The Paradox of Publicity: How Awards Can Negatively Affect the Evaluation of Quality

Balázs Kovács[1] and Amanda J. Sharkey[2]

Abstract

Although increases in status often lead to more favorable inferences about quality in subsequent evaluations, in this paper, we examine a setting in which an increase to an actor's status results in less favorable quality evaluations, contrary to what much of sociological and management theory would predict. Comparing thousands of reader reviews on Goodreads.com of 64 English-language books that either won or were short-listed for prestigious book awards between 2007 and 2011, we find that prizewinning books tend to attract more readers following the announcement of an award and that readers' ratings of award-winning books tend to decline more precipitously following the announcement of an award relative to books that were named as finalists but did not win. We explain this surprising result, focusing on two mechanisms whereby signals of quality that tend to promote adoption can subsequently have a negative impact on evaluation. First, we propose that the audience evaluating a high-status actor or object tends to shift as a result of a public status shock, like an award, increasing in number but also in diverse tastes. We outline how this shift might translate into less favorable evaluations of quality. Second, we show that the increase in popularity that tends to follow a status shock is off-putting to some, also resulting in more negative evaluations. We show that our proposed mechanisms together explain the negative effect of status on evaluations in the context of the literary world.

Keywords: status, awards, popularity, publicity, quality, Goodreads.com

On October 18, 2011, Julian Barnes' novel *The Sense of an Ending* won the Man Booker Prize, considered by many to be the most prestigious and influential literary prize in the United Kingdom, if not the world. The choice of Barnes' book has been characterized, in retrospect, as an easy and non-controversial one. The book, which the *New York Times* described as ''a slim and meditative

[1] Institute of Management, University of Lugano
[2] Booth School of Business, University of Chicago

story of mortality, frustration and regret,'' had received glowing reviews (Bosman, 2011). Upon the announcement of the award, Barnes' publisher ordered additional copies of the book to be printed in anticipation of the increased demand that had followed the announcement of previous winners. As expected, sales of the book soared, but something surprising happened as well: readers' ratings of the book entered a period of protracted decline even though the status of the book had increased.

What happened to Barnes' book flies in the face of much research on the effects of social status. Few sociologists or organizational scholars would find controversial the idea that evaluations of quality often correspond with the social standing of the actor or object being assessed. A positive relationship between status and perceived competence, quality, and/or worth has been demonstrated across a variety of settings involving a myriad of status measures. At the individual level, status characteristics, such as gender, race, education, and parental status, have been shown to positively influence assessments of task performance of individuals from highly esteemed groups (Berger et al., 1977; Ridgeway et al., 1998; Correll, Benard, and Paik, 2007). Among organizations, studies finding a positive effect of status on price demonstrate that social status is associated with greater perceived worth (Benjamin and Podolny, 1999; Wade et al., 2006; Roberts, Khaire, and Rider, 2011).

One way in which these effects arise has to do with resource-based cumulative advantage processes whereby high-status actors are able to attract more valued resources, which then enable them to create outputs that are truly of higher quality (Merton, 1968; DiPrete and Eirich, 2006). But recent work using particularly clever research designs to parse out the identity-based signaling advantages of status has demonstrated definitively that some of the benefits enjoyed by high-status actors stem from mere perceptions rather than true differences in quality (Simcoe and Waguespack, 2011; Azoulay, Stuart, and Wang, 2014). Evidence of a status effect that exists net of any actual quality differences can be attributed to the tendency of social judgments involving status to become self-fulfilling such that they reinforce and validate the existing status ordering. Gould (2002) referred to this as a process whereby hierarchy tends to become ''enacted.''

Thus in the case of Julian Barnes' prize-winning novel and the books of other prizewinners, a large body of theory and existing empirical evidence suggests that readers would tend to judge a book as being of higher quality after winning an award, even though nothing about the book itself had changed. The fact that the opposite occurred in this case raises an intriguing question: what mechanisms might lead to the disruption of socially endogenous inference processes (Zuckerman, 2012; Correll et al., 2013) that typically cause assessments of quality to rise with the social status of a producer or product? Prior research has shown that an increase in status can lead to misdirected efforts or complacency on the part of high-status actors, which in turn dampens performance (Malmendier and Tate, 2009; Bothner, Kim, and Smith, 2012), but such factors cannot account for the negative effects found in settings such as this one, in which the underlying product is static.

Our explanation in this paper follows from the observation that a dramatic boost to an actor's status tends to draw attention to him or her. Attention may flow to high-status actors through two possible mechanisms. First, status may

be conferred publicly, for example, via awards, ceremonies, or other forums through which recognition is broadcast. Second, as noted previously, status creates the presumption of higher quality, thereby implicitly suggesting that greater attention is warranted. While scholars have often noted that high-status actors tend to garner more attention (e.g., Merton, 1968; Goode, 1978), they have less frequently considered the negative implications of this (for exceptions, see Adut, 2008; Graffin et al., 2013).

We examine the effects of the increase in attention through the lens of the marketing and consumer choice literatures, in which evaluation is conceptualized as a two-stage process consisting of an initial screen to winnow down the set under serious consideration, followed by a more extensive examination to identify the superior option among those that remain (Payne, 1976; Gensch, 1987; Shocker et al., 1991; Haubl and Trifts, 2000). The attention that flows to high-status actors makes them more likely to be included in any consideration set, which then increases the size of the audience evaluating them. Although the ability of higher-status actors to attract a larger audience is often posited as a benefit of status, this may have several negative side effects. First, as the audience for a product expands, its composition also changes. When audience members evaluating an object are attracted to it because of its status rather than its substantive features, mismatches between the focal object and the taste of the audience members are more likely to occur. As a result, an increase in status can indirectly lead to a reduction in perceived quality simply because the composition of the evaluating audience has shifted in a way that favors more negative evaluations. Second, the increase in audience size may also have a direct negative effect on evaluations for consumers who devalue popular items. In that case, a reduction in ratings may stem from so-called ''snob effects'' or the value that consumers derive from exclusivity (Veblen, 1899; Leibenstein, 1950; Becker, 1991).

We test our theory in the literary world using a dataset of 38,817 reader reviews of 32 prizewinning books matched to 32 finalists that were nominated for the same award in the same year and had similar pre-treatment ratings from readers. Awards are highly consequential in the literary world because books are experience goods (Nelson, 1970); the only way for a person to determine whether he or she likes a book is to invest the time and money in reading it. But because this investment is costly, readers tend to rely on external judgment devices, such as critical reviews or prestigious awards, to help them decide whether a book is worth reading (Karpik, 2010). In addition to using awards to mitigate quality uncertainty, readers may also employ external judgment devices such as awards to coordinate their actions with other readers. That is, if part of the value in reading a book inheres in the cultural capital (Bourdieu, 1984) that an individual gains by reading a prestigious book or stems from discussing the book with others, then book prizes serve as guideposts for readers. In short, there are several reasons why readers tend to orient themselves toward award-winning books, implying that the receipt of a prestigious literary prize can be thought of as a significant status shock that leads to a dramatic uptick in attention and, consequently, readership for prizewinning books (English, 2008). This aspect of prestigious prizes allows us to observe how status affects quality evaluations through an expansion in the evaluating audience.

One attractive feature of studying status in this domain is that judging committees for prestigious prizes typically announce short lists of three to five

books that are under consideration for an award. Focusing on this subset of books naturalistically reduces the unobserved heterogeneity in quality that might otherwise present challenges to identification. To further mitigate concerns about possible quality differences, we also conduct additional matching on the basis of readers' ratings prior to the award announcement.

A second advantage of this empirical setting is that we are able to observe not only readers' ratings of the books in our dataset that won a prize or were short-listed but also their evaluations of the other books they have read. We draw on the information about the books an individual has rated more positively or negatively in the past to assess readers' tastes, which we can then use to generate predicted ratings for the prizewinning and short-listed books in our sample that an individual reads subsequently.

THE PARADOX OF PUBLICITY

Status and the Two-stage Evaluation Process

Research in marketing and consumer decision making treats evaluation as a two-stage process that entails an initial screening of candidates to identify those who are worthy of deeper consideration and, secondarily, the selection of the best candidates from those in the consideration set (Payne, 1976; Gensch, 1987; Shocker et al., 1991; Haubl and Trifts, 2000; Van den Bulte and Lilien, 2004). Thus the process of evaluation encompasses not only the estimation of how attractive or valuable a particular entity is but also, prior to that, a decision about whether the actor or object is worthy of being evaluated in the first place. Economic sociologists studying valuation in market settings have incorporated this insight into their work, with a particular focus on the importance of conformity in the first stage (e.g., Zuckerman, 1999; Phillips and Zuckerman, 2001). Research on the role of status in evaluative outcomes, however, typically focuses on one stage or the other, rarely considering how the two might interact. For example, research on status-based discrimination in labor markets has shown that some groups are advantaged in the hiring process (Goldin and Rouse, 2000; Bertrand and Mullainathan, 2004) and, often separately, that certain groups are advantaged in wage-setting processes that occur after the point of hire (e.g., Castilla, 2008). What is more plausible is that the impact of status at the first stage of evaluation would have repercussions for the composition of the evaluating audience at the second stage and influence quality evaluations at that stage for high-status actors.

As noted previously, the first stage of evaluation entails a rough screen of all candidates to reduce the number that receives a more thorough examination in the second stage. Several key factors might make an actor more likely to be viewed as worthy of joining the consideration set, meaning that he or she merits further evaluation. First, individuals are more likely to consider alternatives that are cognitively accessible, or top-of-mind (Lynch and Srull, 1982; Nedungadi, 1990). Second, to be considered legitimate contenders, entities must demonstrate some minimal level of fit along relevant dimensions (Payne, 1976; Bettman and Park, 1980; Zuckerman, 1999). Third, social factors matter. Many studies in this vein have shown that the number of prior adopters of a product or practice has a direct impact on subsequent adoption decisions through a process of social influence (Banerjee, 1992; Bikhchandani, Hirshleifer, and Welch, 1992; Salganik, Dodd, and Watts, 2006). This could

occur because actors rationally infer quality on the basis of popularity (Banerjee, 1992; Bikhchandani, Hirshleifer, and Welch, 1992) or because they place some value on conformity or coordination with others (Asch, 1956; Phillips and Zuckerman, 2001; Correll et al., 2013). Overall, however, to the extent that an entity meets some minimum threshold of attractiveness on the basis of these different factors, audience members are more likely to include a given candidate in the consideration set.

High-status actors are advantaged in many of those regards. First, high-status actors are more likely to come to mind, simply because status often goes hand in hand with prominence. High-status actors tend to be viewed as more deserving of attention (Goode, 1978: 75; Simcoe and Waguespack, 2011) and therefore tend to be more widely known than their lower-status peers (Frank and Cook, 1996; Adut, 2008). In addition to attracting more attention, high-status actors are often considered ideal types or exemplars that represent cherished societal values (Adut, 2008) and embody purity (Abbott, 1981). Thus they are more likely to be seen as a good fit, providing another basis for advantage in the first stage of evaluation. As a result, high-status actors typically attract larger evaluating audiences, a tendency that has been demonstrated in numerous empirical settings, including movies (Hsu, 2006), higher education (Sauder and Lancaster, 2006), and an online forum for proposals for Internet standards (Simcoe and Waguespack, 2011).

The second stage of evaluation involves the more extensive assessment of the candidates in the consideration set and the designation of one as the best. Several factors might influence which candidates a person views as superior. First, not surprisingly, fit between the underlying features of the candidate under evaluation and the preferences of the evaluator is likely to matter, though numerous studies have shown that social factors tend to influence the evaluation of quality as well. Lacking full information, a person might be more likely to view a candidate as the best if others have evaluated it favorably or if it is viewed as high status. These effects are thought to occur for a variety of reasons, such as approaching the evaluation of high-status objects with special care (Merton, 1968) or self-confirmation biases that lead individuals to evaluate objects in a manner that aligns with their prior expectations (Gilovich, 1993). Thus status has benefits at this stage as well.

The role of status in becoming a member of the consideration set in the first stage is likely to have implications for evaluation at the second stage. Many studies identify status effects by comparing the difference in outcomes for high-status and low-status entities at either the first or second stage of evaluation, rarely considering how the two stages might in some circumstances interact. But examining high- and low-status entities at the second stage independently of the first stage is not likely to be an apples-to-apples comparison. High-status actors who make it into the consideration set are likely to differ from low-status actors in a systematic manner related to the level of fit with evaluators' tastes and in terms of popularity. Differences on these dimensions can lead to lower quality ratings for high-status actors.

Status and Fit with Evaluators' Tastes

First, high-status actors or objects will tend to have lower levels of fit with evaluators' tastes than will low-status actors. To appreciate this, consider both a

high-status and low-status actor who are members of the consideration set and thus have been selected to receive a thorough evaluation. Presuming that designation as a member of the consideration set is non-trivial, both the high-status and low-status actor must have met some minimal threshold of attention and fit to enter the consideration set, but the two are likely to have achieved this minimal level of attention and fit in different ways. On the one hand, high-status actors may have been considered worthy simply because they had come to mind (i.e., they benefit from greater attention), and they had met some minimal level of fit. In a sense, status may have served as a substitute for other factors that would normally propel an actor into the consideration set. On the other hand, lower-status actors can join the consideration set only if they attract sufficient attention on the basis of their perceived fit alone. As a result, while the mix of high-status and low-status candidates who are part of the consideration set may vary across settings, low-status actors who do make it into the consideration set should on average have a higher level of fit with evaluators' tastes compared with their higher-status peers.

The difference in fit with evaluators' tastes has implications for the second stage of evaluation. If people choose to evaluate a candidate that lacks status, they must have done so because they suspect that the product is a good match for their tastes. Presuming that they are correct at least some of the time, on average, they are more likely to find this product more appealing than a product that they chose because of its status. Shifting from the level of the evaluator to the level of the product, the implication is that a status shock can lead to greater adoption of a high-status product, accelerating the process of audience expansion and producing an unexpected result: a lower level of fit between an object and the tastes of evaluators.[1] This, in turn, can translate into lower ratings of perceived quality for high-status entities.

Applying our theory to the literary world, we view a reader's selection of a book as analogous to the first stage of evaluation and a reader's evaluation of the book in a review as corresponding to the second stage. Prior to a book winning an award, people who have decided to read a book must have done so because they had some indication that it would fit their tastes. After a book wins a prestigious award, however, readers might choose to read a book either because it seems to be a good fit or because status creates the presumption that the book is of superior quality. Thus a prizewinning book needs to have only some minimal level of fit to reach the threshold at which a person will deem a book worthy of reading, whereas a book that has not won a prize must distinguish itself as worthy in other ways, such as having underlying attributes that signal attractiveness to the reader. Thus we predict:

> **Hypothesis 1a:** Readers evaluating a book after it wins a prestigious award will, on average, have tastes that are less predisposed to evaluating the book favorably.

---

[1] The logic behind this hypothesis resembles the senator's son problem (Barnett and Denrell, 2011). Barnett and Denrell demonstrated in a formal mathematical model that when selection of persons is based on an additive function of status and quality, then conditional on a person being selected (e.g., for a job), quality and status will negatively correlate. A more general treatment of this issue can be found in Morgan and Winship's (2007) discussion of conditioning on a collider variable.

Hypothesis 1b: Readers will tend to give higher ratings to books toward which their tastes are positively predisposed.

Hypothesis 1c: The less positive taste-based predisposition of readers toward prizewinning books after they win an award will contribute to (mediate) the overall negative effect of winning an award.

Our predictions raise a natural question about the utility of prizes: why do people allow prestigious prizes to guide their choice of what to read if they tend to be systematically disappointed by prizewinning books? There are a number of possible explanations for why this might occur. First, people might find value in reading what others read, even if they suspect that a book will not quite suit their taste. This follows from the idea that status serves as a coordination device around which people base their decisions, even if the decisions go counter to their own private tastes or assessments of quality (Correll et al., 2013). Second, it is possible that the false-consensus effect (Ross, Greene, and House, 1977) drives the decision to read prizewinning books. That is, people may presume that their tastes are more widespread than they actually are, such that they incorrectly believe that the kinds of books they like are similar to the kinds of books that elite judges might choose for an award, or at the very least that their tastes are not wildly dissimilar from those of elites. People may be especially likely to believe that their opinions are like the opinions of others whom they like, support, or respect (Granberg and Brent, 1980). Thus if people are predisposed to respect the opinion of an elite judging committee such that they would look to such governing bodies for guidance, they are also probably inclined to think their own tastes are similar to those of the judging committee.

Status and Popularity

A second major mechanism whereby a boost in status could lead to a decline in perceived quality has to do with the effects of status on popularity.[2] At the first stage of evaluation, as noted earlier, status often sparks subsequent adoptions, generating increasing popularity. Popularity itself may then trigger an uptick in the rate of adoptions. In the book world, widely publicized best-seller lists facilitate this, but it could occur through a variety of channels in other settings. There are several reasons why knowledge about popularity would affect an individual's adoption decision. First, individuals may infer quality on the basis of popularity (e.g., Banerjee, 1992; Strang and Macy, 2001; Salganik, Dodds, and Watts, 2006). In the literary world, this implies that individuals would be likely to rely on popularity when they encounter the non-trivial problem of predicting beforehand whether a particular book is likely to be good (i.e., literally judging a book by its cover). Second, choosing a popular item allows one to benefit from coordinating one's actions with those of others (Clark, Clark, and Polborn, 2006). For example, people may derive value from reading what others are reading because doing so facilitates social interaction with other readers, either informally or through book clubs. In either case, returning to the parlance of the two-stage model of evaluation, the implication is that popular

---

[2] In this setting, we use the term popularity to denote the prevalence or number of prior adoptions of a product, apart from whether the item is liked. The term is sometimes used to mean widespread liking.

items will more frequently enter the consideration set, unless mechanisms such as high prices or supply constraints effectively limit adoption.[3]

The fact that an item is popular may influence the evaluation of quality. Drawing on research in marketing and sociology on the identity-signaling value of products, we propose that rising popularity is likely to have a negative effect on evaluations. Popularity, both in terms of the absolute level and the rate at which it is achieved, may in itself be considered unattractive. This would be the case if, as Berger and Heath (2007, 2009) demonstrated, people perceive products as valuable not just for their functional characteristics but also as signals of social identity. Popular items are less valuable on that dimension, in the sense that they signal membership in a mass audience rather than an exclusive elite (Veblen, 1899; Bourdieu, 1984). Berger and Heath's (2009) experimental study of the abandonment of a once-fashionable wristband by one group of students in the wake of the wristband's adoption by a group of students perceived to be dissimilar provides empirical evidence consistent with the role of identity-signaling processes in determining how popularity influences the subsequent assessment of worth. In a related vein, Berger and Le Mens (2009) showed that the rate of popularity increase, rather than the level of popularity alone, also has an impact on the attractiveness of an object in an identity-signaling domain; baby names that rose to prominence quickly were perceived as trendy, which parents found undesirable, and therefore future adoptions decreased. In each of these empirical contexts, an item was seen as less appealing because it had been widely adopted. Negative effects of popularity on subsequent valuation are not necessarily the norm, but Berger and Heath (2007) showed that they are particularly likely to occur in product domains that are seen as symbolizing identity, such as clothing, music, or hairstyles.

Negative effects of popularity due to the desire to signal identity could come about in two different ways. The first is that popularity itself is considered unattractive, which causes a person to find a book less appealing and to give it a lower rating. Alternatively, a person might choose to give a popular book a more negative rating precisely because doing so serves to distinguish his or her tastes from those of the masses. In either case, the negative effects of popularity on the ability to signal one's distinct identity lead us to the following hypotheses:

> **Hypothesis 2a:** Prizewinning books will generate a greater increase in popularity after the announcement of an award than will merely short-listed books.

> **Hypothesis 2b:** The greater the rate of increase in a book's popularity, the lower individuals will rate the book in terms of quality.

> **Hypothesis 2c:** The increase in popularity after a book wins an award will contribute to (mediate) the overall negative effect of winning an award.

---

[3] This is not to say that popularity always boosts subsequent adoption rates. Zuckerman (2012) suggested that the effect of popularity depends on the social context in which evaluation occurs. In settings in which actors are anonymous, thereby mitigating identity-signaling concerns, or in which it is particularly difficult to assess quality prior to adoption, or in settings in which coordination benefits are a major factor, we might expect popularity to lead to more adoptions. In other settings, actors may avoid popular products.

If people are ultimately turned off by popular books, it is puzzling that they would choose in the first place to adopt high-status products, which tend to become popular. But the adoption of a popular product may provide an optimal solution to conflicting pressures that favor both conformity (i.e., reading popular books) and differentiation (i.e., conveying tastes distinct from a mass audience). Opting to read a popular book solves the problem individuals face in inferring quality a priori and also allows them to enjoy the coordination-related benefit of being able to discuss a popular book with others. If, on the one hand, the person happens to like the book, then he or she will have derived value from using a book's status and/or popularity as a judgment device. On the other hand, if the person does not like the book, he or she can at least gain satisfaction from giving the book a negative review, which may enhance his or her identity, either internally or in the minds of others.

A more mundane possibility is that people adopt products that are rising in popularity without fully realizing until later how popular an object will become. This would be similar to the ''overshooting'' problem observed in the case of baby names, in which parents choose names that are unpopular prior to their child's birth and are sometimes surprised and dismayed to learn that they have inadvertently given their child a name that has become popular because others independently made the same choice (Lieberson, 2000). To the extent that such unexpected popularity is undesirable, quality ratings may suffer. In short, there are several possible mechanisms whereby a rise in popularity might lead both to greater adoptions and more negative evaluations.

Scope Conditions

Clearly, in many other cases, status enhances not only the presumption of quality beforehand but also the evaluation of quality afterwards, which raises questions about the set of scope conditions required for our model, in which status has the opposite effect, to hold. We suggest the following conditions. First, to trigger the processes outlined above, status must be bestowed in a way that attracts significant attention. Second, there also must be few barriers to an audience's ability to adopt or otherwise experience a high-status product. For example, the process outlined above would not occur for high-status cars or art, for which price constraints prevent widespread adoption. Taken together, these two conditions should lead to a larger evaluating audience, which we have argued also creates a shift in audience composition and represents an increase in popularity. For the change in audience composition to have meaningful consequences, the judgment of quality must at least be partially a matter of taste. Moreover, individual tastes must have some heterogeneity. These latter two conditions allow for some degree of mismatch between the focal object being evaluated and the audience doing the evaluating. Finally, there must be some sense that validating the existing status ordering by giving high-status objects a positive rating is not a foregone conclusion. Put another way, the social sanctions for dissenting from the prevailing order cannot be overwhelming.

METHOD

Empirical Context and Sample

We tested our theory in the literary world, where the receipt of a prestigious book prize constitutes a form of public recognition that judging panels bestow on the new books that they view as the best in a given year. In that sense, winning a literary prize reflects a crystallization of the underlying esteem in which literary insiders, such as critics and other authors, already hold a book. At the same time, an award also constitutes a dramatic shock to the status of a book in the sense that it creates the widespread presumption among the broader reading public that the book is of superior quality and thereby is worthy of esteem. Our view of an award as constituting a status shock is thus consistent with Podolny's (1993) conceptualization of status as a signal of quality. Our focus on the particular form of status that arises from an award is reminiscent of Merton's (1968) work on prizewinning scientists, which has served as the foundation for decades of subsequent research on status and cumulative advantage, as well as more recent work in a similar vein by Azoulay, Stuart, and Wang (2014).

A scope condition of our theory is that the status shock is public and results in increased attention. This is clearly the case in the context at hand. Goode (1978: 152) noted that awards, prizes, and other such honors are ''*public announcements* . . . meant to convey information to as many people possible in as many social networks as possible. They assert the importance of the activity. They proclaim the esteem due to the recipients.'' Thus awards both generate increased attention and create positive expectations of quality among prospective readers. Likewise, Karpik (2010: 169) made explicit the mechanism through which this particular type of status conferral leads to an increase in audience size, stating that literary prizes have a ''symbolic authority, measured in terms of the number of those who buy the prizewinning book. In itself the prize is a more or less powerful device for gaining an audience.'' Taken together, there are many reasons to believe that prizewinning books will attract more publicity, resulting in greater readership.

To ensure that the awards we study represent a significant shock to the status of a book, we focused only on the most coveted literary prizes. We also confined the set of relevant awards to those that pertain to English-language books, as books written in languages other than English are much less likely to be reviewed on Goodreads.com. We studied the following awards: the Man Booker Prize, the National Book Award (fiction and non-fiction categories), the National Book Critics Circle Award (fiction, non-fiction, memoir/autobiography, and biography categories), and the PEN/Faulkner Award. These awards differ in terms of the monetary prize involved and in their selection processes, but, for each, a judging committee each year names between three and five books to a short list, which is made public. Weeks or months later, the committee announces a single winner. For each award, we identified the books that were short-listed between 2007 and 2011, as well as those that were named as winners. We also recorded the exact dates when finalists and winners were announced.[4]

---

[4] We excluded two prestigious literary prizes—the Pulitzer Prize for fiction and the Nobel Prize for Literature—because finalists for these awards are not announced prior to the award, which is problematic for our matched-pairs research design.

   To test our hypotheses about the effects of status on quality ratings, we collected data on book ratings from readers on Goodreads.com, which is the most comprehensive online book review website, with more than a million reviewers and tens of millions of book ratings. The website was founded in 2007 and provides an interface for voluntary reviewers to create a profile and rate books they have read. Readers who post reviews on Goodreads.com provide a good representation of the reading public in the U.S.: the average age (38 years) and the female dominance (73 percent of the registered users are female) are similar to the demographic distribution of fiction readers documented in previous research (National Endowment for the Arts, 2008). The website is open to books in any language, and it provides its interface in multiple languages. We restricted our analyses to English-language reviews written about books published in English.

   Each book rating on Goodreads.com is an integer ranging from one star to five stars. In our sample of reviews, the average rating is 3.81. About 4 percent of the reviews receive one star, 8 percent receive two stars, 21 percent three stars, 37 percent four stars, and 30 percent five stars. Reviewers can attach written comments to their numeric ratings; approximately 93 percent of the reviews with numeric ratings also have text comments. To rule out an alternative explanation for our results that involves the possible effect of an award on reviewers' expectations, we gauged expectations. Because that is only possible through analyses of the text of a review, we restricted our analyses to ratings with accompanying text.[5] Thus our core analyses pertain to numeric-and-text reviews on Goodreads.com of books that either won or were short-listed for prestigious literary prizes between 2007 and 2011.

Matching and Difference-in-difference Analytical Approach

The Bowker Books in Print database, a widely used source of information on the publishing industry, estimates that approximately 50,000 fiction books are published annually in the U.S. alone. Books may vary on a wide range of dimensions, including the extent to which they appeal to readers and to prize-awarding committees. Identifying status effects by comparing the average ratings of prizewinning books to all other books, or even comparing ratings trajectories of the two groups over time, would be problematic due to the possibility that any difference in ratings might stem from underlying features (e.g., perceived quality) that were particular to prizewinning books and that caused them to be selected as winners in the first place. In that case, any difference in ratings trajectories between those two groups could be due to those underlying features or the interaction of environmental factors with those underlying features rather than to the effects of the prize itself.

   Fortunately, we were able to mitigate this concern by relying on a natural feature of the judging process: the public naming of between three and five books to a short list from which the winner is then chosen. By limiting our analyses to short-listed books, we were able to greatly reduce the possible

---

[5] To assess whether this restriction could introduce selection bias, we calculated the mean and standard deviation of reviews with and without texts for the books for which we had all reviews regardless of whether they were accompanied by text. The mean rating and the standard deviation of the ratings did not differ significantly by whether a rating was accompanied by text.

unobserved heterogeneity in quality that might hamper identification. Even among short-listed books, however, it is still possible that the perceived quality of eventual winners of book awards might differ from those of short-listed non-winners, such that winning a book award is unlikely to be random with respect to the perceived quality of the book, even among the subset of all books that are elevated to an award short list. This hunch was borne out in our dataset. On average, books that eventually received awards were rated more favorably prior to the award announcement than were other finalists (3.99 vs. 3.67, which is significantly different according to a t-test of difference in means). This led us to be concerned about the possibility that changes in the ratings trajectories of winners over time might have to do with anticipatory dynamics and/or reversion to the mean.

To mitigate this concern, it was important to contrast any changes in rating dynamics for winners with those of a control group of short-listed non-winners that were most similar to the winners in terms of perceived quality prior to the announcement of the short list (Malmendier and Tate, 2009; Singh and Agrawal, 2011; Azoulay, Stuart, and Wang, 2014). Thus we winnowed our data further by creating a dataset of 32 matched pairs of books in which each pair includes the winner of a given award in a particular year, and the book that was named a finalist for the same award in the same year that had the smallest absolute difference in average rating relative to the winner prior to the announcement of the finalists. As figure 1 shows, the number of reviews of prizewinning books increases after the award announcement, though prizewinning and short-listed books had similar numbers of reviews prior to the announcement of the award.

By focusing on the small set of books that prize-awarding committees have named as members of the short list, we believe we have substantially

Figure 1. Number of reviews per week for award-winning and short-listed books before and after the announcement of winners.
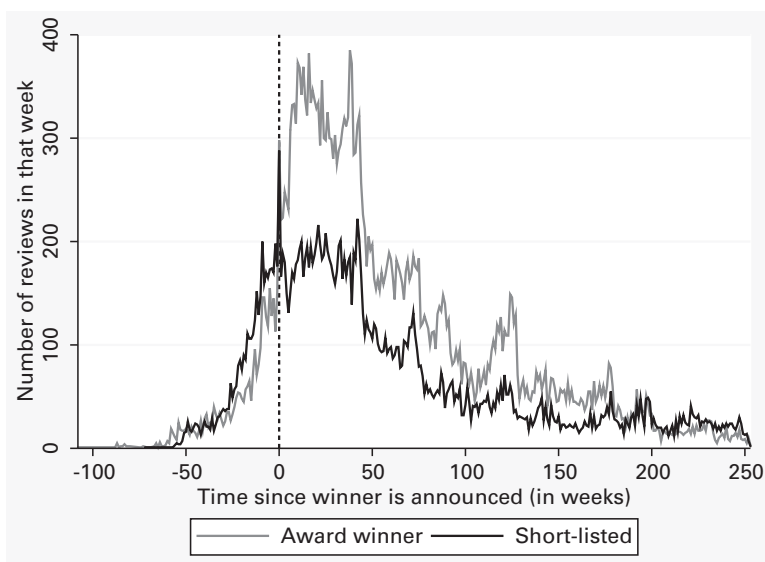
Figure 2. Mean and S.E. of ratings before and after award announcement for award winners and short-listed books.
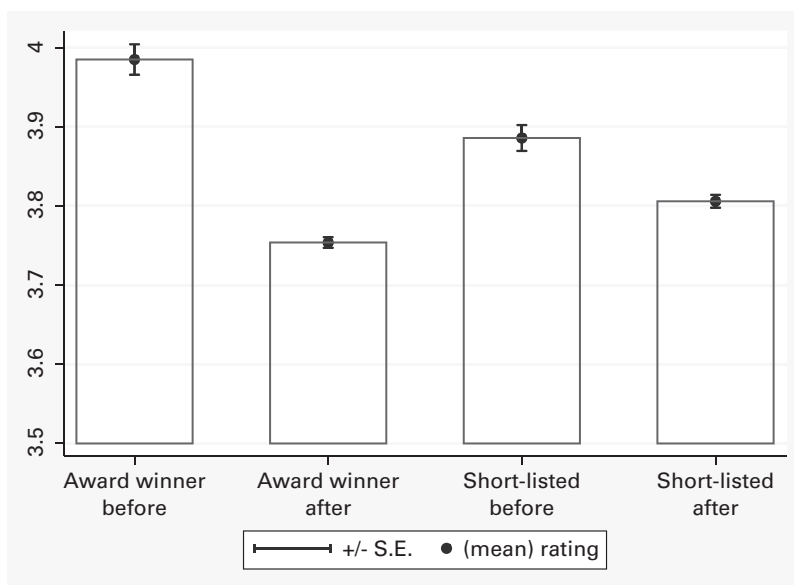
minimized the unobserved heterogeneity among the tens of thousands of books that are published each year. In effect, although the books on a short list may be seen as very different in terms of content, they in fact all share a certain *je ne sais quoi* as evidenced by the fact that a judging committee has elevated them as prize contenders. The Online Appendix (http://asq.sagepub.com/supplemental) provides a list of the books in our sample.[6]

Econometrically, our regressions follow the difference-in-difference approach (DD), which is often used in the general econometrics literature (see, e.g., Heckman and Navarro-Lozano, 2004; Imbens, 2004). Our identification strategy relies on comparing changes in ratings over time between books that won the award and the matched control books that were short-listed for the same award and are identical or very similar to the award-winning book in terms of the average rating and number of reviews received prior to the announcement of the winner. In statistical modeling, we followed Azoulay, Stuart, and Wang (2014) and Singh and Agrawal (2011) and conducted pooled regressions that include matched-dyad fixed effects.

---

[6] A reviewer has raised the possible alternative explanation that award winners decrease more in ratings than the matched short-listed books because reviewers might feel sorry for the books that were short-listed but did not win. Though this is an interesting hypothesis, we do not believe it to be the case, as the award announcements in our sample do not include runners-up. This makes it unlikely that Goodreads reviewers are aware of who the runners-up were. Yet, to rule out this explanation, in additional analyses not shown here, we compared winners with all the short-listed books and found that the decrease in ratings for award winners was significantly more than that of the full set of short-listed books, rather than only the short-listed books that form our matched pair sample. Thus the contrast in the ratings trajectory of winners is evident not only in comparison to the book we chose as a matched counterpart but seems to occur in comparison with all short-listed books.

Figure 2 graphs the means and standard errors of the ratings for award winners and short-listed books before and after the award announcement. The leftmost two bars of figure 2 represent the mean ratings of prizewinning books before and after the announcement of an award, and the rightmost two bars signify the mean ratings of books that were named finalists but did not win. The decline in ratings for prizewinners is larger than it is for mere finalists (according to a t-test of differences, $p < .01$). Winning a prestigious prize in the literary world seems to go hand in hand with a particularly sharp reduction in ratings of perceived quality.

Key Independent Variables

Predicted rating. To test hypothesis 1, we created a measure of a reader's predicted rating for each of the winning or short-listed books in our dataset based on the focal book's genres and the reviewer's previous evaluations of other books in those genres. Genre information came from tags that Goodreads.com members had given to books. Importantly, these genre tags are not part of a neat hierarchical clustering of book genres imposed by the creators of the website but rather are a set of tags that readers can use to describe the book. For example, the book *First Days* by Rhiannon Frater is assigned the following tags: ''Horror/Zombies,'' ''Horror,'' ''Apocalyptic/Post Apocalyptic,'' ''Science Fiction/ Dystopia.'' Altogether there are 34,542 unique tags, the most common being ''fiction,'' ''biography,'' ''comedy,'' and ''crime.''

To avoid endogeneity concerns, we assessed each reader's preference for various genres by analyzing only the ratings that reviewers gave to any book not included in our sample of winners and matched finalists. In total, this included 1.2 million book reviews. By analyzing the kinds of books the reviewer has evaluated positively or negatively in the past, we can infer the taste of the reviewer, which we then use to predict his or her assessment of focal books in our sample. For example, if a given reviewer gave five-star ratings to all vampire books he or she has read and gave one or two stars to all the history books read, we can infer that he or she likes vampire books but dislikes history books. Thus we predict the rating of the reviewer by estimating the distance of the book's profile from the preferences of the reviewer. This approach, known as collaborative filtering, is a popular method in computer science and marketing (e.g., Fleder and Hosanagar, 2009). This predicted rating serves as our measure of how predisposed a reader is to viewing a book favorably.

To illustrate the reviewer-book-preference measure, consider the following example with a hypothetical reviewer who reviewed books A (in genres ''history,''''crime''), B (''history''), C (''history''), and D (''crime,'' ''romance'') and gave the ratings 2, 5, 4, and 3, respectively. We calculate the preference for the genres as follows: ''history'' = $((2 + 5 + 4) / 3) = 3.666$; ''crime'' = $((2 + 3) / 2) = 2.5$; and ''romance'' = 3. This indicates that the reviewer likes history books more than crime and romance books. To predict the reviewer's preference for the focal book, we average the reviewer's preference for the genre tags that are assigned to the focal book. For example, we predict that the reviewer in the above example would give a book tagged as ''history'' and ''romance'' a 3.333 rating (calculated as $(3.666 + 3) / 2$) on average. If a reviewer has not read any book previously in one or more of the genres of the

Figure 3. Predicted rating (preference based on reviewer's profile) vs. observed rating.
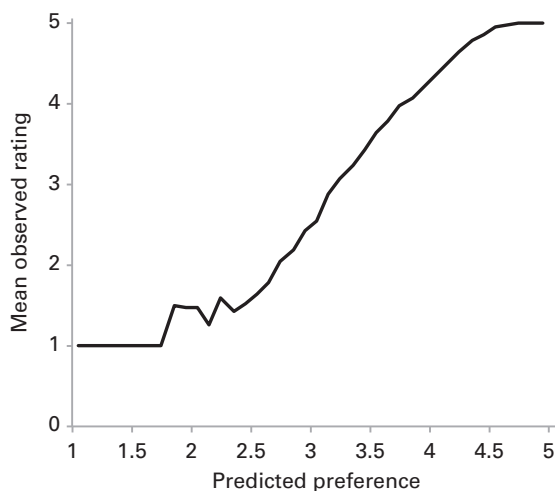
focal book, then we predict the rating by aggregating the mean rating for those genres that he or she has read before. In the rare case that the reviewer has not rated any book previously that overlapped any genres of the focal book, we do not make any prediction (these cases are rare and constitute less than 0.5 percent of the sample). Following this procedure, we predicted the preferences of all 31,201 reviewers who reviewed the 64 books in our sample. Besides predicting the rating, for each reviewer-book pair we generated a measure of the reviewer's familiarity with the book's genres, which is calculated as the proportion of the genres of the focal book that the reviewer has read before.

We conducted multiple tests to validate our measure of predicted ratings. In figure 3 we plotted the average value of the observed rating as a function of the predicted rating for reviews in our sample of short-listed books. As expected, there is a strong, almost linear relationship between the predicted and observed rating. The effect is slightly non-linear at very high and very low predicted values, but this is expected because the ratings cannot be less than one or more than five. The Pearson correlation between observed and predicted ratings is 0.673 ($p < .01$). The R-squared of the linear regression of observed ratings on predicted ratings is 0.231. This relationship holds robustly before and after getting awards and for books in all genres. We are also able to demonstrate evidence of this relationship using regressions predicting actual ratings as a function of predicted ratings, controlling for the type of award, whether the author had written other books, or previously received awards (results not shown here). Overall, these results lend credence to our measure of the extent to which a reviewer is predisposed to evaluate a book positively as a function of his or her past evaluations of books in various genres. Moreover, to the extent that the measure fails to perfectly capture a reader's tastes, it renders our tests more conservative.

Increase in popularity. To test hypothesis 2 about the effect of an increase in audience size, we took the ratio of the number of reviews a book received in

Table 1. Descriptive Statistics and Pairwise Pearson Correlations (N = 38,817)*

Variable	Mean	S.D.	Min.	Max.	1	2	3	4	5	6	7
1. Rating	3.812	1.074	1.000	5.000							
2. Winner	.630	.483	.000	1.000	−.026						
3. Predicted rating	3.574	.690	.001	5.000	.481	−.018					
4. Popularity of book prior to short-listing (log count of reviews)	4.381	1.339	.693	6.256	.174	−.336	.084				
5. Proportional increase in popularity	3.717	4.583	.000	20.800	−.121	.441	−.050	−.578			
6. Below expectation	.043	.202	.000	1.000	−.261	.034	−.073	−.053	.046		
7. Fiction award	.654	.476	.000	1.000	−.125	.117	−.092	−.210	.236	.071	
8. Reviewer's familiarity with the book's genres	.899	.062	.100	1.000	.024	.100	−.060	−.047	.006	.002	−.096

* All correlation coefficients are significant at $p < .01$, except the correlation between reviewer's familiarity with the genre and below expectations.

the three months after the winner was announced to the number of reviews it received in the three months before the winner was announced.

Additional Independent Variables

Matching obviates the need for many controls. To test for variation in the effect of the award across different audiences and types of books, however, we included an indicator of whether the book is fiction or not and whether the book is the author's first published work. We also investigated the effect of the popularity of the focal book prior to the announcement of the award short list, measured with the logged count of reviews it had received prior to that date.

Table 1 shows the descriptive statistics and Pearson correlations of the main variables.

RESULTS

The Effectiveness of Matching and the Effects of Receiving an Award

We begin with the results of comparing award-winning books with their matched short-listed-only counterparts. Table 2 provides estimates of the effect of winning an award on various outcome variables. In each case (except for proportional increase in popularity), the sample is divided into ''reviews prior to award announcement'' and ''after award announcement.'' The results on the former sample help us demonstrate the effectiveness of the matching of award-winning books with similar short-listed books. To control for heterogeneity among awards and award-years, we included a dummy variable for each matched pair of books. The results presented in the table employ robust standard errors, but the findings hold with alternative standard error calculations as well, such as clustering on books.

As table 2 demonstrates, prior to the award announcement, the books that are merely short-listed do not differ significantly from books that will later win the award: they have the same average rating (model 1), their readers have the

Table 2. Effect of Winning an Award on Selected Variables, before and after Award Announcement*

	Rating		Predicted rating		Count of reviews		Proportional increase
	Model 1 Prior	Model 2 After	Model 3 Prior	Model 4 After	Model 5 Prior	Model 6 After	Model 7 After
Winner	0.003	−0.171•••	−0.042	−0.060•••	−0.337	0.596••	2.171••
	(0.037)	(0.016)	(0.024)	(0.009)	(0.274)	(0.270)	(0.831)
Constant	3.948•••	3.904•••	3.535•••	3.483•••	4.008•••	7.260•••	3.118
	(0.021)	(0.012)	(0.071)	(0.012)	(0.594)	(0.579)	(2.363)
Type of regression	Linear		Linear		Negative binomial		Linear
N	5,154	33,663	5,154	33,663	64	64	64
Log-likelihood	−7105.45	−48631.61	−4806	−29821	−336.1	−433.8	−143.831

• $p < .10$; •• $p < .05$; ••• $p < .01$.
* Robust standard errors are in parentheses. All models include dyad fixed effects.

same predicted rating of quality (model 3), and they receive the same number of reviews (model 5). Taken together, these results attest to the effectiveness of the matching.

Table 2 also demonstrates how the ratings of award-winning books and their matched short-listed pairs diverge after the award announcement. Model 2 shows that the ratings of the awarded books in the period after the winner is announced are on average 0.171 points lower than their matched short-listed pairs. Model 4 illustrates the audience shift: award-winning books attract readers who are less predisposed to giving the book a more favorable evaluation on the basis of their past expressed preferences. This finding confirms hypothesis 1a. Models 6 and 7 show that, consistent with hypothesis 2a, the award-winning books on average increase in popularity more and receive more reviews than their matched pairs. Taken together, these findings demonstrate the causal effects of winning a literary prize: awards in this setting lead to increased popularity, lower ratings, and lower predicted fit with audience members' tastes.

Mediation Analyses

The mediation analyses assessed how the joint effects of getting an award and the size and composition of a book's audience explain the decrease in perceived quality as evidenced in the declining ratings for award-winning books after being named winners. For ease of interpretation, we present linear regression results, but all the findings hold in an ordered logit framework as well.

Table 3 presents the results of our analyses. Models 1 through 4 present various specifications testing our hypotheses about reviewers' assessments of perceived quality *after* the announcement of the award winner. Model 1 shows that the overall effect of getting a book award on ratings is negative, as we alluded to earlier. Model 2 includes the predicted rating of the reviewer. Consistent with hypothesis 1b, the positive and significant effect of the

Table 3. Mediation Analyses: Estimated Effects of Audience Shift, Popularity, and Expectations from OLS Regressions Predicting Ratings after Award Announcement*

Variable	(1)	(2)	(3)	(4)	(5)
Winner	−0.171•••	−0.123•••	−0.046••	−0.006	0.009
	(0.016)	(0.014)	(0.021)	(0.019)	(0.017)
Predicted rating		0.821•••		0.821•••	0.787•••
		(0.009)		(0.009)	(0.012)
Proportional increase in popularity			−0.030•••	−0.028•••	−0.025•••
			(0.003)	(0.003)	(0.003)
Below expectation					−1.012•••
					(0.023)
Constant	3.904•••	0.893•••	3.943•••	0.932•••	0.676•••
	(0.012)	(0.033)	(0.012)	(0.033)	(0.050)
Observations	33,663	33,663	33,663	33,663	33,663
Log-likelihood	−48632	−44555	−48592	−44510	−43601

• $p < .10$; •• $p < .05$; ••• $p < .01$.
* Robust standard errors are in parentheses. All models include dyad fixed effects.

predicted rating variable demonstrates that reviewers tend to give a book a higher rating when it fits their tastes better. More importantly, the predicted rating mediates the negative effect of getting an award: the negative effect of being a prizewinner decreases by about 30 percent (the coefficient for being a winner is estimated as –0.171 in model 1, compared with –0.123 in model 2). Thus, as hypothesized in H1c, this result confirms that audience shifts (i.e., changes in predicted rating) partially mediate the negative effect of getting an award.[7] This mediation is significant according to the Sobel test of mediation (test statistics: –6.629, $p < .001$). Model 3 introduces the proportional increase in popularity to the specification of model 1. As hypothesized in H2b, an increase in popularity decreases ratings. The negative effect of popularity on ratings, combined with the finding that getting an award increases a book's popularity (table 2, model 7), results in the partial mediation of the negative effect of winning an award, as shown by a comparison of the coefficient on winning an award in model 1 with that in model 3. Thus hypothesis 2c is also confirmed. Somewhat surprisingly, the mediation in this case is stronger than for predicted rating and leads to a 73-percent reduction in the effect of being a winner (Sobel test statistic: 9.98, $p < .001$). Finally, in model 4 we jointly test both explanations. This produces a dramatic drop in the size (to 0.009) and statistical significance of the effect of winning an award, showing that the two mechanisms together fully mediate the negative effect of getting an award.[8]

---

[7] In analyses not shown here for the sake of brevity, we examined possible changes in the demographics of the reviewing audience before and after the award announcement. We found no difference in the gender composition of readers. We found a small age difference: those who read books later tended to be slightly younger.
[8] In models not reported here for the sake of brevity, we also included controls for the number of reviews each reviewer had completed and for the logged number of days elapsed since the book was published and the number of reviews each reviewer had completed previously. Results are robust to the inclusion of these controls.

Table 4. Variation in the Effect of Winning an Award from OLS Regressions Predicting Ratings in the Period after Award Announcement (N = 33,663)*

Variable	(1)	(2)	(3)	(4)	(5)
Winner	−0.009	−0.509•••	−0.237•••	−1.095•••	−1.322•••
	(0.029)	(0.068)	(0.017)	(0.197)	(0.213)
Fiction award	0.000				0.000
	(0.000)				(0.000)
Fiction award × Winner	−0.227•••				−0.082•
	(0.034)				(0.045)
Popularity prior to short-list announcement		0.035•••			−0.014
		(0.013)			(0.014)
Popularity prior to short-list announcement × Winner		0.114•••			0.158•••
		(0.016)			(0.018)
First-book author			−0.265•••		0.028
			(0.047)		(0.062)
First-book author × Winner			0.986•••		0.850•••
			(0.083)		(0.090)
Reviewer's familiarity with genres of the book				−0.686•••	−0.256
				(0.158)	(0.164)
Reviewer's familiarity with genres of the book × Winner				1.031•••	0.697•••
				(0.218)	(0.222)
Constant	3.906•••	3.680•••	3.908•••	4.515•••	4.104•••
	(0.012)	(0.064)	(0.014)	(0.141)	(0.157)
Log-likelihood	−48610	−48545	−48560	−48620	−48475

• $p < .10$; •• $p < .05$; ••• $p < .01$.
* Robust standard errors are in parentheses. All models include dyad fixed effects. Note that the main effect of fiction cannot be estimated because of the matched-dyad fixed effect.

Variation in the Effect of an Award across Reviewers and Book Types

The previous analyses demonstrated that getting an award negatively affects the ratings of winners on average, but this does not necessarily mean that awards have a uniformly negative effect on all kinds of books and for all kinds of reviewers. We show that this is the case by taking model 1 of table 3 as our baseline and incorporating interaction effects of winning an award with previous popularity, fiction, first-book authors, and readers' familiarity with the genres of the book.

Model 1 in table 4 investigates whether there is any difference in the effect of winning a fiction award rather than a non-fiction award. Model 1 shows that getting an award decreases ratings only for fiction books but does not lead to change in the mean rating for non-fiction books.[9] Our finding that getting an award decreases ratings for fiction but not non-fiction books is consistent with our theory, although we did not predict it earlier. As we mentioned in our discussion of scope conditions, the two mechanisms we proposed should apply more strongly in contexts in which quality is ambiguous and subject to individual preferences. It seems logical that this would be truer for fiction books than for non-fiction books.

---

[9] Note that the main effect of fiction cannot be estimated because of the matched-dyad fixed effects.

In model 2 of table 4, we explore the effect of the book's popularity prior to short-listing. The model shows that, not surprisingly, books that had been popular even before the short-listing receive somewhat higher ratings. More interesting is the interaction effect of previous popularity and winning: winning an award is more detrimental for books that have not been popular before short-listing. Note that the mean popularity prior to short-listing, which is measured as the logarithm of the number of reviews the book received prior to the shortlisting, is 4.38. That is, there is only a slight decrease for average-popularity books, and there is a slight increase for award-winning books that were already highly popular prior to short-listing. We believe that this finding is also consistent with our theory. As we argued, the negative effect of getting an award should be larger to the extent that readers read the book because it received an award. It is likely that books that had already been popular are less affected by the award because popularity was growing organically, leading more people to have already heard about the book. Thus the negative effects of the award should be weaker for already-popular books.

Model 3 of table 4 shows that getting an award is more beneficial for first-time authors than it is for others, which may be due to the greater uncertainty about the quality of books written by first-time authors. Status is typically thought to be more beneficial when quality uncertainty is higher (Podolny, 2005; Simcoe and Waguespack, 2011). Therefore it is not surprising that an award would have a positive effect on the ratings of first-time authors.[10]

Model 4 investigates the interaction of winning and the reader's familiarity with the genres of the book. We find a strong positive interaction, indicating that the less familiar the reviewer had been with the genres of the award-winning book, the more likely he or she would not like it. This finding is also consistent with our theory: not being familiar with the genres of the book is a likely proxy of the reviewer not being a fan of those genres; thus it is more likely that the reviewer read the book only because it received an award. We think of this finding as an alternative test to hypothesis 1. Finally, model 5 in table 4 combines all the mechanisms and demonstrates that these effects are independent from each other.

Robustness Checks

The effect of short-listing.   Our main set of analyses investigated how getting an award influenced the number and distribution of ratings for books. One might ask whether short-listing has the same effect, as our theory would predict that the two mechanisms we proposed would operate for short-listing as well, and thus short-listing would also lead to an increase in popularity and to a decrease in readers' ratings. Therefore we tested these propositions.

---

[10] A less interesting possible explanation for this result would be that prizewinning books by first-time authors have lower mean ratings before the award announcement than do those from authors who have published before and that other authors reach a ceiling on their ratings after the award is announced while first-time authors continue to improve. The data are not consistent with this story, however, as the mean rating for a prizewinning book by a first-time author prior to the award announcement is higher than for other authors (4.09 vs. 3.92).

We note two obstacles in testing the effects of short-listing. First, there is no natural risk set of books to be short-listed; potentially any books that were published in the year prior to the award could have been short-listed if they met the basic criteria of the prize (e.g., only biographies can be nominated for a biography prize). As we do not believe that propensity-score matching would reliably enable us to construct a control group of books with the same chance of being short-listed, we confined ourselves to a before/after short-listing comparison. The second obstacle is that the time interval between the announcement of the short list and the announcement of the winner is not long, typically between two weeks and two months. As we demonstrated in the previous section, the mechanisms we proposed unfold over time. Thus there is a window of only a few weeks in which we might expect to observe a decrease in ratings before prizewinners are announced.

To explore the consequences of short-listing a book, we compared the count and distribution of ratings prior to and after the short list was announced. We followed two empirical strategies. First, we calculated for each award in each year the number of days between the announcement of the short list and the announcement of the award winner, and then we compared that time window before and after short-listing (the mean number of days was 40.9). In the time window prior to short-listing, the books in total received 1,397 reviews, and the average rating was 3.949 with a S.E. of 0.027. In the time window while these books were on the short list, they received 1,779 reviews, and the average rating was 3.919 with a S.E. of 0.023. Thus there was a 27-percent increase in the number of reviews, which is a statistically significant increase at $p < .01$ according to a negative binomial test, but the decrease in mean rating is not statistically significant (according to a t-test in means).

As mentioned, the two mechanisms we proposed have a somewhat delayed effect, so we conducted further tests to explore whether the effect of short-listing gets stronger over time by selecting the awards for which there were at least 40 days between the announcement of the short list and the winners. We calculated the before/after comparisons on this subset of awards. In this sample, as expected, the effects were stronger: the count of ratings increased by 31 percent, from 994 to 1,298. The mean rating for these books was 4.011 (S.E. = .032) prior to short-listing and 3.954 (S.E. = .027) after short-listing. This decrease in mean rating is significant at $p < .05$. These results are in line with our theory and demonstrate that the paradox of publicity applies to short-listing as well.

Status and heightened expectations. An alternative mechanism through which a status boost might lead to a reduction in perceived quality involves the possible effect of heightened expectations. When an object enters into the consideration set because of its status or popularity, it seems likely that evaluators would tend to raise their expectations of a product's quality. For example, Merton (1968: 57) noted that in the context of science, ''more and more is expected'' of scientists as they become increasingly renowned, heightening pressures to produce new and greater results. The idea that status raises expectations can be found elsewhere in the literature, although a key finding of the status literature is that heightened expectations typically become self-fulfilling. Given that evaluations occur relative to expectations (Oliver, 1977;

Kahneman and Tversky, 1979; Anderson and Sullivan, 1993), however, it also seems plausible that raised expectations could lead to subsequent disappointment and lower ratings of quality in evaluations after the award.

To check the robustness of our results to this alternative explanation, we also analyzed the text of the reviews to assess readers' expectations. We tagged all the reviews that included any of the following expectation-related keywords: ''expect, expectation, disappoint, unmet, exceed, anticipate.'' This resulted in about 4,500 reviews. Research assistants then read the reviews and coded whether the reviewer indicated that the book fell short of expectations. For example, one reader wrote, ''I picked this book due to the awards it received. . . . I'm not certain what I was expecting, but it did not live up to the hype for me.'' Another wrote, ''An amazing story, but somehow I was expecting more from the author. . . . Perhaps my expectations for this one were too high.'' Both of these were coded as indicating that the book fell short of expectations. We identified 1,737 such reviews.

Model 5 in table 3 investigates the extent to which raised expectations are associated with lower ratings and whether this affects our main results. Not surprisingly, readers who mention that the book has disappointed them give significantly lower ratings than others, on average 1.2 stars lower, which is higher than the standard deviation of ratings. Results of logistic regressions not reported here with dyad fixed effects also showed that award-winning books are on average 57 percent more likely than short-listed books to receive ratings that indicate unmet expectations. Importantly, the effect of the two mechanisms proposed in the paper, decrease in audience fit and increase in popularity, remain significant and barely decrease in magnitude. These findings, taken together, demonstrate that while the alternative explanation of disappointment stemming from heightened expectations does occur, it does not explain away the other two proposed mechanisms.

The temporal effect of an award. We further investigated how the effect of getting an award unfolds over time, because doing so helps rule out the alternative explanation of regression to the mean. To do so, we included in model 1 of table 3 monthly dummy variables and interacted these with award winning. We then calculated the marginal effects of winning an award for each month. Figure 4 shows the estimated marginal effect over time of winning. As the figure demonstrates, there was no significant effect of the award on ratings in the first two to three months following announcement. From that point on, however, award winners received significantly lower ratings, and this effect persisted over time. We believe that this pattern is due to two mechanisms. First, as the readership of the book grows over time, the book attracts more and more reviewers whose tastes are less suited for the book. Second, the award-winning books are getting more popular, which, as we have demonstrated above, turns people off. Finally, it might take some time for reviewers to become aware of the fact that the book won the award, which creates a delay in the audience-expansion mechanisms.

Note that these results are inconsistent with one possible explanation for the negative effect of winning a prize: regression to the mean. Regression to the mean would explain our results if books were chosen because they had high ratings. Such high ratings might have occurred by chance, and, if so, we

Figure 4. The marginal effect of getting an award as a function of the time elapsed since award announcement.
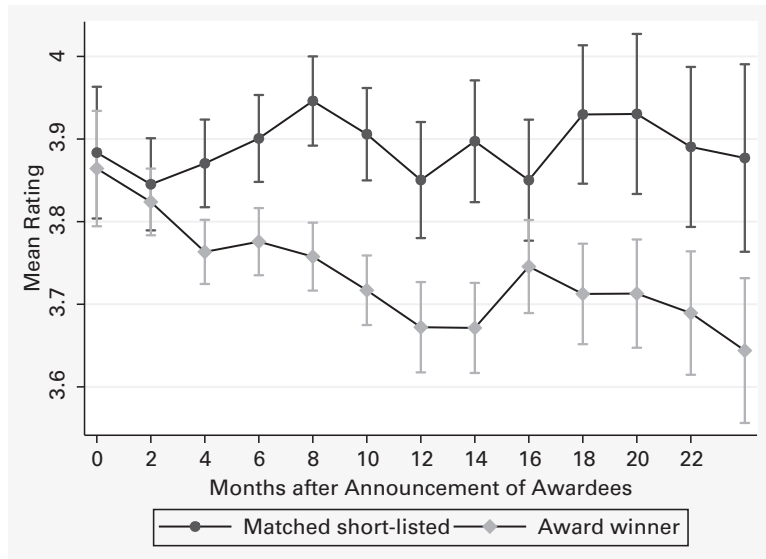
would expect ratings to decline subsequently as reviewers' assessments of the quality of the book converged on their true mean value. In the analyses here, however, winning books are matched to short-listed books with similar ratings. Thus if regression to the mean accounted for our results, it would imply that both winning and short-listed-only books would experience declining ratings in the period following the announcement of a winner. As figure 4 clearly demonstrates, however, the declining ratings occur only for prizewinners, while the ratings of short-listed-only books remain stable over time. This is inconsistent with regression to the mean.

Backlash against prizewinners. We explain the negative effect of status on evaluations as occurring due to a shift in readership and a negative reaction to a rapid rise in popularity. One alternative to our account is that a backlash against the award per se drives the findings presented earlier. We tested this by focusing on the subset of individuals who chose to read a book prior to its winning the award but evaluated it after it won. We were able to identify these readers in our data by exploiting the fact that the website has a feature that allows readers to mark a book as "added to shelf" or "started reading." We found 2,077 reviews for which the reviewer had marked the book as "added to shelf" or "started reading" before the award's announcement date but had rated the book after the winner was announced.

The logic behind our analyses of these individuals is as follows. Given that they selected a book to read before it gained status, we would not expect any negative evaluations among these readers to be due to the mechanisms that we proposed earlier. Therefore if we find a negative effect of winning an award among this subset of reviewers, it must be due to some other factor, possibly

backlash against prizewinners. If we find no such effect, we can be more certain that backlash does not produce our results.

   To test this, we restricted the sample to these reviews and reran the analyses of table 3. Results not presented here demonstrated that for this set of reviews, getting an award did not make a significant difference in terms of ratings (results available upon request). This finding confirms our general argument that the effect of the book award exerts its influence largely by shifting the audience toward readers whose tastes make them less predisposed to liking the book.[11] Moreover, it is inconsistent with backlash as a possible explanation.

DISCUSSION

Sociologists have long posited that status acts as an interpretive lens, causing the performance of high-status actors or products to be viewed in a more favorable light. The results of this study are consistent with this idea; winning a prize creates the presumption of higher quality, thereby leading to more widespread adoption. At the same time, however, we observed that status led to a reduction in quality as evaluated after having experience with a high-status product. We proposed a set of mechanisms to explain this finding. First, the composition of the audience may shift as it expands. In particular, status tends to draw in audience members who find value in the award as either a judgment aid or coordination device but who might not normally have chosen the product. The tastes of these individuals are less predisposed to the object being evaluated. This leads to a decrease in average quality ratings. Second, consistent with work in the area of fads and fashion, we found that growth in audience size, or popularity, can itself be seen as distasteful or a reason to give a lower evaluation. Our analyses of over 30,000 reviews of prizewinning books and matched finalists indicated that our proposed mechanisms together explained how a boost to a book's status led to an outcome that diverged from the conventional wisdom about the effects of social status on the evaluation of quality. While we do not claim that winning an award is exogenous with respect to the social structure of the literary world (e.g., publishers and book critics may influence who is chosen as a prizewinner), the status shock of winning an award can be viewed as exogenous with respect to Goodreads.com readers after matching. This leads us to conclude that the effects we observe are causally related to winning a prestigious prize.

   Given that the finding of a negative effect of status on perceived quality is somewhat unusual, it is worthwhile to note connections and consistencies between the mechanisms proposed here and those that have been established in the sociological literature on evaluation more generally. A key theme that has emerged from that line of work is the importance of attracting the appropriate audience. For example, Zuckerman's (1999) study of the illegitimacy discount in the stock market highlights the fact that firms tend to garner lower valuations

---

[11] One might expect that readers who started reading the book prior to the award announcement would get turned off by the increase in popularity that occurs between putting the book on their shelf and rating it. The likely reason that we did not observe this pattern on this sample of reviewers is that most of these reviewers post their reviews within a relatively short time after the announcement date (the median time is four months), and, as we demonstrated previously, the audience-shift and popularity effects follow the award announcement with a few months' delay.

from investors when the securities analysts covering the firm lack an appropriate frame of reference. In that case, the difficulty in attracting the right audience ensued when firms, primarily diversified ones, failed to conform to the institutionalized industry classification system. Our study of the literary world similarly documents a penalty in terms of lower quality ratings for books that attract the ''wrong'' readers. A surprising insight of this paper, however, is that status, which is normally thought of as beneficial, can trigger this type of negative consequence by attracting evaluators who are less disposed to viewing a product favorably. Our study is also consistent with work by Strang and Macy (2001) in the context of management practices and research by Rao, Greve, and Davis (2001) on the coverage decisions of equities analysts. The authors of those studies demonstrated that social signals such as popularity may be overused and/or misused, triggering cascades of adoption, disappointment, and abandonment. A unique feature of this paper in comparison to those, however, is that we can measure dissatisfaction and lack of fit directly rather than inferring them. Finally, the results presented here are in line with some recent work showing that the positive effects of status may be more circumscribed than previously thought after rigorously accounting for underlying quality differences (e.g., Simcoe and Waguespack, 2011; Azoulay, Stuart, and Wang, 2014).

Although it was not the central focus of this paper, our analysis of the reviews of readers who selected books to read before the book won an award also speaks to variation in the ability of high-status actors to use their social position to gain advantages across different audience groups. The empirical evidence presented here suggests that status matters little to the subset of individuals who are intrinsically attracted to a given product or individual (i.e., those who had chosen to read the book even in the absence of the award). High-status actors seem to have no particular advantage over low-status actors in this type of audience. Where status matters a great deal, however, is in attracting and influencing those who would not have been interested in a product or individual on its merits alone. This parallels Simcoe and Waguespack's (2011) findings in the setting of proposals for Internet protocols. They found that status conferred no advantage to a set of pre-screened proposals that were guaranteed attention by virtue of the structural conditions surrounding their submission. Rather, status was advantageous when attention was scarce and uncertainty about quality was high.

In addition, our findings suggest that greater caution may be warranted in the interpretation of documented positive status effects in other contexts. The beneficial effects of status may manifest themselves in different ways across various settings (e.g., higher prices, higher citation counts, greater likelihood of selection as an exchange partner), and those effects could reflect the positive impact of status on quality evaluations. But such outcomes could also be due to factors that have no bearing on an actor's assessment of quality (e.g., attention, the desire to signal legitimacy). Distinguishing between these interpretations is difficult in the absence of direct measures of how evaluators perceive quality.

This study answers the call by Sauder, Lynn, and Podolny (2012) for research that contrasts different forms of social cues, such as popularity or status, and shows how they might interact. Scholars have made progress toward deepening our understanding of the effects of status and popularity largely by studying them as exerting their influences separately. We are sympathetic

toward this approach, given the significant empirical hurdles to identifying causal effects of either status or popularity. Yet from a theoretical standpoint, this division of labor is unfortunate because it overlooks the inherent tension between status and popularity. On the one hand, high-status actors tend to be more prominent, visible, and otherwise sought-after (Goode, 1978; Frank and Cook, 1996). This implies that in cases in which adoption follows from publicity, high-status actors will typically attract larger audiences. On the other hand, part of the value of status inheres in exclusivity (Veblen, 1899; Bourdieu, 1984) and social closure (Weber, 1946; Parkin, 1979; Weeden, 2002). Thus gaining an audience (i.e., becoming popular) would appear to be problematic for high-status actors to the extent that exclusivity contributes to the value of having status. This tension comes to the fore in our theoretical model, which specifies the negative effects that follow from gaining status when it also means becoming popular. Such effects are not limited to artistic domains or areas in which identity signaling occurs; negative effects of popularity could very well occur in organizational settings in which possessing something that others lack (e.g., a particular management practice) implies competitive advantage, while widespread adoption would erode such an advantage.

While we emphasized how an increase in status might lead to a decrease in perceived quality, one might argue that popularity in certain situations is a more important dimension of success than perceived quality. For example, in the case of books, one might argue that the number of books sold is more important than average ratings, and our results do show that a boost in status has a clear positive effect on the level of readership. Thus one might say that literary awards have positive effects on the success of books. Our results, however, also indicate that the positive effect of a status boost on popularity might not persist in the long term. The growth in audience size that eventually led to lower ratings in this setting might eventually lead to lower adoption rates. Thus increases in popularity might be self-defeating and eventually undermine the initial positive effect of the status increase on popularity. As figure 1 above illustrates, starting about 3.5 years after winning the prize, the award-winning books tend to receive fewer ratings than their matched non-award-winning counterparts. Thus in the long term, status might have a negative effect on popularity as well. This is perhaps less likely to be problematic in the world of books, given that there is probably a point at which readership for a given book is saturated and that people usually purchase only one copy of a particular book. But this could be a critical issue in contexts in which the choice to retain or abandon a practice or product is recurrent and could place constraints on so-called winner-take-all markets (Rosen, 1981). Even in the literary world, the lower ratings might eventually have a negative effect on an author's sales. For example, the process we propose might manifest across multiple books by the same author such that readers of prizewinning books might have a greater tendency to be dissatisfied and a lower likelihood of reading the author's other books. Thus an author who has a book that is short-listed but does not win might be more likely to gain spillover readership for his or her other books.

The findings from this study also have implications that are specific to forms of status that inhere in prizes. Our results speak indirectly to the perennial cloud of controversy that seems to surround forms of status-granting institutions that consist of judges and juries who evaluate one winner above a set of contenders. Such debates often involve questions of whether the judges

''made the right call'' or are ''out of touch'' with the broader public. To some extent, the controversy that surrounds the awarding of this type of prize forms part of the prize's value as a source of publicity (English, 2008; Karpik, 2010). Such debates are certainly common across prizes in a range of artistic settings, but this phenomenon can be observed in other contexts as well (e.g., selection of *Time*'s Person of the Year or the naming of Nobel prizewinners).

Our study suggests that the judges and juries that select prizewinners are not out of touch with the public, at least initially, given that eventual winners of literary prizes tend to be rated slightly higher than mere finalists by Goodreads reviewers prior to the award announcement. Yet we also show that the sense of distance between prize-granting bodies and typical readers is likely to grow over time as the audience for a book that wins a prize comes to encompass more readers for whom the prizewinning book is a relatively poor fit. As we show, this group of readers eventually grows to be quite large. This raises interesting questions about how prize-granting institutions are able to maintain their legitimacy in light of the fact that a sizable segment of readers are likely to feel that judges chose poorly. Future research could investigate to what extent status can be decoupled from perceived quality, which in this case is taste-based, without the symbolic authority of the prize-granting institutions being diminished in the face of the persistent controversy that they generate.

As noted earlier, the literary world provides a number of advantages from the perspective of testing our theoretical insights. Yet readers may wonder about the extent to which our model is generalizable. We believe the mechanisms at play here are likely to be operative in other settings in which status shocks are public, audiences' tastes are sufficiently heterogeneous, and barriers to audience members purchasing or otherwise affiliating with a high-status actor are sufficiently low. These conditions operate together to generate the growth in audience size that leads to a decline in ratings among books. Together, this implies that managers need to be aware of the processes described here and to consider how to actively manage the trade-offs inherent in attracting a larger audience, albeit one potentially composed of increasingly dissatisfied consumers. Of course, the precise threshold of audience size at which status is likely to lead to negative effects on perceived quality will vary across empirical settings. Future work should examine these issues in other contexts. We suggest that some especially fruitful settings might be the domains of films, music, restaurants, management practices, and in general any ''experience good'' (Nelson, 1970) contexts in which audience members have differentiated preferences.

Like any study, ours has its limitations. While online review data provide us with a large sample of detailed observations on the tastes, preferences, and choices of readers, such data also have possible drawbacks. Namely, we assumed that reviewers' ratings provided an unbiased expression of readers' underlying assessments of books. Yet it is possible that certain filters operate when readers decide whether to review a book. For example, reviewers may be more likely to post a review if only a few other reviews have been posted. Or they might be more likely to post a review if they do not agree with the content of the previous reviews. While these effects might play a role in this setting, we do not believe them to be strong enough to account for the reported findings. Reviewers in our sample had written an average of 400 reviews, which suggests that readers do not selectively review the books they have

read. Rather, they seem to document online everything that they have read. Still, we acknowledge the probability that some reviewers selectively review books and must leave it to future research to investigate the extent and consequences of such potential selection issues.

Finally, the results of this study suggest several avenues for future status-related research. By focusing on how status distinctly influences adoption and evaluation, we were able to uncover how social cues may have different effects at different stages of the evaluation process. We found the contrast between the positive effect of status at the stage of adoption versus the negative effect at the stage of evaluation striking and think it would be beneficial for future work in other domains to parse out the distinct effects of status at different stages of evaluation. In labor markets, for example, it is well documented that individuals from high-status groups enjoy advantages in the hiring process (Bertrand and Mullainathan, 2004; Correll, Benard, and Paik, 2007; Rivera, 2012). While many studies also document status-based differences in pay for post-hire performance, the effects of status on post-hire evaluations often seem to be more muted in comparison (e.g., Castilla, 2008). Perhaps status signals in labor settings are used differently at distinct stages, although it is difficult to tell without examining comprehensive data that include both pre- and post-hire evaluations. The results presented here, as well as these summary observations of research in labor market contexts, suggest to us that it would be beneficial to focus more squarely on how and why status might be employed differently at different stages of evaluation.

In addition, we encourage further studies that build on our finding of heterogeneity in the effects of status across different audience groups. While most research in sociology and management treats status as being attached to an actor's social position, recent research also highlights that the perception of value attached to a given social position might vary across audience members and segments (Jensen, Kim, and Kim, 2011; Kovács and Liu, 2012). Our results support this perceptual view of status by illustrating that a boost in status is interpreted differently by different readers. For example, we showed that the negative effect of winning an award attenuates significantly the more familiar a reader is with the genres of the winning book and that first-time authors were less likely than others to attract lower ratings after winning an award. Similarly, we showed that awards were more detrimental for fiction books than for nonfiction. Future research should investigate possible drivers of these types of variation.

Overall, our account shows how the use of positive signals, such as status, popularity, or other forms of social proof, at the stage of adoption can have negative consequences at the stage of evaluation (cf. Rao, Greve, and Davis, 2001; Strang and Macy, 2001). Although we tested our arguments in the empirical context of the literary world, we suspect that processes such as those observed here are becoming increasingly common and should be of interest to scholars, for two reasons. First, third-party rating and ranking systems, which provide a very public, far-reaching, discrete-time status shock akin to the awards studied here are proliferating (Fombrun, 2007). At the same time, online forums in which individuals can express their evaluations, often in the quantifiable form of a rating (e.g., Yelp, Amazon), are increasingly prevalent as sources of consumer information and can have a profound effect on the organizations we study.

Acknowledgments

REFERENCES

Abbott, A.
  1981 ''Status and strain in the professions.'' American Journal of Sociology, 86: 819–835.
Adut, A.
  2008 On Scandal: Moral Disturbances in Society, Politics, and Art. New York: Cambridge University Press.
Anderson, E. W., and M. W. Sullivan
  1993 ''The antecedents and consequences of customer satisfaction for firms.'' Marketing Science, 12 (2): 125–143.
Asch, S.
  1956 ''Studies of independence and conformity: A minority of one against a unanimous majority.'' Psychological Monographs: General and Applied, 70 (9): 1–70.
Azoulay, P., T. Stuart, and Y. Wang
  2014 ''Matthew: Effect or fable?'' Management Science, 60: 92–109.
Banerjee, A. V.
  1992 ''A simple model of herd behavior.'' Quarterly Journal of Economics, 107: 797–817.
Barnett, W. P., and J. C. Denrell
  2011 ''Status, quality, and the senator's son problem.'' Unpublished manuscript, Graduate School of Business, Stanford University.
Becker, G.
  1991 ''A note on restaurant pricing and other examples of social influence on price.'' Journal of Political Economy, 99: 1109–1116.
Benjamin, B. A., and J. M. Podolny
  1999 ''Status, quality, and social order in the California wine industry.'' Administrative Science Quarterly, 44: 563–589.
Berger, J., H. Fisek, R. Norman, and M. Zelditch, Jr.
  1977 Status Characteristics and Social Interaction. New York: Elsevier.
Berger, J., and C. Heath
  2007 ''Where consumers diverge from others: Identity signaling and product domains.'' Journal of Consumer Research, 34: 121–134.
Berger, J., and C. Heath
  2009 ''Who drives divergence? Identity signaling, outgroup dissimilarity and the abandonment of cultural tastes.'' Journal of Personality and Social Psychology, 95: 593–607.
Berger, J., and G. Le Mens
  2009 ''How adoption speed affects the abandonment of cultural tastes.'' Proceedings of the National Academy of Sciences, 106: 8146–8150.

Bertrand, M., and S. Mullainathan
   2004 ''Are Emily and Brendan more employable than Lakisha and Jamal?'' American
   Economic Review, 94: 991–1013.
Bettman, J., and C. W. Park
   1980 ''Effects of prior knowledge and experience and phase of the choice process
   on consumer decision analysis: A protocol analysis.'' Journal of Consumer Behavior,
   7: 234–248.
Bikhchandani, S., D. Hirshleifer, and I. Welch
   1992 ''A theory of fads, fashion, custom, and cultural change as informational cas-
   cade.'' Journal of Political Economy, 100: 992–1026.
Bosman, J.
   2011 ''Novelist Julian Barnes wins the Man Booker Prize.'' New York Times, Oct. 19,
   p. A6.
Bothner, M. S., Y. K. Kim, and E. B. Smith
   2012 ''How does status affect performance? Status as an asset vs. status as a liabil-
   ity in the PGA and NASCAR.'' Organization Science, 23: 416–433.
Bourdieu, P.
   1984 Distinction: A Social Critique of the Judgment of Taste. Cambridge, MA:
   Harvard University Press.
Castilla, E. J.
   2008 ''Gender, race and meritocracy in organizational careers.'' American Journal of
   Sociology, 113: 1479–1526.
Clark, C. R., S. Clark, and M. K. Polborn
   2006 ''Coordination and status influence.'' Rationality and Society, 18: 367–391.
Correll, S. J., S. Benard, and I. Paik
   2007 ''Getting a job: Is there a motherhood penalty?'' American Journal of Sociology,
   112: 1297–1339.
Correll, S. J., C. R. Ridgeway, E. W. Zuckerman, S. Jank, and S. Jordan-Bloch
   2013 ''It's the conventional thought that counts: The origins of status advantage in
   third order inference.'' Unpublished manuscript, Department of Sociology and Sloan
   School of Management, Stanford University and MIT.
DiPrete, T. A., and G. M. Eirich
   2006 ''Cumulative advantage as a mechanism for inequality: A review of theoretical
   and empirical developments.'' Annual Review of Sociology, 32: 271–297.
English, J. F.
   2008 The Economy of Prestige, Prizes, Awards, and the Circulation of Cultural Value.
   Cambridge, MA: Harvard University Press.
Fleder, D., and K. Hosanagar
   2009 ''Blockbuster culture's next rise or fall: The impact of recommender systems
   on sales diversity.'' Management Science, 5: 697–712.
Fombrun, C. J.
   2007 ''List of lists: A compilation of international corporate reputation ratings.'' Corpo-
   rate Reputation Review, 10: 144–153.
Frank, R., and P. J. Cook
   1996 The Winner-Take-All Society: Why the Few at the Top Get So Much More Than
   the Rest of Us. New York: Penguin Books.
Gensch, D.
   1987 ''A two-stage disaggregate attribute choice model.'' Marketing Science, 6:
   223–239.
Gilovich, T.
   1993 How We Know It Isn't So: The Fallibility of Human Reason in Everyday Life.
   New York: Free Press.

Goldin, C., and C. Rouse
    2000 ''Orchestrating impartiality: The impact of 'blind' auditions on female musi-
    cians.'' American Economic Review, 90: 715–741.
Goode, W. J.
    1978 The Celebration of Heroes: Prestige as a Social Control System. Berkeley:
    University of California Press.
Gould, R. V.
    2002 ''The origins of status hierarchies: A formal theory and empirical test.'' Ameri-
    can Journal of Sociology, 107: 1143–1178.
Graffin, S. D., J. Bundy, J. F. Porac, J. B. Wade, and D. P. Quinn
    2013 ''Falls from grace and the hazards of high status: The 2009 British MP expense
    scandal and its impact on parliamentary elites.'' Administrative Science Quarterly, 58:
    313–345.
Granberg, D., and E. Brent
    1980 ''Perception of issue positions of presidential candidates: Candidates are often
    perceived by their supporters as holding positions on the issues that are closer to the
    supporters' views than they really are.'' American Scientist, 68: 617–625.
Haubl, G., and V. Trifts
    2000 ''Consumer decision making in online shopping environments: The effects of
    interaction decision aids.'' Marketing Science, 19: 4–21.
Heckman, J. J., and S. Navarro-Lozano
    2004 ''Using matching, instrumental variables, and control functions to estimate eco-
    nomic choice models.'' Review of Economics and Statistics, 86: 30–67.
Hsu, G.
    2006 ''Jacks of all trades and masters of none: Audiences' reactions to spanning gen-
    res in feature film production.'' Administrative Science Quarterly, 51: 420–450.
Imbens, G. W.
    2004 ''Nonparametric estimation of average treatment effects under exogeneity: A
    review.'' Review of Economics and Statistics, 86: 4–29.
Jensen, M., B. K. Kim, and H. Kim
    2011 ''The importance of status in markets: A market identity perspective.'' In J. L.
    Pearce (ed.), Status in Management and Organizations: 87–117. New York: Cam-
    bridge University Press.
Kahneman, D., and A. Tversky
    1979 ''Prospect theory: An analysis of decisions under risk.'' Econometrica, 47:
    263–291.
Karpik, L.
    2010 Valuing the Unique. Princeton, NJ: Princeton University Press.
Kovács, B., and C. Liu
    2012 ''Audience structure and status multiplicity.'' Unpublished manuscript, Institute
    of Management and Warwick Business School, University of Lugano and University
    of Warwick.
Leibenstein, H.
    1950 ''Bandwagon, snob and Veblen effects in the theory of consumers' demand.''
    Quarterly Journal of Economics, 64: 183–207.
Lieberson, S.
    2000 A Matter of Taste: How Names, Fashions, and Culture Change. New Haven,
    CT: Yale University Press.
Lynch, J. G., and T. K. Srull
    1982 ''Memory and attentional factors in consumer choice: Concepts and research
    methods.'' Journal of Consumer Research, 9: 18–37.
Malmendier, U., and G. Tate
    2009 ''Superstar CEOs.'' Quarterly Journal of Economics, 124: 1593–1638.

Merton, R. K.
    1968 ''The Matthew effect in science.'' Science, 159: 56–63.
Morgan, S. L., and C. Winship
    2007 Counterfactuals and Causal Inference: Methods and Principles for Social
    Research. New York: Cambridge University Press.
National Endowment for the Arts
    2008 ''Reading on the rise: A new chapter in American literacy.'' Accessed at http://
    arts.gov/sites/default/files/ReadingonRise.pdf.
Nedungadi, P.
    1990 ''Recall and consumer consideration sets: Influencing choice without altering
    brand evaluations.'' Journal of Consumer Research, 17: 263–276.
Nelson, P.
    1970 ''Information and consumer behavior.'' Journal of Political Economy, 78:
    311–329.
Oliver, R.
    1977 ''Effect of expectation and disconfirmation on postexposure product evalua-
    tions: An alternative interpretation.'' Journal of Applied Psychology, 62: 480–486.
Parkin, F.
    1979 Marxism and Class Theory: A Bourgeois Critique. New York: Columbia Univer-
    sity Press.
Payne, J. W.
    1976 ''Task complexity and contingent processing in decision making: An information
    search and protocol analysis.'' Organizational Behavior and Human Performance, 16:
    366–387.
Phillips, D. J., and E. W. Zuckerman
    2001 ''Middle-status conformity: Theoretical restatement and empirical demonstra-
    tion in two markets.'' American Journal of Sociology, 107: 379–429.
Podolny, J. M.
    1993 ''A status-based model of market competition.'' American Journal of Sociology,
    98: 829–872.
Podolny, J. M.
    2005 Status Signals: A Sociological Study of Market Competition. Princeton, NJ: Prin-
    ceton University Press.
Rao, H., H. R. Greve, and G. F. Davis
    2001 ''Fool's gold: Social proof in the initiation and abandonment of coverage by Wall
    Street analysts.'' Administrative Science Quarterly, 46: 502–526.
Ridgeway, C. L., E. H. Boyle, K. J. Kuipers, and D. T. Robinson
    1998 ''How do status beliefs develop? The role of resources and interactional experi-
    ence.'' American Sociological Review, 63: 331–350.
Rivera, L. A.
    2012 ''Hiring as cultural matching: The case of elite professional service firms.''
    American Sociological Review, 77: 999–1022.
Roberts, P. W., M. Khaire, and C. I. Rider
    2011 ''Isolating the symbolic implications of employee mobility: Price increases after
    hiring winemakers from prominent wineries.'' American Economic Review Papers
    and Proceedings, 101(3): 147–151.
Rosen, S.
    1981 ''The economics of superstars.'' American Economic Review, 71: 845–898.
Ross, L., D. Greene, and P. House
    1977 ''The false consensus effect: An egocentric bias in social perception and attribu-
    tion processes.'' Journal of Experimental Social Psychology, 13: 279–301.
Salganik, M. J., P. S. Dodds, and D. J. Watts
    2006 ''Experimental study of inequality and unpredictability in an artificial cultural
    market.'' Science, 311: 854-856.

Sauder, M., and R. Lancaster
    2006 ''Do rankings matter? The effects of *US News & World Report* rankings on the admissions process of law schools.'' Law and Society Review, 40: 105–134.
Sauder, M., F. Lynn, and J. Podolny
    2012 ''Status: Insights from organizational sociology.'' Annual Review of Sociology, 38: 267–283.
Shocker, A. D., M. Ben-Akiva, B. Boccara, and P. Nedungadi
    1991 ''Consideration set influences on consumer decision making and choice: Issues, models and suggestions.'' Marketing Letters, 2 (3): 181–197.
Simcoe, T., and D. M. Waguespack
    2011 ''Status, quality and attention: What's in a (missing) name?'' Management Science, 57: 274–290.
Singh, J., and A. Agrawal
    2011 ''Recruiting for ideas: How firms exploit the prior inventions of new hires.'' Management Science, 57: 129–150.
Strang, D., and M. W. Macy
    2001 ''In search of excellence: Fads, success stories, and adaptive emulation.'' American Journal of Sociology, 107: 147–182.
Van den Bulte, C., and G. L. Lilien
    2004 ''Two-stage partial observability models of innovation adoption.'' Unpublished manuscript, The Wharton School, University of Pennsylvania.
Veblen, T.
    1899 The Theory of the Leisure Class. New York: MacMillan.
Wade, J. B., J. F. Porac, T. G. Pollock, and S. D. Graffin
    2006 ''The burden of celebrity: The impact of CEO certification contests on CEO pay and performance.'' Academy of Management Journal, 49: 643–660.
Weber, M.
    1946 From Max Weber: Essays in Sociology. H. Gerth and C. W. Mills, eds. New York: Oxford University Press.
Weeden, K. A.
    2002 ''Why do some occupations pay more than others? Social closure and earnings inequality in the United States.'' American Journal of Sociology, 108: 55–101.
Zuckerman, E. W.
    1999 ''The categorical imperative: Securities analysts and the illegitimacy discount.'' American Journal of Sociology, 104: 1398–1438.
Zuckerman, E. W.
    2012 ''Construction, concentration, and (dis)continuities in social valuations.'' Annual Review of Sociology, 38: 223–245.

Authors' Biographies

Balázs Kovács is an assistant professor of organizations and management at the University of Lugano, Switzerland (postal mail: University of Lugano, Institute of Management, Via Buffi 13, Lugano 6900 CH; e-mail: balazs.kovacs@usi.ch). He received his Ph.D. from the Graduate School of Business at Stanford University. He studies various topics in organization theory, including social networks, learning, diffusion, identity, and status.

Amanda J. Sharkey is an assistant professor of organizations and strategy at the University of Chicago Booth School of Business and a visiting assistant professor of organizational behavior at the Yale School of Management (postal mail: University of Chicago, 5807 S. Woodlawn Ave., Chicago, IL 60637; e-mail: sharkey@chicagobooth.edu). Her research interests are in economic sociology and organizational theory, with a focus on social factors that have an impact on the process of valuation in market settings. She received her Ph.D. from the Department of Sociology at Stanford University.