm behaviors, if positively evaluated, lead to the construction of a firm as a celebrity. The reason for this is that nonconforming behaviors are more likely to attract media attention because they fit the definition of news as obtrusive events that deviate from expectations (Lippmann, 1922). Further, the media are more likely to attribute the outcomes of changes to firms that take nonconforming actions, be-

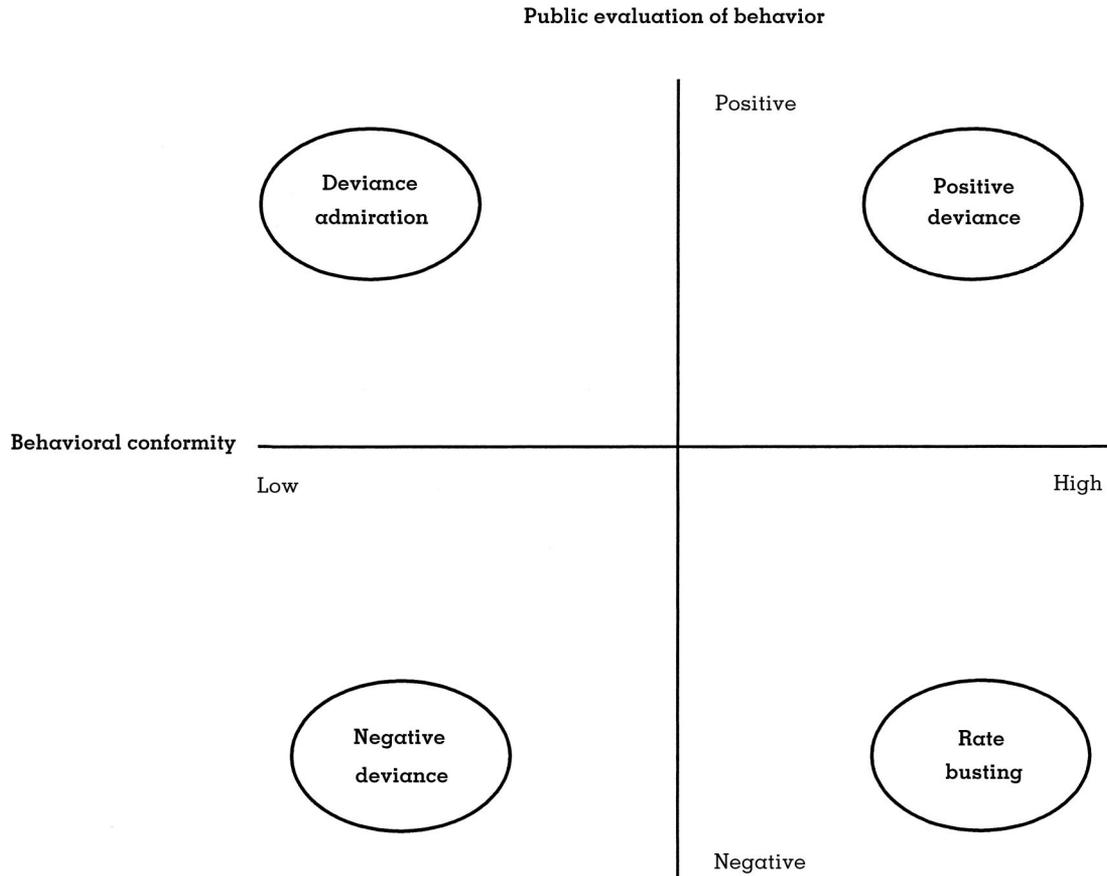
cause attributions of causality are often based on salience (Fiske & Taylor, 1991), and actions that deviate from expectations are more salient (Fiske & Taylor, 1991). As a result, journalists are more likely to notice such firms and cast them as protagonists in unfolding dramas.

While all nonconforming actions may attract attention, only positively evaluated actions contribute to firm celebrity. To understand why some nonconforming actions are more likely to be evaluated positively, we need to recognize that the nonconforming actions of firms often create value for a subset of stakeholders that are not currently well served. For example, in 1971 Southwest Airlines sought to serve cost-conscious travelers by underconforming to prevailing industry norms regarding seat assignments, food availability, and flight routing. Conversely, while all hotels compete on some combination of service, amenities, and price, the Ritz-Carlton overconforms to industry norms by setting up its high-end customers' rooms to reflect their personal habits. It accomplishes this "mass customization" by requiring members of the housekeeping staff to enter every bit of information they have collected about the personal habits of a guest into a chain-wide database.

These companies have enjoyed the enthusiastic support of the customers who have benefited from their deviations from their industries' norms. Such stakeholder support sends a signal to the media and other market participants that the nonconforming behaviors of the firm create value, and therefore the firm is likely to emerge as a success story associated with the change. Overall, presented with uncertainty about the causes and consequences of change that they nonetheless are expected to explain, journalists are likely to report on firms that they perceive as having a greater chance of emerging as winners and leaders in the new industry environment (Rindova & Fombrun, 1999). Firms that take nonconforming actions and enjoy some degree of stakeholder support are more likely to fall into that category. These arguments suggest the following proposition.

Proposition 3: The greater the extent to which a firm engages in nonconforming behaviors that enjoy some degree of stakeholder support, the greater the likelihood that the firm will be used as

FIGURE 1
A Typology of Deviant Behaviors



Adapted from Heckert and Heckert (2002).

a protagonist in the media's dramatic narratives, and the greater the extent of the firm's celebrity.

Firm Impression Management Efforts

While journalists play a key role in creating celebrity firms, we do not wish to downplay the impact of managerial agency on the process. Rein et al. (1987) have suggested that individual-level celebrity creation is analogous to the marketing process for launching a product. In their view, individuals can deploy the celebrity-making enterprise to create a "celebrity persona" that resonates with the audience. Thus, publicists, photographers, scriptwriters, event planners, and other experts that create desired images and "sell" them to the media play an important role in the construction of celebrity.

Gamson (1994) has found some evidence that the individual celebrity creation process generally follows such a marketing logic, but he also shows that this process is animated by conflict and negotiation as the interests of celebrities, their image makers, and the media converge and diverge. Celebrities and the media have a common interest in providing audiences with information that fuels their continued interest in the celebrity. Their interests diverge, however, regarding the issue of who should control the information provided to audiences.¹¹ Balance in these competing interests is achieved as celeb-

¹¹ Journalists seek to fulfill their role and provide the public with news while maintaining a relationship with the celebrity and his/her marketers that does not jeopardize future access to information. One informant interviewed by Gamson (1994) noted that this is accomplished by walking

rities and their marketers proactively manage the flow of information to the media, and the media selectively incorporate such managed information in their narratives.

Firms seeking to become celebrities similarly rely on carefully designed and targeted communications. Firms, in general, seek to manage the impressions of stakeholders and to project desired images to audiences (Rindova & Fombrun, 1999; Scott & Lane, 2000). However, firms that take nonconforming actions are even more concerned with managing the interpretive frames stakeholders use to evaluate their actions, and they tend to engage in impression management aggressively (Aldrich & Fiol, 1994; Elsbach, 1994; Elsbach & Sutton, 1992; Lounsbury & Glynn, 2001). For example, new firms (Lounsbury & Glynn, 2001; Pollock & Rindova, 2003), organizations with extreme political agendas (Elsbach & Sutton, 1992), and organizations that face stakeholder criticism (Dutton & Dukerich, 1991; Elsbach, 1994; Wade et al., 1997) communicate with stakeholders more extensively. Such organizations aggressively tell stories about themselves and their actions (Aldrich & Fiol, 1994; Lounsbury & Glynn, 2001), use spokespeople to provide impression management accounts (Elsbach, 1994; Elsbach & Sutton, 1992), and rely on press releases to increase the availability of information about themselves (Pollock & Rindova, 2003).

The information communicated by firms becomes an input for media reporting about these firms. According to research on mass communications, public relations experts provide journalists with "information subsidies," which are visual and written pieces that are ready for publication or putting on the air. Information subsidies save reporters and their employers the investment of time and money necessary to collect the information and produce the story themselves (Gamson, 1994; Gandy, 1982). Such prepackaged stories present information about the firm and its activities from angles that increase perceptions of the importance and efficacy of the firm. They also provide interesting facts about the life of the organization that are useful in presenting an organization with a distinctive and attractive identity. Therefore, the greater

the extent to which a company's public relations arm provides the media with information about the firm, the easier it is for journalists to feature the company in the dramatic narratives they construct in ways the firm approves of.

Yahoo! provides a good example of a firm that has effectively managed the flow of information from the firm to the media. Yahoo! employed two PR firms—one focusing on technology issues and another specializing in promoting people—to place stories in the media about the firm and its founders, Dave Filo and Jerry Yang. It also launched a quirky and humorous advertising campaign with the tag line "Do you Yahoo?" and engaged in "guerrilla marketing," including sponsorship of sporting events and rock concerts. Finally, Yahoo! mobilized its employees to advocate for the firm through such actions as offering a free paint job to every employee who would paint the company logo on his or her car (Stross, 1998). Yahoo!'s various impression management efforts contributed to the presentation of its unique, irreverent character, as media stories discussed Yahoo!'s services, as well as its humble beginnings in a trailer on the Stanford campus, its pun-based name, and intriguing tidbits of information, such as the story of an employee who tattooed the company's logo on his derriere. Through these stories, many small yet powerfully distinctive details traveled from the private life of the firm into the public domain of its celebrity persona.

Overall, the proactive efforts of firms to dramatize their own actions and invest resources in glamorizing their activities not only attract media attention but also influence the content of the dramatic narratives that produce celebrity. We therefore propose the following.

Proposition 4: The greater the extent to which a firm channels diverse information about its activities, leadership, culture, and identity to the media, the greater the extent to which the media will create dramatic narratives about the firm, and the greater the extent of the firm's celebrity.

In the foregoing we examined how the actions of firms contribute to the construction of their celebrity. Below we consider how achieving celebrity status reciprocally affects the strategic behavior of a firm.

what is often an uneasy line between "doing journalism" and "being an outlet" for the celebrity "product."

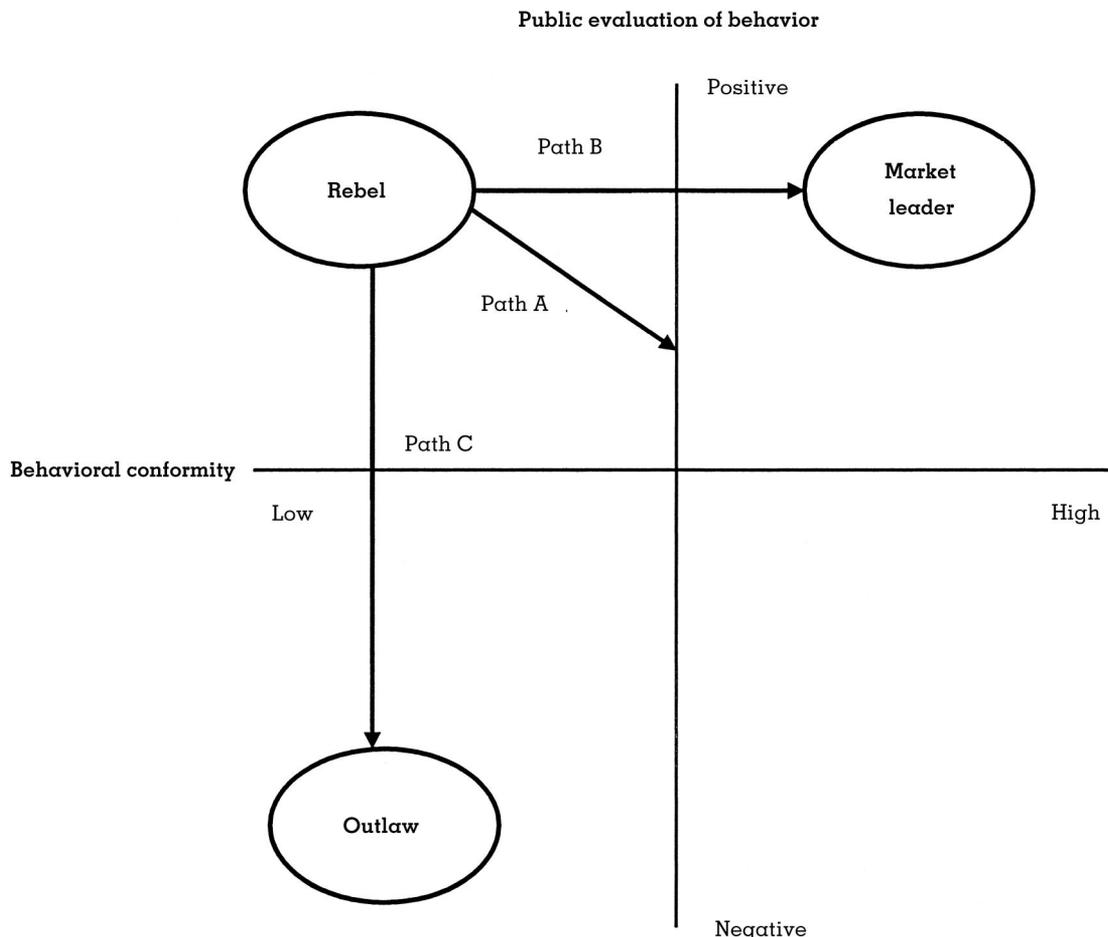
The Reciprocal Relationship Between Celebrity and Nonconformity

Like other intangible assets, celebrity is not static over time, but coevolves with the firm's strategy. In Figure 2 we overlay Heckert and Heckert's (2002) matrix with a dynamic dimension reflecting how a firm's position in the matrix, and thus its celebrity, may evolve because of changes in the strategic behavior of the firm or changes in its environment. We label firms that become celebrities by underconforming to existing norms *rebels*. Such firms explicitly deviate from some existing norms, thereby increasing their risks of social rejection (Deephouse, 1999), yet they gain positive evaluation and support from some stakeholders who derive value from their deviant actions. We label the firms that achieve celebrity by overconforming

to existing norms *market leaders* because they lead their industry in behaviors that reflect prevailing norms and values. Market leaders are in a relatively stable position, because they can maintain their celebrity as long as industry norms do not change and they continue to engage in overconforming behaviors. Rebels, however, tend to be in an unstable position, because their actions are not legitimate *ex ante*. Changes in industry norms or in the firms' strategic behaviors that reduce the degree of the actions' nonconformity or their positive evaluation can undermine their celebrity. Below we discuss several ways in which the reciprocal relationship between celebrity and nonconformity may play out.

A rebel firm may (1) modify its nonconforming behaviors to be more consistent with prevailing

FIGURE 2
Potential Evolutionary Paths of Nonconforming Firms



norms (Path A in Figure 2), (2) be imitated by competitors to the degree it effectively changes the industry norms (Path B in Figure 2), or (3) increase the degree of its nonconformity, thereby deviating further from existing norms (Path C in Figure 2). If a rebel firm follows Path A, it may take advantage of the opportunities created by its celebrity to gain access to resources and strengthen its competitive capabilities. It can then choose to reduce the nonconformity of its actions once it has become less dependent on its celebrity status for attracting stakeholder interest and attention. By moving away from its previous nonconforming behavior and adopting behaviors that conform to industry norms, a firm can increase its legitimacy and appeal to a broader market (Deephouse, 1999). In doing so, the firm may diminish its celebrity, but it can retain positive stakeholder evaluations if it has used its celebrity to enhance its competitive resources and capabilities.

The Starbucks Coffee Company is a case in point. The company initially attracted customers with the explicitly underconforming practices of roasting its coffee very dark and selling it only in its specialty coffee bars. Today, it also sells its coffee in supermarkets and offers a lighter "Light Notes" roast. Both of these actions are similar to the production and distribution practices of Maxwell House and Nestle, the conventional coffee makers that Starbucks supposedly led a "revolution" against in the early 1990s (Rindova & Fombrun, 2001). In changing its actions to be more similar to industry norms, Starbucks has expanded its market, but it no longer generates the intense positive emotional responses from customers that it did in its earlier days.

For the rebel to follow Path B, industry norms must shift because of competitors' imitation of the rebel's nonconforming behaviors. The more the media celebrate a firm and its actions, the more visible and salient these actions become to competitors (Porac, Thomas, Wilson, Paton, & Kanfer, 1995). Thus, the more the media stress a given type of behavior in their dramatic narratives, the more likely the behaviors are to be imitated and to emerge as a new industry norm (DiMaggio & Powell, 1983).

For example, Nike was a rebel in the athletic shoe industry in the 1970s and 1980s owing to its introduction of colorful, avant-garde product designs. The National Basketball Association ini-

tially banned Nike's red and black "Air Jordan" basketball shoe as a breach of the league's dress code, but differentiation through the introduction of new colors and designs is now commonplace in new product development of basketball shoes (Labich, 1995). Thus, industry norms regarding acceptable design choices and dimensions along which to compete have shifted. Today, Nike is a well-established firm, retaining its celebrity after evolving from an underconforming rebel to an overconforming market leader.

A rebel following Path C may increase the extremity of its nonconforming actions and move away from the position of a celebrated rebel to one of an infamous "outlaw," whose behaviors are evaluated negatively and even punished. A rebel may increase the extent of its nonconforming actions in an effort to maintain its celebrity, since its celebrity derives in part from such behaviors. Research has documented that celebrity individuals develop "gloried selves"—perceptions of self as a person of fame—that gradually displace their authentic selves (Adler & Adler, 1989).

In Adler and Adler's (1989) longitudinal ethnographic study of the effect of aggrandizement on celebrity athletes, athletes reported that once the media created a celebrity persona for them, they felt compelled to uphold it, often at the cost of significant personal discomfort. Similarly, it is conceivable that media attributions of responsibility for industry-level change to the firm may compel its managers to try to live up to this image by increasing the magnitude of the firm's nonconforming actions and choices, thereby reducing the likelihood that it will continue to be evaluated positively and undermining the celebrity the firm is trying to sustain. Enron provides an example of a rebel turned outlaw, as, over time, the firm took its nonconformist behaviors in an increasingly extreme direction, with devastating results:

"Because Enron believed it was leading a revolution, it encouraged flouting the rules. There was constant gossip that this rule breaking extended to executives' personal lives. . . . Enron also developed a reputation for ruthlessness, both external and internal. . . . [It] had a reputation for taking more risk than other companies. . . ." According to a trader, quoted in the same report: "Enron swung for the fences" (McLean, 2001: 58).

We summarize these ideas in the following propositions.

Proposition 5: Firms that achieve celebrity through overconforming behaviors are likely to sustain their celebrity longer than firms that achieve celebrity through underconforming behaviors.

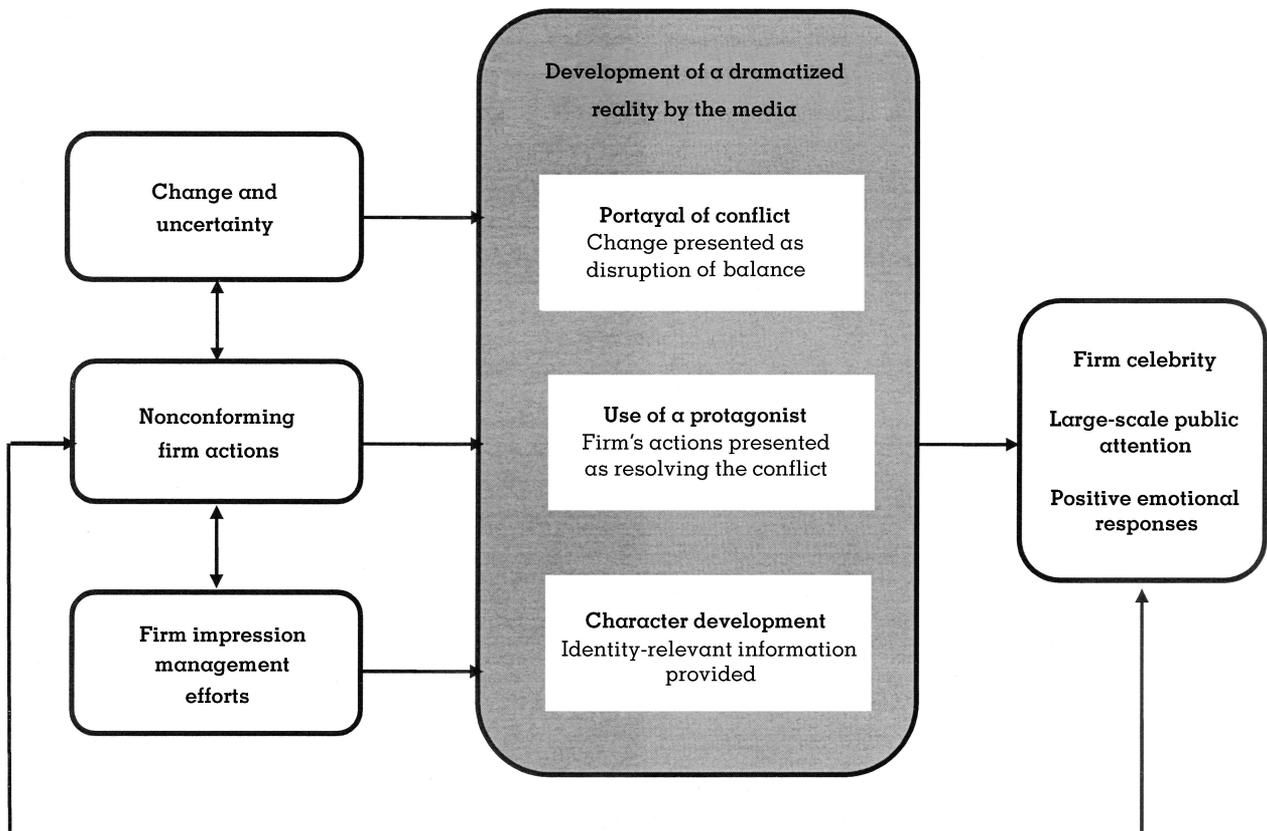
Proposition 6a: Changes in industry norms that decrease either the degree of nonconformity in a celebrity firm's actions or the positive evaluation of its nonconforming behaviors will reduce the firm's celebrity.

Proposition 6b: Changes in a celebrity firm's actions that decrease either the degree of nonconformity of its actions or its positive evaluation will reduce the firm's celebrity.

Figure 3 summarizes our theoretical model of the process through which firm celebrity is constructed. Our model reflects how, in an effort to accomplish the media's dual objectives of pro-

viding the public with news and selling cultural products, journalists use dramatic narratives to report about change and create a "dramatized reality" that shapes stakeholders' interpretations of actions and events. Journalists create a dramatized reality when they select and cast some firms as protagonists, overattribute them with responsibility for change, and provide identity-relevant information about these firms. Firms facilitate this process by engaging in nonconforming behaviors and managing impressions about themselves. Because of these actions by firms and the media, some firms generate substantial public attention and positive emotional responses, thereby attaining celebrity. While we do not discuss the relationships among industry change, nonconforming firm behaviors, and firm impression management in our theory, we view these relationships as established by past research (Aldrich & Fiol, 1994; Grimm & Smith, 1997) and recognize them through bidirectional arrows in the model.

FIGURE 3
The Firm Celebrity Creation Process



The socially constructed nature of the celebrity creation process suggests that although the creation of celebrity can be managed, it cannot be fully fabricated. The diverse interests of the actors involved limit the extent to which any one actor can control the process. Further, the attention and positive emotional responses from audiences that define celebrity depend on the sustained perception that celebrated firms—at least to some extent—possess the extraordinary qualities attributed to them.

DIRECTIONS FOR FUTURE RESEARCH AND PRACTICE

This article introduces the construct of firm celebrity to explain why and how some firms generate significant stakeholder attention and positive emotional responses. We have argued that celebrity provides a firm with a valuable intangible asset, which is distinct from other intangible assets based on stakeholder perceptions, by creating stakeholder attention and excitement. Our model is rooted in theoretical and empirical work on the sociology of mass communications, in which scholars have examined the complex roles of the media (Gans, 1979; McQuail, 1985; Peterson, 1976, 1979). By focusing on the media as producers of cultural products, our model departs from the predominant perspective adopted in organizational research that the media are a relatively objective and authoritative source of information about firms (Deephouse, 2000; Elsbach, 1994; Lamertz & Baum, 1998; Pollock & Rindova, 2003). Instead, we present the media as actively constructing images of firms and influencing their standing vis-à-vis stakeholders. Thus, our model opens the door for some new and interesting research directions.

Understanding the Value of Celebrity As an Intangible Asset

First, our model focuses on the construction of a new type of intangible asset for the firm—celebrity. Like other intangible assets, such as legitimacy, status, and reputation, celebrity contributes to a firm's competitive advantage by rendering the firm more identifiable in the minds of stakeholders. Unlike these other intangible assets, however, celebrity is produced through dramatic narratives that blend fact and

fiction and that exaggerate some aspects of firms and their actions while overlooking others. Therefore, future research should examine how the "produced" nature of celebrity sets it apart from legitimacy, status, and reputation, which would presumably all suffer if part of the information used to create these assets were revealed to be exaggerated or fabricated.

A related question that provides an important direction for future research is the extent to which celebrity is a sustainable asset. Social cognition research offers some evidence that attention and positive emotional responses may be relatively transient states (Fiske & Taylor, 1991), suggesting that celebrity may be, by its very nature, transitory. Our framework suggests that the sustainability of celebrity may vary with (1) the nature of the nonconforming actions that serve to generate it and (2) the subsequent choices of the celebrity firm and its competitors. As discussed, celebrity based on positively evaluated overconforming actions may be more sustainable than celebrity built on positively evaluated underconforming actions, and changes in either industry norms or a firm's strategic behaviors may undermine a firm's celebrity. Therefore, our framework suggests that the sustainability of the asset will depend on the co-evolution of the behavior of the firm and the industry's norms. Future research could empirically test these different arguments by examining the sustainability of celebrity over time.

Another question regarding the value of celebrity as an intangible asset concerns understanding its effects on firm performance. Future research should examine not only the sustainability of the asset as such but also how its interactions with other assets and resources of the firm (Dierckx & Cool, 1989) influence the firm's ability to compete at different stages of its evolution. Noda and Collis (2001) have argued that firm heterogeneity arises from positive feedback loops that reinforce small differences in initial conditions. Celebrity could affect the evolutionary trajectories of firms by magnifying seemingly small and insignificant events that can affect the firm's strategic opportunities and resources. However, it is also possible that celebrity could have the opposite effect, buffering the firm by obscuring small, negative events, or causing stakeholders to rationalize them away as being part of the firm's celebrity.

Achieving celebrity may further affect the rate at which firms can accumulate or deplete other resources. For example, Yahoo!'s celebrity in the mid 1990s provided the firm with access to top managerial talent and enabled it to recruit a high-caliber executive like Tim Koogle, despite its lack of a clear money-making business model (resulting in lack of legitimacy) or a proven record of performance (resulting in lack of reputation). Therefore, future research should examine how celebrity may affect the long-term performance of a firm by creating positive feedback effects that lead to path dependencies in the evolution of a firm that are difficult for competitors to imitate or offset.

Studying Celebrity Empirically

Our model also provides some guidance on how to operationalize firm celebrity in empirical research. Since our model treats the content of media coverage as an independent variable predicting the extent of celebrity, analyzing the content of newspaper and magazine articles to operationalize celebrity as a dependent variable could confound the measurement of celebrity with the measurement of the various elements of dramatic narratives. Our definition of celebrity as large-scale public attention with positive emotional responses, however, points to two psychological constructs for which measurement instruments exist, or can be designed. Specifically, instruments can be designed to measure allocation of attention through stakeholder name recognition and recall of details about the firm. Emotional responses could be measured through various scales that capture affective reactions.

An alternative measure of firm celebrity could be derived from published classifications, such as *Fortune's* 25 Cool Companies or *The Wall Street Journal/Harris Interactive Reputation Quotient (RQ)* survey. The latter explicitly measures the "emotional appeal" of a firm and provides researchers with the opportunity to examine how celebrity and reputation interact. A third and more unconventional but potentially interesting approach would be to analyze the content of relevant internet chat groups in order to evaluate which firms stakeholder audiences "talk" about, as well as the ways in which they talk about these firms.

Recognizing the Multiple Roles of the Media and Their Implications for Firms

Our model also calls for refining the ways in which organizational and strategy researchers theorize the role the media play in influencing firm-stakeholder relationships. Despite frequent references to the role of the media as a source of legitimacy for industries and firms (e.g., Baum & Powell, 1995; Lounsbury & Glynn, 2001), the media's role in shaping public perceptions of firms remains relatively unexamined and undertheorized. Hayward et al. (2004) argue that the media create celebrity CEOs by providing stakeholder audiences with causal accounts in which they attribute organizational outcomes to these CEOs. Our model suggests that similar dynamics may operate at the industry level, where industry-wide outcomes are attributed to a few firms that stand out. Future research should explore the extent to which industry stakeholders and competitors adopt the causal structure of events presented in media accounts. Understanding this dynamic can be useful in understanding the diffusion of innovations, development of standards, and other phenomena where emergent collective consensus produces stable features of industries (Abrahamson & Fombrun, 1994).

In developing our model, we have treated the media as a more or less monolithic entity and have not discussed in detail the ways that information cascades (Pollock & Rindova, 2003; Rao, Greve, & Davis, 2001; Welch, 1992) or bandwagon effects (Abrahamson & Fairchild, 1999) develop among journalists (Shoemaker & Reese, 1996) and influence the celebrity creation process. We also have not discussed how the attention paid to particular firms by opinion leaders among journalists (Crouse, 1972) and the pressures journalists face to create "breaking news" stories (Herstgaard, 1988; Schudson, 1986; Shoemaker & Reese, 1996) can also enhance the likelihood that a firm will become a celebrity. Future research could explore these "intermedia" (Rogers, 2002) effects and their implications for the celebrity creation process.

Finally, our model also stresses that media accounts are cultural products designed to retain and expand the size of the audience for these products. Whereas the idea that the media are engaged in cultural production is well established in the sociology of mass media (see

McQuail, 1985, for a review), few organizational theories and models have considered this perspective or have developed its implications for firms and markets. Our model provides one example of how viewing the media as producers of culture enables scholars to explore the interplay between factual content and fictional structure, and between objective reality and constructed reality in media accounts of firms.

In closing, we wish to highlight that the concept of firm celebrity has important implications for managerial practice, because it suggests that celebrity is an intangible asset that provides firms with distinct benefits that affect their competitive positions. Firm celebrity can be an important tool enabling a company to distinguish itself from competitors in a crowded field, especially when performance differences are small or difficult to evaluate. Thus, pursuing celebrity status may be a highly rational and beneficial strategic choice for a firm. At the same time, we caution managers to treat celebrity as a means to an end, and to resist the temptation to pursue celebrity as an end unto itself.

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Violina P. Rindova is an associate professor of strategy at the Robert H. Smith School of Business, University of Maryland. She received her Ph.D. from the Stern School of Business, New York University. Her research focuses on the social construction of markets and the role of collective cognitions and emotions in the creation of value, intangible assets, and competitive advantage.

Timothy G. Pollock is an associate professor in the Smeal College of Business at The Pennsylvania State University. He received his Ph.D. from the University of Illinois at Urbana-Champaign. His research explores the role social resources such as reputation, celebrity, social capital, legitimacy, and power play in shaping corporate governance activities, strategic choice, and the IPO market.

Mathew L. A. Hayward is an assistant professor at the Leeds School of Business, University of Colorado at Boulder. He received his Ph.D. from Columbia University. He studies the role that confidence and performance play in the decisions that individuals and organizations make, together with the consequences of those decisions.

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