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THE ART OF REPRESENTATION: HOW AUDIENCE-SPECIFIC REPUTATIONS AFFECT SUCCESS IN THE CONTEMPORARY ART FIELD

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We study the effects of actors' audience-specific reputations on their levels of success with different audiences in the same field. Extending recent work that has emphasized the presence of multiple audiences with different concerns, we demonstrate that considering audience specificity leads to an improved understanding of reputation effects. Using data on emerging artists in the field of contemporary art from 2001 to 2010, we investigate the manner in which artists' audience-specific reputations affect their subsequent success with two distinct audiences: museums and galleries. Our findings suggest that audience-specific reputations have systematically different effects with respect to success with museums and galleries. Our findings also illuminate the extent to which audience-specific reputations are relevant for emerging research on the contingent effects of reputation. In particular, our findings support our predictions that audiences differ from one another in terms of the extent to which other signals (specifically, status and interaction with other audiences) enhance or reduce the value of audience-specific reputations. Our study thus advances theory by providing empirical evidence for the value of incorporating audience-specific reputations into the general study of reputation.

Researchers examining various contexts, ranging from product and service markets (Diekmann, Jann, Przepiorka, & Wehrli, 2014; Rindova, Williamson, Petkova, & Sever, 2005) to corporate financing

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(Carter, Dark, & Singh, 1998; D'Aveni, 1990), stock markets (Pfarrer, Pollock, & Rindova, 2010), entrepreneurial efforts (Pollock & Gulati, 2007; Shane & Cable, 2002), and cultural industries (Delmestri, Montanari, & Usai, 2005; Ebbers & Wijnberg, 2012), have shown that reputation is a valuable intangible asset that increases reputation holders' success (Raub & Weesie, 1990; Shapiro, 1983). Most of this research has operated under the assumption that actors have a single overall reputation and, furthermore, that reputation holders interact with an audience whose members have homogenous concerns (Fombrun, 1996; Fombrun & Shanley, 1990; Fombrun & Van Riel, 1997). However, recent research has shown that the same set of actors can face multiple audiences, and that these audiences vary in their sources of concern and uncertainty (Cattani, Ferriani, & Allison, 2014; Kim & Jensen, 2014; Zuckerman & Kim, 2003). This development allows

for the possibility that even when actors have built a positive reputation, the return from such a reputation may not be uniform and may depend on the type of audience with which they interact.

In response, scholars have recently started to study the audience-specificity of reputation. For example, Jensen, Kim, and Kim (2012) advocated a conceptualization in which reputation is understood to be attribute-specific (containing information about a specific set of attributes) and audience-specific (containing information that can be evaluated in terms of the expectations of a focal audience). Although this conceptualization provides a useful ground to develop theories about the audience-specificity of reputations, it remains underspecified, as it does not provide a systematic view of how multiple audiences might differ in their responses and, therefore, how a given reputation can yield differential effects depending on the nature of the audiences with which reputation holders interact. This is what we address in our study.

We start our theoretical development by explicitly considering that an actor's reputation with an audience will have weaker effects on the actor's success with other audiences whose concerns are different from those of the focal audience. We then extend our theory by considering the contingencies in the effects of audience-specific reputations. Specifically, insofar as audiences vary in how much they are attuned to different types of signals, the effect of audience-specific reputations on different audiences will vary further in conjunction with these other types of signals. Research on accountability provides an important insight in this regard. Defined as "the implicit and explicit expectation that one may be called on to justify one's beliefs, feelings, and actions to others" (Lerner & Tetlock, 1999: 255), accountability increases alongside the extent to which an audience depends on external actors for critical resources, because the audience must establish the legitimacy of its claims to these resources (Pfeffer, 1981; Tetlock, 1991). Insofar as it is easier to gain approval when different types of signals are congruent, this implies that a given audience will value a particular reputation more when this reputation has increased congruence with other types of signals, especially when the audience faces higher accountability to others. In contrast, such congruence between reputation and other types of signals should not enhance the value of reputation as much for an audience facing lower accountability to others.

Therefore, we advance our theoretical development by considering the level of accountability each

audience faces and the congruence of a particular reputation with two other types of signals that have been widely examined in management research: an actor's status and an actor's interaction with audiences other than the focal audience. We argue that the value of reputation will increase with actors' high-status affiliations, and this will be especially true for the actors' success with audiences that face high accountability. In contrast, actors' frequent interactions with other audiences will dampen the reputation effect, especially concerning their success with audiences that face higher accountability. This is because frequent interactions with other audiences suggest an actor's lack of fit vis-à-vis the criteria of the focal audience, and this makes it difficult to fully realize the value of an actor's reputation, especially when the focal audience is strongly expected to justify its decision. Therefore, high-status affiliations and interactions with other audiences influence the extent to which an audience-specific reputation contributes to the success of an actor with a focal audience, depending on the level of accountability that this audience faces.

We use data on artists and their exhibitions in the contemporary art field to test our hypotheses. In this field, there are two primary audiences for an artist's work: museums and galleries. These two audiences have different concerns in deciding whose work to exhibit. Museums tend to be more interested in artistic quality, whereas galleries tend to focus more on commercial viability. Both audiences face considerable uncertainty about whom to exhibit; however, due to their divergent interests, each audience is more sensitive to the attributes related to their own concerns. As a result, a particular artist might have a valuable audience-specific reputation with one audience, but not with another, because of their reputation for a particular attribute. A reputation for artistic quality enables artists to secure exhibitions at museums (Alexander, 1996; Greenfeld, 1988), while a reputation for commercial viability enables artists to secure exhibitions at galleries (Caves, 2003; Thompson, 2008).

Museums and galleries also differ with respect to accountability to their stakeholders. Museums are often funded by a wide range of stakeholders, each with its own objectives (DiMaggio, 1982). Because museum curators are expected to justify their choice of works to exhibit to different sponsors, they face high accountability and thus rely more on signals. In comparison, gallery owners face low accountability because they typically have stakeholders whose key interests are similar to each other (i.e., increasing profitability by selling the works of their artists to

connoisseurs (Lindemann, 2013; Velthuis, 2005)). Hence, the decisions of gallery owners are easier to justify, even when there might be less consistency between the different types of signals.

Based on an analysis of data on 58,014 artists and their exhibitions at 7,293 galleries and 5,131 museums between 2001 and 2010, our results make a strong case for the audience-specificity of reputation effects. By demonstrating not only differential main effects but also differential *contingent* effects of artists' reputations with museums and galleries, our study makes two important contributions. First, researchers should pay close attention to the context in which reputation is considered, as the same reputation can result in substantially different outcomes depending on the nature of the audiences with which actors interact. Second, we expand recent attempts to examine the interplay between reputation and other types of signals (Ertug & Castellucci, 2013; Jensen & Roy, 2008; Stern, Dukerich, & Zajac, 2014) by showing that such interplay is dependent on contextual constraints imposed by the level of accountability audiences face. As we elaborate in our discussion section, these findings have broad and important theoretical and practical implications for research on reputation.

THEORY

Audience-specific Reputations

A variety of studies in management (e.g., Kilduff & Krackhardt, 1994; Lee, Pollock, & Jin, 2011; Rao, 1994; Roberts & Dowling, 2002), economics (e.g., Banerjee & Duflo, 2000; Shapiro, 1983), and sociology (e.g., Raub & Weesie, 1990) have provided evidence that good reputations are valuable to actors, whether these actors are individuals or organizations (for an overview, see Rindova & Martins, 2012). Scholars in management have defined reputation in a number of ways (Fombrun, 2012; Rindova & Martins, 2012) that are associated with different approaches to measuring reputation (Dowling & Gardberg, 2012; Lange, Lee, & Dai, 2011). A commonly held view is that reputation involves being "known" for something (Jensen & Roy, 2008; Lange et al., 2011) and is based on an actor's accomplishments and history (Barron & Rolfe, 2012; Weigelt & Camerer, 1988).¹

Previous studies that have examined the external signals of reputation (Anand & Peterson, 2000; Carter et al., 1998; Ebbers & Wijnberg, 2012; Philippe & Durand, 2011) have suggested that reputation reduces uncertainty about an actor's future behavior, which enables evaluators (i.e., an audience) to assess actors (Spence, 1973). A positive reputation is beneficial because it reduces uncertainty and provides reassurance of an actor's value. For example, because CEO quality is uncertain, executives' reputations provide information to stakeholders (Graffin, Pfarrer, & Hill, 2012) that is relevant for predicting executives' future behavior (e.g., Milbourn, 2003). In turn, these signals benefit CEOs and allow those with positive signals to claim increased compensation for their performance (e.g., Wade, Porac, Pollock, & Graffin, 2006).

A crucial assumption underlying most research on reputation is that, even with a multiplicity of reputation signals, reputation is a single actor-level construct and that the users of reputation (i.e., audiences for the actors' behavior or products) exhibit homogeneous sources of concern and uncertainty. However, recent developments in research on categories have suggested that a given set of actors routinely interact with multiple audiences. This has an important implication regarding the value of reputation for actors' success in the presence of uncertainty, because while each of these audiences represents "collections of agents with an interest in a domain and control over material and symbolic resources that affect the success and failure of the claimants in the categorical domain" (Hsu & Hannan, 2005: 476), their primary sources of concern and uncertainty are different from one another. For example, due to their concern for preserving the norms and exclusiveness of film actors, the peer audience in the Hollywood motion-picture industry focuses on attributes such as actors' network position; in contrast, the film critic audience focuses on attributes such as film novelty and creativity, and is not interested in actors' network positions (Cattani et al., 2014). Similarly, Pontikes (2012) found that software companies with ambiguous organizational forms were discounted among the consumer audience that evaluated these companies because this audience valued clarity. By contrast, these companies were highly valued by the venture capital audience, who regarded the ambiguity in organizational form as potentially indicating novelty that might predict innovative performance. Thus, these studies reveal the presence of multiple audiences with varying sources of concerns, and, more important, suggest that these distinct concerns

¹ Although we are studying reputation at the individual level (i.e., the reputations of artists in the field of contemporary art), our framework is nonetheless also based on relevant arguments, findings, and contributions from research on reputation at the organizational level.

can lead to different evaluations of the same actors. This further implies that the value of reputation is dependent on the focal audience with which actors engage.

Audience-specific Reputations in the Contemporary Art Field

Reputations are important in many contexts, and this is especially true in the market for contemporary art, which has long been characterized by high uncertainty (e.g., Caves, 2000; Khaire & Wadhvani, 2010). Art goods are complex and difficult to compare, and there are no precise methods available for making aesthetic and financial judgments (Yogev, 2010). As with other cultural markets, it is difficult to identify differences in quality among products, to assess them objectively, and to predict the artists or products that will achieve success (DiMaggio, 1977; Salganik, Dodds, & Watts, 2006). Reputation thus plays a key role in art fields in general, (Lang & Lang, 1988, 1990) and in the contemporary art field in particular, by providing audiences with information that reduces uncertainty regarding the criteria that are relevant to them.

In the contemporary art field, there are two primary audiences for an artist's work: museums and galleries. Both museums and galleries play significant roles in artists' careers and serve as crucial gatekeepers. However, there are important differences regarding how museums and galleries evaluate artists and their artworks. Museums serve mainly as public art collectors and are funded by various types of stakeholders, including professional organizations, foundations, governments, and individual philanthropists. As representatives of these stakeholders, museums act as gatekeepers with respect to artistic quality, but do not necessarily assess the artist's work from the perspective of profit (Alexander, 1996; Greenfeld, 1988). Museums consider themselves an alternative to the commercial art world and differentiate themselves from the commercial sphere. Because the role and duty of museums is to preserve, expand, and present collections (Boll, 2011), they search for artists who are likely to have high-quality artwork (Lindemann, 2013). In contrast, galleries are private institutions, and their owners represent and sell artists' work, often to a small pool of individual connoisseurs, while seeking to maximize sales commissions from investment in artists (Lindemann, 2013; Velthuis, 2005). Galleries are thus more interested in artists whose work has commercial viability (Caves, 2003;

Thompson, 2008). Both audiences face considerable uncertainty regarding the selection of artists to exhibit. However, each audience is primarily sensitive to the uncertainty associated with the attributes that involve their specific needs and concerns.

We argue that a reputation that represents a specific set of attributes is more valuable to one audience than to another. In particular, a reputation that indicates that an artist's work is of high artistic quality will help that artist to procure exhibitions at museums more than it will help the artist to secure exhibitions at galleries. By contrast, a reputation that indicates the commercial viability of an artist's work will help the artist to secure exhibitions at galleries more than it will help them to obtain exhibitions at museums. Our claim is not that museums entirely disregard commercial viability; instead, we posit that artistic quality is the primary concern and source of uncertainty for museums in responding to stakeholders and in affecting their standing in the field and, as a consequence, that artistic quality is more important to museums than to galleries. Because museums and galleries have different concerns and interests, the value of each type of reputation for bringing success to an artist will differ with each audience. The concerns and sources of uncertainty for museums indicate that a reputation for artistic quality is more likely to bring an artist success with museums than with galleries. In contrast, an artist with a reputation for commercial viability is more likely to achieve success with galleries than with museums. Therefore, we hypothesize as follows:

Hypothesis 1a. An artist's reputation for artistic quality will have a stronger relationship with this artist's success with museums than with galleries.

Hypothesis 1b. An artist's reputation for commercial viability will have a stronger relationship with this artist's success with galleries than with museums.

Taking audience-specific reputations into account not only leads to predictions regarding the differential effects of each type of reputation, but also contributes novel insights to research on the *contingency* of reputation effects. Several researchers have noted that positive reputations are not universally beneficial (Lee et al., 2011; Oldroyd & Morris, 2012; Rhee & Haunschild, 2006; Wade et al., 2006). This approach highlights the relevance and value of studying factors that moderate reputation effects, particularly when

different types of signals for evaluating an actor are available (e.g., Pollock & Gulati, 2007). Studies have increasingly sought to understand the relationship between actors' reputations and status (e.g., Chandler, Haunschild, Rhee, & Beckman, 2013; Ertug & Castellucci, 2013; Jensen & Roy, 2008; Pollock, Lee, Jin, & Lashley, 2015; Sorenson, 2014; Stern et al., 2014). The emerging consensus in this research is that although both reputation and status signal unobserved qualities, they differ because reputation is based on prior accomplishments and behavior, whereas status is based on an actor's position in a social hierarchy that both reflects and influences how the actor is acknowledged by others (Sauder, Lynn, & Podolny, 2012).

At first glance, reputation and status seem to have a complementary relationship, in which the value of reputation is enhanced by status. As distinct sources of information about an actor's unobserved qualities, the joint consideration of reputation and status enables an evaluator to confirm the information each conveys. Therefore, these two signals reinforce one another when they provide consistent information—for example, enjoying a good reputation and high status or having a bad reputation and low status (Stern et al., 2014). However, research has suggested that this complementary relationship might not always hold. For example, Jensen and Roy (2008) proposed a sequential model in which audiences initially considered actors' status and then considered their reputations within that status position. In their study of the National Basketball Association, Ertug and Castellucci (2013) claimed that reputation and status are related to different outcomes. They found that players with reputations improved on-court team performance, while players with high status increased their teams' ticket revenue (see also Washington & Zajac, 2005 for another view regarding the independent effects of status and reputation). Although these studies agree that both reputation and status reduce uncertainty regarding an actor's unobserved qualities, the interplay between reputation and status in determining outcomes is far from unequivocal.

The differences in the proposed relationships between reputation and status could be partly due to the fact that most of this research has not considered contextual constraints. This is a significant shortcoming because contextual factors can constrain a decision maker's evaluation of both reputation and status. An important and widely established factor constraining decision makers' evaluations is their accountability to others (see Lerner & Tetlock, 1999; Tetlock, 1991 for a review). Accountability to others,

which refers to the expectation to justify one's decision to others (Lerner & Tetlock, 1999), is an important factor that affects how decision makers interpret and incorporate information from multiple signals into their evaluations. For example, Jensen (2006) found that a firm with high accountability was more likely to discard an auditor with a recently acquired negative reputation because it would be difficult to justify retaining an auditor whose integrity was in dispute (see also Jensen & Roy, 2008).

Evaluators with high accountability are more likely to make decisions that are more easily justified (Tetlock, 1991). One implication of this claim is that an audience (e.g., museums or galleries) with higher accountability is more sensitive to inconsistencies in different types of signals than an audience with lower accountability, because decisions based on consistent signals are easier to justify. Accordingly, the effect of an actor's reputation on their success with an audience will increase based on their status, and this reinforcing effect will be stronger for audiences with higher accountability to others.

An audience exhibits high accountability when it depends on others for critical resources, such as financial resources, because the audience must address various concerns to legitimately claim resources (Pfeffer, 1981). More specifically, we assume that an audience will exhibit higher accountability to others when it needs to gain resources from a greater number of stakeholders whose objectives differ from one another. In this regard, museums and galleries in the contemporary art field face different levels of accountability. Because museums are typically funded by sponsors such as corporations, philanthropists, governments, foundations, and professional associations (Alexander, 1996), museum curators must address the requests and expectations of a diverse set of funders (e.g., Perry, 2014; Robertson, 2006). For example, Turner Prize-winning artist Grayson Perry referred to the 1984 incident in which the Tate Gallery (a high-status museum) exhibited works by Hans Haacke that expressed views criticizing Mobil Oil's policies. This exhibition created problems for the Tate because Mobil Oil was one of the Tate's sponsors at the time (Perry, 2014). Recent news stories in England regarding the relationship between funders (specifically, BP) and how these relationships might affect the Tate's freedom and policies also indicate that these types of concerns remain relevant for museums (e.g., Brown, 2015b, 2015a).

Conversely, galleries are typically privately owned or supported by only a handful of sponsors who share similar primary interests concerning increased

profitability (Caves, 2003). As a consequence, gallery owners can more easily justify their decisions to exhibit a particular artist's works. In doing so, they are focused on selling the artworks of the artists they exhibit to collectors and connoisseurs, notwithstanding the controversies the artworks or the artists might invoke. For instance, Lisson Galleries continued their exhibition of Santiago Sierra's work for well over a decade, despite the refusal of some of their prospective customers to buy anything from the gallery following the exhibition of offensive or controversial work by Sierra (Jeffries, 2002; see also Lisson Gallery at <http://www.lissongallery.com/artists/santiago-sierra>, accessed on March 9, 2015). It should also be noted that in this instance the gallery owner explicitly defended the work and stated that he sympathized with the concepts underlying it (Rosier, 2011). More generally, as a younger gallery owner has stated: "galleries can do what the public sector can't; they are not constrained by accountability" (Duguid, 2007). Hence, gallery owners are less concerned about the consistency of different types of signals than museum curators are.

Given the different levels of accountability that members of the museum and gallery audiences face with respect to deciding whose works to exhibit, the contingent effect of audience-specific reputations, which is based on the actor's status, should be greater for the audience facing higher accountability (i.e., museums). In particular, the increased benefit to an artist's audience-specific reputation that results from a high-status signal should positively affect the artist's success with museums more than it does with galleries. Because museum curators are expected to justify their decisions to a greater number of stakeholders, they are more likely to exhibit the work of high-status artists who also have a reputation for artistic quality, compared with artists who have a reputation for artistic quality but without high status. In comparison, because gallery owners face lower accountability and less need to address the preferences and expectations of stakeholders (who are primarily the owners themselves or a small number of key supporters), their decisions are less influenced by the consistency between audience-specific reputation and status. Therefore, the effects of actors' audience-specific reputations, as contingent on their status (in which a high audience-specific reputation will be more effective when accompanied by high status) should have a greater impact on success with museums than on success with galleries. In other words, the relationship between an artist's reputation for artistic quality and their success with

museums will be enhanced to a greater degree if this artist also has high status, as compared to the increased strength of the relationship between an artist's reputation for commercial viability and their success with galleries if the artist also has high status.

Hypothesis 2. The (positive) contingent effect of an actor's audience-specific reputation, where this contingency is based on their status, will be stronger for success with museums than for success with galleries.

Another important source of information that an audience might use to assess an actor's unobserved qualities is the actor's interaction with other audiences. A particular actor might differ in the extent to which they engage with different audiences in the same field. For example, Pontikes (2012) examined software companies and found that the same company might be more active with a venture capital audience and less active with a consumer audience. Therefore, a particular actor might be more or less active with different audiences in the same field. For example, musicians might release albums in certain genres rather than in others, film actors might appear in some but not all film genres, writers might produce genre fiction or literary fiction, and artists might differ in the extent to which they exhibit at museums and galleries.

Accordingly, we propose that the extent to which an actor interacts with other audiences provides a source of information to a focal audience beyond the actor's audience-specific reputation. Some studies have directly examined the implications of inter-audience information spillover (e.g., Pollock, Rindova, & Maggitti, 2008). For example, actors who are well established with one audience may leverage their intangible assets to obtain advantages with another audience (Jensen, 2003). In these studies, the interaction with another audience is considered a positive signal because such information signals the unobserved quality of an actor, especially when the sources of concern and uncertainty for different audiences are similar to each other, as is the case in financial markets.

This may not be always the case, however, especially when the sources of concern and uncertainty of different audiences diverge or are even incompatible. In our context, artistic quality, which is a concern for museums, and commercial viability, which is a main focus of galleries, can diverge. In such cases, the emerging literature on typecasting suggests that interaction with a different audience might, in fact, signal a lack of fit between an actor and a focal audience's interests and concerns (Faulkner,

1983; Zuckerman, Kim, Ukanwa, & Rittmann, 2003). These findings suggest that a positive reputation with a focal audience (i.e., an audience-specific reputation) and greater interactions with another audience with different concerns yield inconsistent information. Therefore, greater interaction with another audience might reduce the value of reputation, insofar as the resulting inconsistency weakens the extent to which reputation reduces uncertainty for the focal audience.

While incompatible sources of concern and uncertainty would be problematic for any member of an audience, not all members would be equally affected because they might vary in their constraints regarding their adherence to core values (Phillips, Turco, & Zuckerman, 2013). Accordingly, we argue that this will be particularly true for high-status members of an audience, as they are expected to exemplify and champion the audience's core values (see Hogg, 2010 for a review). High-status audience members attract a disproportionate level of attention, and their decisions and behaviors are closely followed by others seeking to reduce the uncertainty the latter face in their decisions (Hogg, 2010). For example, when a high-status analyst stops covering a particular stock, other analysts are more likely to abandon their coverage of the same stock (Rao, Greve, & Davis, 2001). Similarly, software developers' efforts are more likely to follow the directions initiated by high-status developers (Simcoe & Waguespack, 2011).

Although high-status members of an audience might experiment and deviate from previous and established courses of action (Phillips & Zuckerman, 2001), the disproportionate attention and close observation they receive are problematic when their decisions and behaviors do not align with the core norms and expectations of other members of the same audience (Phillips et al., 2013). Consistent with this idea, high-status audience members are likely to receive disproportionate censure for controversial decisions and behaviors (Graffin, Bundy, Porac, Wade, & Quinn, 2013). This issue is illustrated in our research setting by recent news stories regarding the funding that the Tate Gallery receives from BP and events that have created controversy, despite the relatively small amount of funding provided by the BP sponsorship (only 0.5% of the Tate's overall income). Because the Tate is a high-status member of the museum audience, its behavior and decisions are expected to exemplify the core values of this audience—in this instance, focusing on art and artistic quality, rather than on the concerns of oil industry sponsors (Brown, 2015b, 2015a). Therefore, an actor's lack of fit with a focal

audience due to the actor's greater interaction with other audiences is particularly problematic for high-status audience members. As a consequence, the effect of an actor's audience-specific reputation is discounted in the evaluations and decisions of high-status audience members regarding this actor.

Here again, however, the level of accountability an audience faces influences the extent to which the value of reputation is discounted. An evaluation discount based on inconsistent information from cross-audience interactions is more important to members of an audience facing high accountability, as they need to justify their decisions to others given the information provided by different types of signals. Therefore, the extent to which high-status audience members discount an actor's audience-specific reputation is greater for an audience with higher accountability than for an audience with lower accountability. Therefore, we expect the reputation discount due to greater interaction with another audience to be greater for an artist exhibiting at high-status museums than for an artist exhibiting at high-status galleries.

Hypothesis 3. The extent to which high-status museums discount an artist's reputation due to the artist's interaction with gallery audiences is greater than the extent to which high-status galleries discount an artist's reputation due to the artist's interaction with museum audiences.

DATA AND METHODS

Because the contemporary art market is characterized by a high degree of uncertainty (Caves, 2000; Khaire & Wadhvani, 2010), reputation plays an important role by helping stakeholders to cope with this uncertainty (Mishina, Block, & Mannor, 2012). As Fombrun (2012: 98) noted, "the greater the ambiguity experienced by constituents, the greater the importance of reputation as it reduces uncertainty." Due to the absence of tangible and agreed-upon parameters for quality assessment, an artist's reputation serves as a useful signal to those who might be interested in the artist's work.

In our study, data regarding exhibitions were obtained from ArtFacts.Net, which covers exhibitions at museums and galleries worldwide.² The artist-year panel data consisted of 311,839 observations

² The gallery exhibition data from the raw database provided by ArtFacts.Net was also used by the first two authors in Yogev and Ertug (2015).

comprising data on 58,014 newly emerging artists between 2001 and 2010. We define newly emerging artists as those who had not exhibited at any gallery or museum in our database prior to 2001 and who had at least one exhibition at a gallery or museum in our database between 2001 and 2010. Between 2001 and 2010, these artists exhibited at 5,131 museums and 7,293 galleries. Based on these exhibition records, we construct two separate artist-year panels, one for museum exhibitions and one for gallery exhibitions. Once an artist had one exhibition at either a museum or gallery, the artist was followed until the end of the observation period (i.e., 2010) in each panel. The population of artists was thus the same for both the museum exhibitions panel and the gallery exhibitions panel. These two panels formed the basis for the empirical models used in our analysis, which is explained in greater detail below.

Dependent Variables

To capture an artist's success, we construct two indicator variables that measure whether the artist had an exhibition at a museum or at a gallery in a given year. In the art field, the ability to exhibit work at either museums or galleries is an accepted indicator of an artist's success with that audience (Yogev, 2010). There are many artists and relatively few exhibition spaces, which creates competition among artists. The oversupply of artists (Menger, 1999; Thompson, 2008; White & White, 1965) results in a continuous filtering process by gallery owners and museum curators. Particularly for emerging artists, obtaining an exhibition at either a gallery or a museum is essential for an artist's career in the art market. As a result, we use two variables, *Gallery Exhibition* and *Museum Exhibition*, to capture an artist's success within each audience in a particular year, assigning a value of 1 if the artist had at least one exhibition in the current year with that audience and 0 otherwise.³

Independent Variables

Audience-specific reputations. We measure two different reputation signals to capture an artist's different attributes. First, previous research has suggested that winning an award acts as certification for an actor's reputation (Rindova et al., 2005; Wade et al., 2006), which validates achievements that are not recognized in other ways. In the field of contemporary art, awards are given based on perceived

artistic quality rather than on commercial viability. For example, Street (2005: 838) noted, "prizes have to distinguish themselves from commercial success in defining 'quality' and establishing their credibility as judges of it." Therefore, to construct a measure that captures a reputation for artistic quality, we selected 18 awards that are considered the most prestigious based on our consultation with experts in the field, including artists, critics, curators, and gallery owners. These awards are conferred on the basis of perceived artistic quality,⁴ and we coded the winners of these awards over the 13-year period from 1998 until 2010. The variable *Award Won* takes a value of 1 beginning from the year that the artist won any of the 18 awards we track until the end of our study period, and 0 otherwise.

Second, an artist's appearance in prominent magazines serves as a signal of the commercial viability of their work (Caves, 2000; Velthuis, 2005). Media exposure, which is primarily associated with the commercial value of an artist's work, provides one source of an actor's reputation (Carroll & McCombs, 2003; Deephouse, 2000). In the contemporary art field, Thornton (2008) noted that the appearance of an artist on the front cover of a magazine is critical, and Plattner (1998) stated that one indicator of the commercial viability of an artist's work is appearing on the cover of magazines. To create our reputation measure, which acts as a certification of commercial viability, we selected 10 prominent magazines covering the field of contemporary art, and we use an indicator variable, *Magazine Cover*, which takes a value of 1 beginning with the first year that an artist's name or artwork appeared on the cover of any issue of our 10 magazines and continuing until 2010, and 0 otherwise.⁵ We lag these reputation signal

⁴ Our list includes the following awards: Baloise Prize, Beck's Futures, BP Portrait Award, Bucksbaum Award, Cologne Fine Art Award, the Dorothea von Stetten Art Award, EMDash Award, Hugo Boss Prize, John Moores Painting Prize, Marcel Duchamp Prize, Ordway Prize, Praemium Imperiale, Prix Pictet, Ricard Foundation Prize, Rolf Schock Prize, the Vincent van Gogh Biennial Award for Contemporary Art, and the Wolf Foundation Prize in Art

⁵ Similar to the awards list, this list was created in consultation with experts in the field, including artists, critics, curators, and gallery owners, and included the following magazines: *ArtAsiaPacific*, *ARTFORUM*, *Art in America*, *Art Monthly*, *Artnews*, *Art Review*, *Flash Art*, *Frieze*, *Modern Painters*, and *Parkett*. We inspected and manually coded the names of artists or works by artists that appeared on the cover for each issue of these magazines for the 13-year period between 1998 and 2010.

³ An exhibition is assigned to the year in which it begins.

indicators by one year before entering them into our estimation models.

Moderator variables. To capture an artist's status with museum or gallery audiences, we use an artist's exhibitions at high-status museums or galleries, which is an affiliation-based measure of status, as is commonly conceptualized in the literature (Podolny, 1993). To identify high-status museums, we use the annual exhibition attendance figures published by *The Art Newspaper*. We identified the 100 museums with the most visitors in 2010 as high-status museums; these high-status museums constitute 1.9% of the museums in our sample. To identify high-status galleries, we use the ranking assigned to galleries by ArtFacts.Net, the art market consulting firm that provided our database.⁶ We use the 2010 rankings because the perceived rankings of either galleries or museums do not change rapidly, and the consulting firm provided us with proprietary gallery ranking data for 2010 only. As a result, the 100 galleries with the highest rankings for the study period comprise our set of high-status galleries; these galleries constitute 1.4% of those in the database. Based on our lists of high-status museums and galleries, we created two variables measuring the cumulative number of exhibitions an artist had in these museums (*Prior Exhibitions at High-Status Museums*) or galleries (*Prior Exhibitions at High-Status Galleries*). We also created two additional variables measuring the cumulative frequency of an artist's exhibitions at other, non-high-status, museums (*Prior Exhibitions at Other Museums*) or galleries (*Prior Exhibitions at Other Galleries*).

To assess the extent to which an artist interacted with other audiences, we measure the cumulative frequency of the artist's exhibitions with the other, non-focal audience. We thus created two variables. For models predicting an artist's success with a museum audience, *Prior Exhibitions at Galleries* serves as the variable measuring the frequency of the artist's exhibitions at galleries. For models predicting an artist's success with a gallery audience, *Prior Exhibitions at Museums* serves as the variable measuring the frequency of the artist's exhibitions at museums. A log transformation was used to adjust for the skewed distributions of these variables, which were also lagged by one year (we added one to these values

before taking the log transformation, to avoid generating missing values in the case of zeros). To test Hypothesis 2 and Hypothesis 3, the moderator variables were mean-centered before they were interacted with *Award Won* or *Magazine Cover*.

Control variables. The success of an artist might be influenced by tenure in the art field, which might increase the artist's experience in securing exhibitions, enhance the legitimacy of their work, and increase or decrease the likelihood that the artist was involved in a popular art trend. To control for the potential effects of tenure, we include the *Artist Tenure* variable, which measures the (log-transformed) number of years since the artist's first exhibition at either a gallery or a museum. Although an artist may have been engaged in artmaking for an extended period prior to the first exhibition, we use the first exhibition to start the tenure clock because the first exhibition plays a critical role in, and is typically considered the beginning of, an artist's professional career (Frey & Pommerehne, 1989). We also control for *Country Diversity–Museums* using a log transformation of the cumulative number of different countries in which the artist has had museum exhibitions, and *Country Diversity–Galleries* as a log transformation of the cumulative number of different countries in which the artist has had gallery exhibitions. These variables also partially account for time-varying differences across actors because the range of countries in which an artist has exhibited their works can serve as an indicator of the appeal of their work. Finally, we include a set of year indicator variables to control for year-specific effects.

Estimation

An alternative explanation for reputation effects in explaining artists' success is the difference in talent across artists. Insofar as artists differ in their talent, the effect of reputation may be a by-product of such heterogeneity (i.e., highly talented artists would obtain positive reputation signals and be more successful as a result). The heterogeneity in talent across artists is mostly unobserved, thereby making it difficult to identify the unbiased effect of reputation. To account for such unobserved heterogeneity, we use a logit model with fixed effects. More formally,

$$\text{pr}(y_{it} = 1 | \mathbf{x}_{it}) = \frac{1}{1 + e^{-(\alpha_i + \mathbf{x}_{it}\beta)}}$$

where y_{it} denotes the binary random variable, \mathbf{x}_{it} is a vector of covariates, β is the vector of parameters of interest, and α_i is a series of indicators that model

⁶ There are no available objective data to assess top galleries over time. However, we showed our list of top galleries to a number of actors in the art field—such as artists, critics, and curators—and they agreed that the list gives a reliable picture of the top galleries for the decade we study.

time-invariant individual-specific effects. Nonetheless, the naïve use of indicators to estimate α_i in non-linear models, such as logit models, introduces a potential bias, particularly when panel time, t (i.e., years), is fixed with an increasing number of individuals, i (i.e., artists), which is known as the incidental parameters problem (Greene, 2012).⁷ Econometricians and management researchers recommend that in these cases the conditional likelihood, rather than the unconditional likelihood, should be estimated (Chamberlain, 1980; Greene, 2004; Sorenson & Stuart, 2008). Following these recommendations, we estimate a likelihood function that is conditioned on the sum of prior successes,

$$L^c = \prod_{i=1}^n Pr\left(\mathbf{y}_i \mid \sum_{t=1}^{T_i} y_{it}\right)$$

where L^c refers to the conditional likelihood and \mathbf{y}_i is a vector that contains the sequence of discrete random variables for artist i over his or her career, T_i (e.g., Greene, 2012). By conditioning the likelihood function on the different combinations of past success, the individual-specific time-invariant heterogeneity, α_i , is factored out of the likelihood function, thereby allowing us to control for artist fixed effects and avoid the incidental parameters problem. However, because artists with only one year of observation (i.e., artists beginning their careers in 2010) and artists who never had an exhibition or had an exhibition in every year of their career do not contribute to the conditional likelihood function, they are dropped from the estimation. This reduces the number of artists included in the estimation and accounts for differences in the estimation sample sizes for the different dependent variables. Nevertheless, conditional logit estimates that factor out time-invariant characteristics of artists, such as gender, ethnicity, nationality, and the innate talent or proclivity to develop work that has artistic or commercial viability, would yield unbiased estimates of the effect of audience-specific reputations on different audiences. Given the substantial heterogeneity due to individual differences, conditional logit estimates allow us to conservatively test our hypotheses. Finally, because observations in the longitudinal panel design are not independent, we cluster standard errors on artists to adjust for possible non-independence across same-actor observations.

⁷ In addition, it was impractical to naïvely estimate fixed effects for each artist because of the extensive number of them in our sample, although the conditional likelihood estimation we implement is preferable in any case.

Once we estimate the conditional logit models, we formally test our hypotheses by comparing the effects of our key independent variables between two models, one for predicting the likelihood of having an exhibition at museums and the other for predicting the likelihood of having an exhibition at galleries. However, formally testing our hypotheses is not straightforward because this requires cross-model comparisons of the estimated effects from non-linear models.⁸ Furthermore, because our two panels (the museums panel and the galleries panel) contain the same pool of artists, unobserved characteristics (the analogs of “error terms” in linear estimations) might be correlated across the two models and influence the (co) variance estimates. To address this issue, we used seemingly unrelated estimations, which simultaneously estimate (co)variances and allow cross-model comparisons of the coefficient estimates even in non-linear models. We used the SUEST command in Stata 13 to obtain these corrected (co)variances. With the corrected (co)variances, we perform the Wald test to formally test our hypotheses.

RESULTS

Tables 1A and 1B present the untransformed means and standard deviations, in addition to bivariate correlations for the variables based on the estimation sample predicting museum exhibitions (Table 1A) or gallery exhibitions (Table 1B) in a given year. Table 2A presents the results of predicting the likelihood of having an exhibition at museums in a given year, while Table 2B presents the results for

⁸ Prior literature has suggested that when comparing coefficients between two non-linear models, there might be a potential problem, termed “innocent normalization” (Greene, 2012), because the coefficients are normalized by different factors across two models. Although researchers have suggested heterogeneous choice models to address this issue (Williams, 2010), these alternative models are also prone to biases, as they rely on researchers’ decision (which is generally arbitrary) to estimate the normalizing factors. Instead of relying on heterogeneous choice models, we use conditional logit estimates for two reasons. First, in our setting, controlling for unobserved heterogeneity across different artists is far more important than addressing the issue of innocent normalization to retrieve unbiased estimates of the proposed effects. Second, in an analysis using heterogeneous choice models (not reported here, available from the authors upon request), we find that the effects we predict receive consistent statistical support. Hence, the potential problem of innocent normalization does not appear to present a serious issue for our analysis.

TABLE 1
Descriptive Statistics and Pair-wise Correlations^a

TABLE 1A
Sample Used in Estimating Museum Exhibitions (N = 116,590)

Variables	Mean	SD	Min	Max	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) Museum	0.39	0.49	0	1								
(2) Magazine Cover	0.003	0.06	0	1	0.03							
(3) Award Won	0.0003	0.02	0	1	0.01	0.03						
(4) Prior Exhibitions at High-Status Museums	0.04	0.23	0	5	0.05	0.09	0.03					
(5) Prior Exhibitions at Other Museums	2.11	2.79	0	65	0.15	0.06	0.02	0.15				
(6) Prior Exhibitions at Galleries	1.68	2.13	0	34	0.09	0.06	0.02	0.10	0.24			
(7) Artist Tenure	2.8	2.19	0	8	0.05	0.03	0.01	0.12	0.52	0.47		
(8) Country Diversity—Galleries	0.97	0.85	0	12	0.07	0.05	0.02	0.09	0.17	0.87	0.39	
(9) Country Diversity—Museums	1.25	1.33	0	25	0.13	0.06	0.03	0.22	0.88	0.16	0.45	0.11

the likelihood of having an exhibition at galleries in a given year.

Model 1 in Table 2A is the baseline model; Model 2 includes the key covariates of *Magazine Cover* and *Award Won*. As predicted, *Award Won* shows a positive and statistically significant ($p < .01$) effect on exhibiting at museums. Specifically, winning an award increases the odds of exhibiting at a museum by approximately 170 times. The effect of *Magazine Cover* is also positive and statistically significant ($p < .001$), but the magnitude is considerably smaller than that of winning an award. Appearing on a magazine cover increases the odds of exhibiting at a museum by approximately 6.7 times. Model 3 in Table 2A includes the effects of the interactions between *Award Won* and *Prior Exhibitions at High-Status Museums* and between *Award Won* and *Prior Exhibitions at Other Museums*. To reduce potential multicollinearity, we mean-centered each moderating variable prior to creating the interaction variables (all the presented results remain the same in terms of

their direction and statistical significance levels if we do not mean-center the moderating variables). As predicted, the results indicate that both interaction variables have positive and statistically significant effects that enhance the effects of *Award Won*, but by different magnitudes. Model 4 in Table 2A includes the interaction variable between *Award Won* and *Prior Exhibitions at Galleries*, after mean-centering the moderating variable. We find no statistically significant effect of this interaction variable.

Table 2B serves as the counterpart to Table 2A and presents the results for models predicting gallery exhibitions. Model 5 is the baseline model; Model 6 tests for the effects of audience-specific reputations. Appearance on a *Magazine Cover* has a positive and significant effect ($p < .001$) on gallery exhibitions, increasing the odds of having an exhibition in a given year by approximately 4. In contrast, *Award Won* is not statistically related to gallery exhibitions. Model 7 in Table 2B adds the effects of the interactions between *Magazine Cover* and *Prior Exhibitions at*

TABLE 1B
Sample Used in Estimating Gallery Exhibitions (N = 154,098)

Variables	Mean	SD	Min	Max	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) Gallery	0.35	0.48	0	1								
(2) Magazine Cover	0.003	0.06	0	1	0.02							
(3) Award Won	0.0004	0.02	0	1	0.01	0.04						
(4) Prior Exhibitions at High-Status Galleries	0.05	0.24	0	9	0.06	0.05	0.03					
(5) Prior Exhibitions at Other Galleries	1.62	1.84	0	28	0.08	0.05	0.02	0.13				
(6) Prior Exhibitions at Museums	1.89	3.35	0	93	0.08	0.08	0.03	0.12	0.12			
(7) Artist Tenure	2.74	2.17	0	8	-0.02	0.03	0.01	0.10	0.50	0.38		
(8) Country Diversity—Galleries	0.94	0.81	0	12	0.07	0.06	0.02	0.22	0.85	0.12	0.40	
(9) Country Diversity—Museums	1.09	1.53	0	30	0.05	0.08	0.03	0.10	0.03	0.92	0.31	0.05

^a Descriptive statistics are based on untransformed values. Correlations greater than or equal to |.01| are significant at $p < .05$.

TABLE 2
Conditional Logit Estimates of Audience-Specific Reputations on Having an Exhibition
TABLE 2A
Conditional Logit Estimates of Reputation Effects on Having an Exhibition at Museums (N = 116,590)^a

Variables	Museum Model 1	Museum Model 2	Museum Model 3	Museum Model 4
Prior Exhibitions at High-status Museums	-0.27* (0.12)	-0.33** (0.12)	-0.33** (0.12)	-0.33** (0.12)
Prior Exhibitions at Other Museums	-3.22*** (0.06)	-3.23*** (0.06)	-3.23*** (0.06)	-3.23*** (0.06)
Prior Exhibitions at Galleries	1.15*** (0.06)	1.14*** (0.06)	1.15*** (0.06)	1.15*** (0.06)
Artist Tenure	0.68*** (0.04)	0.69*** (0.04)	0.69*** (0.04)	0.69*** (0.04)
Country Diversity—Galleries	-0.57*** (0.07)	-0.57*** (0.07)	-0.57*** (0.07)	-0.57*** (0.07)
Country Diversity—Museums	0.52*** (0.06)	0.51*** (0.06)	0.51*** (0.06)	0.51*** (0.06)
Magazine Cover		1.89*** (0.38)	1.88*** (0.39)	1.88*** (0.39)
Award Won		5.14** (1.83)	2.53** (0.93)	2.38* (0.98)
Award Won * Prior Exhibitions at High-status Museums			28.33*** (1.01)	29.28*** (1.88)
Award Won * Prior Exhibitions at Other Museums			1.46** (0.51)	1.36+ (0.75)
Award Won * Prior Exhibitions at Galleries				0.34 (0.78)
Observations	116590	116590	116590	116590
BIC	78550.71	78494.46	78512.61	78524.15

^a Year fixed effects are included in all models. Standard errors are clustered on artists.

+ $p < .10$

* $p < .05$

** $p < .01$

*** $p < .001$. Two-tailed tests.

High-Status Galleries and between *Magazine Cover* and *Prior Exhibitions at Other Galleries*. We mean-center the moderating variables before creating the interaction variables. The effect of the interaction variable between *Magazine Cover* and *Prior Exhibitions at High-Status Galleries* is not statistically significant; however, the interaction variable between *Magazine Cover* and *Prior Exhibitions at Other Galleries* shows a positive and statistically significant ($p < .05$) effect. Although we do not find evidence to suggest that affiliations with high-status galleries enhance the effect of having a reputation for commercial viability, affiliations with non-high-status galleries do enhance the effect of such a reputation. In Model 8 in Table 2B, we include the interaction variable between *Magazine Cover* and *Prior Exhibition at Museums*, after mean-centering the moderating variable, and find a weak negative effect.

Based on the fully specified models (i.e., Model 4 and Model 8), we test Hypothesis 1a, Hypothesis 1b, and Hypothesis 2. After obtaining the corrected (co) variances with SUEST, we use a Wald test to compare the effect of *Award Won* on museum and gallery exhibitions, based on mean values for the moderating variables. The resulting Wald statistic indicates that the effect of *Award Won* on success with the museum audience is significantly greater ($\chi^2 = 5.69$,

$p < .05$) than its effect on success with the gallery audience, which supports Hypothesis 1a. Similarly, we use a Wald test to compare the effect of *Magazine Cover* on gallery and museum exhibitions, using mean values for the moderating variables. The test statistic indicates that the effect of *Magazine Cover* is not significantly greater ($\chi^2 = 1.03$, $p = \text{n.s.}$) for gallery exhibitions than for museum exhibitions. Hence, Hypothesis 1b is not supported. We discuss this in detail in our limitations section.

Using a similar procedure, we test Hypothesis 2, which concerns the differences between audiences with respect to the *contingent* effects of audience-specific reputation. In particular, we compare the interaction effect between *Award Won* and *Prior Exhibitions at High-status Museums* in Model 4 and the interaction effect between *Magazine Cover* and *Prior Exhibitions at High-status Galleries* in Model 8. The Wald test indicates that the difference between the two interaction effects is significantly greater for the museum audience than for the gallery audience ($\chi^2 = 275.70$, $p < .001$), which supports Hypothesis 2. The relative advantage that high-status affiliations bring, with respect to enhancing the positive effect of audience-specific reputations, is greater for an audience with high accountability than for an audience with low accountability.

TABLE 2B
Conditional Logit Estimates of Reputation Effects on Having an Exhibition at Galleries (N = 154,098)^b

Variables	Gallery Model 5	Gallery Model 6	Gallery Model 7	Gallery Model 8
Artist Tenure	0.68*** (0.04)	0.69*** (0.04)	0.69*** (0.04)	0.69*** (0.04)
Country Diversity—Galleries	1.60*** (0.06)	1.60*** (0.06)	1.60*** (0.06)	1.60*** (0.06)
Country Diversity—Museums	-0.90*** (0.07)	-0.91*** (0.07)	-0.91*** (0.07)	-0.91*** (0.07)
Prior Exhibitions at High-status Galleries	-0.64*** (0.18)	-0.66*** (0.18)	-0.66*** (0.18)	-0.66*** (0.18)
Prior Exhibitions at Other Galleries	-4.69*** (0.07)	-4.69*** (0.07)	-4.70*** (0.07)	-4.70*** (0.07)
Prior Exhibitions at Museums	1.81*** (0.06)	1.81*** (0.06)	1.81*** (0.06)	1.81*** (0.06)
Award Won		0.33 (0.65)	0.29 (0.62)	0.34 (0.63)
Magazine Cover		1.37*** (0.29)	0.74 ⁺ (0.38)	1.26** (0.49)
Magazine Cover * Prior Exhibitions at High-status Galleries			-0.54 (0.54)	-0.37 (0.53)
Magazine Cover * Prior Exhibitions at Other Galleries			0.77* (0.35)	1.21** (0.41)
Magazine Cover * Prior Exhibitions at Museums				-0.54 ⁺ (0.28)
Observations	154098	154098	154098	154098
BIC	95981.88	95965.09	95979.29	95985.31

^b Year fixed effects are included in all models. Standard errors are clustered on artists.

⁺ $p < .10$

* $p < .05$

** $p < .01$

*** $p < .001$. Two-tailed tests.

To test Hypothesis 3, we re-estimated the conditional logit models with different dependent variables (see Table 3). In Model 9, the dependent variable captures whether an artist had an exhibition at a high-status museum in a given year; in Model 10, the dependent variable captures whether an artist had an exhibition at a non-high-status museum in a given year. With these dependent variables, we re-estimate Model 4 in Model 9 and Model 10. The result from Model 9 reveals that the interaction variable between *Award Won* and *Prior Exhibitions at Galleries* has a negative and statistically significant effect ($p < .001$), which suggests that an artist’s interaction with a different audience (i.e., galleries) reduces the effect of audience-specific reputation on exhibiting at high-status museums. In Model 10, which predicts exhibitions at non-high-status museums, the effect of the interaction variable is not statistically significant, suggesting that while high-status museums discount audience-specific reputations when artists interact with other audiences (as above), non-high-status museums might not do so. Similarly, we use separate dependent variables that consider whether an artist has had an exhibition at a high-status gallery or at a non-high-status gallery in Models 11 and 12, respectively. Both models are based on Model 8. In both Models 11 and 12, the estimates of the interaction variable between *Magazine*

Cover and *Prior Exhibitions at Museums* are negative, but the variable is only marginally significant ($p < .10$) in Model 12, which suggests that an artist’s interaction with the museum audience has a barely statistically detectable influence on the value of audience-specific reputation for success with galleries (either high- or non-high-status).

Following the same procedure used to test Hypothesis 1a, Hypothesis 1b, and Hypothesis 2, to formally test Hypothesis 3 we first use seemingly unrelated estimations to obtain corrected (co)variances, using Models 9 and 11. Then, we perform a Wald test to compare the interaction between *Award Won* and *Prior Exhibitions at Galleries* with the interaction between *Magazine Cover* and *Prior Exhibitions at Museums*. This test reveals that the negative effect of the first interaction variable is significantly greater than the negative effect of the second interaction ($\chi^2 = 6.89, p < .01$), which supports Hypothesis 3. This suggests that the decline in the effect of an audience-specific reputation due to interacting with a different audience is significantly greater for exhibiting at high-status museums than for exhibiting at high-status galleries. Because high-status members of the museum audience are particularly concerned with artistic quality, an artist’s interaction with a gallery audience reduces the value of the artist’s reputation for artistic quality. In

TABLE 3
Conditional Logit Estimates on Subsamples of High-status versus Non-high-status Organizations^a

	High-status Museum Model 9	Other Museum Model 10	High-status Gallery Model 11	Other Gallery Model 12
Artist Tenure	0.54* (0.22)	0.75*** (0.04)	0.62*** (0.18)	0.73*** (0.04)
Country Diversity—Galleries	−0.39 (0.28)	−0.58*** (0.07)	1.52*** (0.20)	1.75*** (0.06)
Country Diversity—Museums	0.93*** (0.26)	0.59*** (0.06)	−0.35 (0.22)	−0.91*** (0.07)
Magazine Cover	2.19*** (0.48)	1.64*** (0.37)	1.06 (0.99)	1.19* (0.47)
Award Won	3.16 ⁺ (1.63)	2.35* (0.97)	1.18 (1.32)	0.39 (0.68)
Prior Exhibitions at High-status Museums	−6.92*** (0.27)	1.02*** (0.12)		
Prior Exhibitions at Other Museums	0.68** (0.22)	−3.39*** (0.06)		
Prior Exhibitions at Galleries	1.06*** (0.24)	1.14*** (0.06)		
Award Won * Prior Exhibitions at High-status Museums	0.22 (1.07)	27.35*** (1.16)		
Award Won * Prior Exhibitions at Other Museums	1.35 (1.12)	1.43 ⁺ (0.74)		
Award Won * Prior Exhibitions at Galleries	−2.65*** (0.76)	0.34 (0.78)		
Prior Exhibitions at High-status Galleries			−4.78*** (0.24)	1.27*** (0.15)
Prior Exhibitions at Other Galleries			−0.73*** (0.14)	−4.89*** (0.07)
Prior Exhibitions at Museums			1.23*** (0.18)	1.77*** (0.06)
Magazine Cover * Prior Exhibitions at High-status Galleries			1.08 ⁺ (0.58)	−1.83*** (0.52)
Magazine Cover * Prior Exhibitions at Other Galleries			0.33 (0.55)	1.12* (0.44)
Magazine Cover * Prior Exhibitions at Museums			−0.39 (0.38)	−0.49 ⁺ (0.29)
Observations	10535	115982	10386	152903
BIC	4228.60	77554.84	5843.27	94561.40

^a Year fixed effects are included in all models. Standard errors are clustered on artists.

⁺ $p < .10$

* $p < .05$

** $p < .01$

*** $p < .001$. Two-tailed tests.

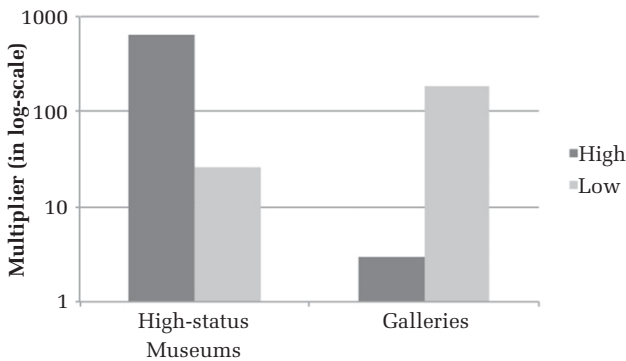
contrast, because high-status members of the gallery audience face less accountability compared to those of high-status museums, high-status galleries' assessment of the value of an artist's reputation for commercial viability is not reduced by the artist's interaction with a museum audience.

Figure 1 depicts the contingent effects of status and inter-audience interaction on the effect of *Award Won*. For ease of presentation, the vertical axis is in log-scale. In addition, only the significant interactions are plotted in this figure, which are the moderating effects for getting a museum exhibition, but not those for getting an exhibition at a gallery, because in the latter case the interaction effects are not significant. As shown in the bars on the left side, the effect of *Award Won* on having a museum exhibition is significantly reduced when the artist does not have any prior exhibitions at high-status museums, relative to the case when an artist's number of prior exhibitions at high-status museums is one standard deviation above the mean. Thus, an artist's

status positively moderates the effect of their reputation on securing exhibitions at museums. In contrast, the bars on the right side of Figure 1 show that the effect of *Award Won* on securing exhibitions at museums is significantly reduced by inter-audience interaction (i.e., by the artist's exhibitions at galleries). The effect of *Award Won* is significantly reduced when an artist has had more exhibitions at galleries. This suggests a negative moderating effect of inter-audience interaction on the relationship between the reputation of an artist and their success in having exhibitions at museums (i.e., an audience with high accountability).

Overall, the results provide consistent and statistically significant support for three out of four of our hypotheses. Taken together, these results demonstrate the added value of considering audience-specific reputations, especially the systematic differences in the contingent effects of these reputations across different audiences, based on artists' status and on their interaction with other (i.e., non-focal) audiences.

FIGURE 1
Contingent Effect of Award Won on Having Museum and Gallery Exhibitions^a



^a The bars on the left show the effects of *Award Won* on getting an exhibition at museums, contingent upon two different levels of *Prior Exhibitions at High-status Museums*. Because the distribution of *Prior Exhibitions at High-status Museums* is skewed, “High” refers to +1 *SD* above the mean level of *Prior Exhibitions at High-status Museums*, while “Low” refers to when the level of *Prior Exhibitions at High-status Museums* is at its minimum. The bars on the right show the effects of *Award Won* on getting an exhibition at museums, contingent upon two different levels of *Prior Exhibitions at Galleries*. “High” refers to +1 *SD* above its mean level, while “Low” refers to –1 *SD* below its mean. The vertical axis is in log-scale for ease of presentation.

Additional Analyses⁹

First, we investigate the possible implications of non-repeated exhibitions (exhibitions at venues where the artist has not exhibited before). Because it is possible that audience-specific reputations increase the likelihood of repeated exhibitions and not the likelihood of non-repeated exhibitions, it is worthwhile to examine the extent to which reputation effects are relevant for opportunities in new venues.

To investigate this possibility, we reconstruct our dependent variables to incorporate information on non-repeated exhibitions. Specifically, these new dependent variables are indicator variables that capture whether, in a particular year, an artist has an exhibition at a museum or at gallery at which they have not previously exhibited. The results using these new dependent variables are similar to those reported in Table 2A and Table 2B. Specifically, Hypothesis 1a and Hypothesis 2 continue to be statistically supported (for Hypothesis 1a, $\chi^2 = 8.52, p < .01$ and for Hypothesis 2, $\chi^2 = 322.89, p < .001$),

⁹ The full results tables for all of the analyses reported here are available from the authors upon request. They have been omitted to save space.

while Hypothesis 1b does not receive statistical support (as in our main results). Using the new definition of getting exhibitions at high-status organizations where the artist has not previously exhibited, Hypothesis 3 also continues to receive statistical support ($\chi^2 = 15.03, p < .001$). These results reveal that the main effects of audience-specific reputations with respect to different audiences—and the contingency of these reputation effects (depending on an artist’s status or interaction with another audience) based on the accountability of audiences—are also observed when success is defined as procuring exhibitions at new (previously un-exhibited) venues within each audience (rather than securing an exhibition at any venue within an audience, as in our main analysis).

Second, we have implicitly assumed an artist’s status to be audience-specific in our main analysis by considering high-status affiliations within the focal audience only. Yet, one might suggest that an actor’s status could also be inferred from their affiliations with any high-status organization in a given field. If we measure an artist’s status not by their previous exhibitions at high-status organizations within the focal audience but instead by previous exhibitions at all high-status organizations (whether these organizations are in the focal audience or in the other audience), we continue to find statistical support for the differential contingency effect of reputation based on this measure of status, as we predict in Hypothesis 2.

DISCUSSION

Reputation has generally been considered an actor-level construct. However, recent contributions have suggested reconsidering this assumption in favor of viewing reputation as a multi-dimensional construct (Jensen et al., 2012; Lange et al., 2011). We contribute to this discussion by proposing that a reputation for particular attributes is valued by an audience with concerns that focus on these attributes more than by a different audience with concerns that are not addressed by those attributes. Our examination of artists’ success with two distinct audiences, museums and galleries, suggests that reputation effects are audience-specific. A reputation for artistic quality, captured by winning a prestigious award, has a stronger effect on an artist’s success with a museum audience than with a gallery audience (Hypothesis 1a). While we find evidence that a reputation for commercial viability enhances an artist’s success in both museums and galleries, we do not

find a statistical difference between these two (Hypothesis 1b). We discuss this in detail below.

Our study further documents the importance of audience specificity by leveraging the level of accountability an audience faces. Specifically, we examine differences in the *contingent* effects of reputation between museums (that face high accountability from their diverse stakeholders) and galleries (that face low accountability from their stakeholders, who share similar objectives). Examining the audience-specific effect of reputations in conjunction with two other signals, namely status and interactions with other audiences, we find strong support for our hypotheses. First, we find that past exhibitions with high-status audience members enhance the effect of audience-specific reputations compared with exhibitions with non-high-status audience members and, more important, that the relative increase is greater for museums (which depend on external sponsors for resources to a greater extent and are thus more accountable) than for galleries (Hypothesis 2). Second, we also find that the greater interaction of an artist with a non-focal audience reduces reputation effects on an artist's success with high-status museums more than with high-status galleries (Hypothesis 3).

Theoretical Contributions

The different main and contingent effects of audience-specific reputations that we find have several theoretical implications. First, studies that assume that reputation is a single, aggregate, actor-level construct might be misleading because they might systematically over- or under-state reputation effects, depending on the extent to which audiences in a given setting are similar to or different from one another. Hence, our study argues for closely examining the attributes captured by actors' reputation measures and the extent to which these attributes are relevant for the concerns and constraints of the audiences that rely on these reputations.

Second, our study contributes to the growing body of work investigating the relationship between reputation and status. Studies have suggested that reputation and status are useful at different stages (Jensen & Roy, 2008) or for different purposes (Ertug & Castellucci, 2013, 2015). These accounts imply that the effects of reputation might be independent of, and not contingent on, those of status. However, more recent research has suggested that reputation and status can enhance one another because together they provide additional information that reduces

uncertainty (Stern et al., 2014). Our stance is that the presence and degree of such interplay between reputation and status is audience-specific. Our findings in the field of contemporary art indicate that the accountability of an audience enhances the contingent effects of reputation on an artist's success with this audience, as based on their status. Therefore, our study provides an important boundary condition that needs to be attended to when studying the relationship between reputation and status.

Third, our study also contributes to the growing body of research on inter-audience spillover effects. For example, Pollock et al. (2008) argued that there is a positive information spillover between different audiences when audiences follow one another to gain information. Similarly, Jensen (2003) showed that commercial banks leverage their status to engage with a new audience in investment banking. In contrast to these findings, however, the literature on category and identity has suggested that actors spanning multiple categories generally suffer an evaluation discount (Hsu, 2006; Zuckerman et al., 2003). Our findings suggest a boundary condition that might reconcile these different views. The main effects of exhibitions in a different (non-focal) audience—although we did not explicitly hypothesize this—suggest that artists with weaker reputations benefit from greater interaction with other audiences (see Tables 2A and 2B). We believe that this occurs because greater interaction with another audience provides elementary information that might reduce the fundamental uncertainty, relevant for all audiences, regarding the work of lesser-known artists. However, we would not expect this to be true for more established artists with stronger reputations. Indeed, we find that greater interaction with a non-focal audience diminishes the effects of reputation for artists with stronger reputations. Furthermore, we find that this discounting effect is stronger for the high-status members of an audience with higher accountability to others. These results indicate that the extent to which an audience or its members are constrained to justify their decisions constitutes an important boundary condition for negative spillovers due to cross-audience interaction. This is consistent with Zuckerman et al.'s (2003: 1068) contention that “typecasting processes operate more strongly in markets that are mediated by multiple layers of brokers, each of whom acts to screen out candidates who do not fit generic criteria.” When an audience's evaluation process is less constrained, we suspect that cross-audience spillovers might exert positive or neutral effects on an actor's success with the focal audience.

Practical Implications

Our study provides practical implications not only for contemporary artists, but also those whose careers involve interacting with clients (or audiences for their work) with diverse concerns and interests. Even after achieving a positive reputation with a particular group of clients, those in such careers need to be aware that this same reputation may not be relevant for a different group of clients. Hence, such people would need to manage their careers to focus on one audience over others, depending on the attributes for which their reputation(s) is (are) relevant. This would also apply to, for example, managers who work as brokers between external clients and internal service providers (e.g., in an R&D department), whose key objectives and concerns differ. Given that a good reputation among external clients may not directly translate into an equally beneficial reputation among internal service providers, these managers should be aware of the differential effect of reputation and might need to separately build a relevant reputation for each audience group. Furthermore, as our arguments and findings regarding the contingent effects suggest, to further enhance one's positive reputation (or to fully benefit from it) with a given audience in a set, it would also be important to consider the accountability of that audience. In the example above, for instance, if the external client (rather than the internal service providers) were more accountable for their decisions vis-à-vis the output of the R&D department, the managers would also need to be mindful that it would become even more important to have other consistent signals of the quality of their work in their dealings with these external clients.

Limitations and Future Research

Our study is subject to certain limitations. First, we find no statistical support for the differential effect of appearing on a magazine cover on success with museums and success with galleries (Hypothesis 1b). We believe that the lack of support is due to the data available to measure a reputation for commercial viability in this setting. Specifically, magazines might also feature artists on their covers who possess artistic qualities in addition to their commercial viability. This is relevant because such occurrences would add to measurement error, making our indicator of a reputation for commercial viability noisier than we would like (as it might also capture some information about artistic quality). While this

is true for appearing on a magazine cover, the reverse is not true for awards. Awards are commended and defended as championing artistic quality, therefore making our indicator of a reputation for artistic quality more informative and less noisy. We suggest that this is one reason that we find support for the differential effect of winning an award (Hypothesis 1a) but not for the differential effect of appearing on a magazine cover (Hypothesis 1b). The literature and mechanisms we use for our framework, and the consistent results we find for the differences in contingent effects on status and interaction with other audiences, suggest that the lack of support for Hypothesis 1b is due to the noisy measurement issue noted above. In theory, one might improve on our measure of magazine covers by using data on auctions, for example, with the implication that artists whose works have appeared in auctions more often, or have a higher sales ratio (the proportion of lots sold among those made available), have a reputation for commercial viability. However, for the artists in our estimation sample, we were unable to find a database that offers anywhere close to systematic and comprehensive coverage. We note this, again, to suggest that, based on the support we have for the other predictions and on the foundations of our framework, we expect our predictions to be broadly applicable, despite the lack of support for Hypothesis 1b with the measure we use.

Second, we examine only two signals, among possibly multiple types of other signals. Accordingly, future research can consider signals or intangible assets other than status or interaction with other audiences (Pfarrer et al., 2010; Pollock & Gulati, 2007) and determine whether they, in conjunction with reputation, would be informative for audiences, and how this contingent relationship might again vary on the basis of accountability or other broadly applicable constructs that constrain the decision making of audiences.

Third, the research context of the contemporary art field was used to develop our hypotheses and assess audience-specific reputations. The unique characteristics of this setting reduce the generalizability of our findings, and future studies in other contexts are needed to further establish the generalizability of the framework underlying our hypotheses. However, we view the contextual specificity of our study as a strength rather than a weakness because the nuances of audience-specific reputations require an in-depth understanding of specific audiences and the sources of their concerns and uncertainty in a particular setting. Our framework can be applied to

different settings that have multiple audiences with different concerns and uncertainties, such as academic researchers who combine teaching and research (Fox, 1992), knowledge workers at high-tech firms (such as scientists at biotechnology firms) who collaborate with researchers at universities and research institutions in addition to their colleagues at private firms (Kreiner & Schultz, 1993; Liebeskind, Oliver, Zucker, & Brewer, 1996), and doctor-managers whose positions combine a focus on occupation-specific (medicine) and organization-specific (hospital administration and management) concerns (Iedema, Degeling, Braithwaite, & White, 2004).

Fourth, we focus on emerging artists to avoid research design and analysis problems regarding left-censoring. However, focusing on emerging artists also has implications regarding the boundary conditions of our theory. Specifically, emerging artists are relatively unknown, compared to established artists; therefore, these emerging artists are likely to benefit more from acquiring a positive reputation. Our data availability do not allow us to explore the extent to which reputation effects may have greater impact on the success of emerging artists. Nevertheless, we suggest that future work can delve into this issue by specifically examining differences in the magnitude of these effects, as has been done for endorsements (e.g., Stuart, Hoang, & Hybels, 1999).

Finally, some of the relationships we propose might not apply to settings exhibiting clear audience hierarchies (in which a number of different audiences attend to a particular audience and adopt the evaluations or recommendations of latter), or to settings with no clear hierarchy but with “different” audiences that attend to similar or identical attributes that face highly similar types of uncertainty (i.e., audiences that are nominally “different” in certain respects but that do not actually differ regarding audience-specific reputations).

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