

The Impact of Reputational Resources on Event Performance in International Film Festivals

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Our research addresses the question: How do international film festivals acquire and confer reputational resources? Elsaesser (2005) suggests that festivals function as “ad-hoc stock exchange of reputations” and “arbiters and taste-makers”. Drawing upon his work and resource based view of strategy we propose that the most valuable intangible resource of international film festivals is their reputation. Further, using Dierickx & Cool’s (1989) intangible asset stock accumulation model we propose that the competitive advantage of an international film festival depends on its stocks of reputation, while renewing advantage depends on flows of reputation. The stocks of reputation are captured by the film festival’s jury profile, and the flows of reputation are represented by the profile of directors of films included in the competition section of the film festival. Findings suggest that the stock variable –number of feature film credits of a jury member, and the flow variable - number of award nominations of a director are significantly related to international film festival performance. One of the key contributions of our study is the operationalization of international film festival reputational resources in terms of stocks and flows, and its effect on event performance.

INTRODUCTION

The resource based view on strategy argues that competitive advantage of a firm primarily rests with idiosyncratic organizational resources and capabilities (Barney, 1991; Penrose, 1959). Intangible resources in particular, provide sustainable competitive advantage because they are firm specific and are “accumulated” in the form of “stocks and flows” over time (Dierickx & Cool, 1989). Reputation can be a key intangible resource, and several studies have demonstrated a link between reputation and superior financial and social performance (Podolny, 2005; Rindova, Williamson, Petkova & Sever, 2005). However, while some studies have discussed reputation as a source of competitive advantage in cultural industries (Anand & Watson, 2004; Lampel, Shamsie & Lant, 2006), we know relatively little about the relationship between how reputation is accumulated and renewed on the one hand, and organizational performance on the other. This lack of attention is surprising, in light of the importance of reputation as a key competitive factor in cultural industries, not to mention the central role that developing reputation

increasingly plays in industries where product quality is hard to ascertain both before and after consumption (Lampel, Lant & Shamsie, 2000).

In developing our research, we draw on the resource based view (Barney, 1991; Dierickx & Cool, 1989), to argue that reputation is a resource that can acquire the idiosyncratic properties that underpin competitive advantage. We apply Dierickx & Cool's (1989) model to reputation accumulation within cultural industries. Specifically, we propose that stocks of reputation are accumulated reputational assets, and flows of reputation occur from both internal and external sources to be absorbed and further developed into stocks of reputation. Our research tests the relationship between stocks and flows of organizational reputation and organizational performance in the international film festival organizational field. International film festival field provides an appropriate context to examine this relationship for two reasons: First, the most valuable intangible resources of international film festivals are twofold: the capabilities involved in accessing, programming, and showcasing the best and latest international films; and an accumulated reputation of possessing those capabilities. In other words, the competitive advantage of international film festivals is primarily dependent upon both their stocks of reputation and renewing this advantage depends on their access to flows of reputation.

Second, international film festivals are temporary organizations (Bechky, 2006; Orlikowski and Yates, 2002). This feature presents an advantage when it comes to testing the relationship between stocks and flows of resources and performance. Whereas organizations are structures with multitude of resource flows that are continuously accumulating, film festivals as temporary organizations have relatively few resource flows, and all of them occur at a single point in time when the event is organized. This aspect of film festivals, we argue, provides a parsimonious empirical context to delineate levels of stocks and flows of intangible resources such as reputation.

The paper is organized as follows: First, we provide an overview of Dierickx & Cool's (1989) intangible asset stock accumulation model. Second, we articulate the measure of stocks of international film festival reputation - jury prestige. Second, we suggest that reputation flows may be captured by the prestige of film-makers' participating in an international film festival. Third, we propose a performance measure for an international film festival – the number of countries in which a festival film gets released. Fourth, we present the research design, data analysis, and discuss the results. Finally, we conclude by offering some directions for future research, particularly the prospects for convergence between the resource based view and institutional analysis of organizations.

THE ASSET STOCK ACCUMULATION MODEL OF COMPETITIVE ADVANTAGE

Dierickx & Cool's (1989) intangible asset stock accumulation model posits that nontradeable asset stocks rather than the tradeable ones confer sustainable competitive advantage. This is because tradeable assets are "freely tradeable" and therefore rivals can replicate any asset configuration by buying and selling them at ongoing market prices. Successful implementation of a strategy depends not just on these undifferentiated tradeable assets, but assets that are nonappropriable, highly firm specific, and non tradeable assets. Examples of nontradeable asset stocks include corporate reputation, academic institute reputation, reputation for quality, dealer loyalty, or R&D capability, etc. As there are no factor markets for nontradeable asset stocks, firms have to "build" or internally "accumulate them by choosing appropriate time paths of flows over a period of time". In essence, the model proposes that intangible assets are inherently inimitable because rivals have to replicate the entire accumulation path to achieve same level of asset stock position.

Dierickx & Cool's (1989) model consists of two parts. The first part describes the process of asset stock accumulation, and the second part identifies five features that confer sustainability of privileged asset stock positions. The authors' illustrate the process of asset stock accumulation through the "bath-tub" metaphor. At any given point in time, the stock of water is indicated by the level of water in the bath-tub, which is the cumulative result of flows of water into the tub (through the tap) and out of it (through the leak). Applying this logic to the example of R&D capability, the amount of water in the bath-tub is the stock of know-how at a particular point in time, whereas current R&D spending is the water flowing in

through the tap; and the know-how that depreciates over time is the flow of water leaking through the hole in the tub. A crucial point illustrated by the model is that while flows can be adjusted instantaneously, stocks cannot. With regard to the sustainability of accumulated asset stock positions, the model argues that it depends on the extent to which asset accumulation processes exhibit the following properties: time compression diseconomies, asset mass efficiencies, interconnectedness, asset erosion, and causal ambiguity.

As far as we are aware, only two studies - Decarolis & Deeds (1999) and Knott, Bryce & Posen (2003) have empirically tested Dierickx & Cool's (1989) model. The former tests just the process of asset stock accumulation, and the latter tests both accumulation and validity of three of the five properties outlined in Dierickx & Cool's (1989) model: time compression diseconomies, asset mass efficiencies, and asset erosion. And in both the cases the empirical context was the U.S. pharmaceutical industry, and the units of analysis were organizations and not events. Decarolis & Deeds (1999) examine the relationship between organizational knowledge assets in the form of stocks and flows and firm performance. Knowledge flows are captured by variables such as geographical location, alliances, and research and development. Knowledge stocks are captured by variables such as scientific citations, products in development, and patents. Findings show that geographical location, scientific citations, and products in development are significant predictors of firm performance.

Knott, Bryce & Posen (2003) investigate three questions: Is Dierickx & Cool's (1989) model of asset accumulation correct? Are the asset stocks more important than asset flows in the firm's production function? Does the accumulation process deter rival mobility? The study concludes that Dierickx & Cool's (1989) model is partially correct as only two out of three properties tested - time compression diseconomies and asset erosion are significant. Findings show that asset stocks do accumulate, but are in no way more important than asset flows in the firm's production function. With regard to the third question, the study finds that accumulation process is not inimitable, and therefore does not deter rival mobility. Notwithstanding the conflicting results, the authors' urge further research using other intangible assets, especially reputational assets.

Building on Knott et al.'s (2003) empirical finding, we concentrate our research on the first part of Dierickx & Cool's (1989) model of asset stock accumulation and presents an initial framework of the process of reputation accumulation. We propose that stocks of reputation are accumulated reputation assets within the firm, and flows of reputation occur from both internal and external sources to be absorbed and further developed into stocks of reputation. Further, our research tests the relationship between stocks and flows of firm reputation and performance in the international film festival organizational field. Next, we conceptualize the underlying reputation of international film festivals in terms of Dierickx & Cool's (1989) stocks and flows of reputation and propose a few hypotheses.

STOCKS AND FLOWS OF INTERNATIONAL FILM FESTIVAL REPUTATION

In Hirsch's (1972) terms international film festivals constitute a system of events that mediate the flow of films between producers and consumers. Further, Elsaesser (2005) proposes that one of their key functions is to "categorize, classify, sort and sift, celebrate, and reward the world's annual film-production". Drawing upon Holbrook's (1999) work on expert judgments of films we argue that international film festivals possess esoteric expertise to offer judgments about a variety of films such as feature, shorts, avant garde, etc. Consequently, as films derive their value from subjective experiences that rely heavily on using symbols in order to manipulate perception and emotion, film professionals and movie-goers have difficulty in identifying and establishing clear standards of quality. Instead, they resort to using "social proofs" of distinction in the form of reputation and status (Rao, Greeve, & Davis, 2001).

Creating and accumulating reputation offers an international film festival the following benefits: the ability to attract the best films of the year; the chance to premiere a film; the ability to attract top notch film makers to showcase their talent; the attention from leading media outlets; the ability to broker deals between producers, distributors, and exhibitors; the ability to attract increasing number of visitors or audiences; the ability to garner substantial commercial sponsorships, etc. Growth in reputation, and its

accompanying benefits, in fact constitutes a virtuous cycle. As an international film festival's gains in reputation, it attracts best, newest, and to be premiered films, and as a consequence, attracts yet more prominent films, and reputed film makers. This virtuous cycle, according to Podolny (1996) corresponds to Merton's Matthew Effect, which states that high status actors are more likely to receive greater rewards for a given quality effort. Our research views this virtuous cycle as an accumulation process and focuses on the relationship between an international film festival's reputation in the form of stocks and flows and its performance.

Towards that end, we suggest variables that capture stocks and flows of international film festival reputation. The international film festival field consists of three groups of stakeholders: general public, professionals, and public partners (Telefilm Canada, 2004). Of these, the professionals who are associated with an international film festival's flagship 'in-competition' section are the most important. They include programmers who nominate the films, the jury that adjudicates the winning films, and the film makers whose films have been nominated. Though the programmers play a key role in configuring the 'in-competition' section by selecting around 20 films from thousands of submissions, they remain anonymous or obscure for some reason from the public. Whereas, the other two groups of professionals, the jury, and the film makers whose films have been nominated, become the focus of attention by the media and festival-goers alike, and therefore, function as the public face of a film festival. We propose that stocks of reputation can be captured by the film festival's jury profile. And flows of reputation are represented by the profile of directors of films included in the competition section of the film festival.

Elsaesser (2005) argues that international film festivals function as competitive venues for artistic excellence in cinema, very much like Olympic Games do in the sporting field. Competitive international film festivals usually give out awards for films in categories such as the best film, best actress, best actor, best director, best screenplay, and best short film. The award for the best film is the most important, and is again usually christened as Golden Palm (Cannes), Golden Loin (Venice), Golden Bear (Berlin), etc. The next important awards are Silver medals, and Bronze medals usually given out for directing, acting, and best screenplay. These awards are adjudicated by a specially appointed international jury comprising of high profile artists, directors, actors, writers, intellectuals, etc. With regards to the film professionals on the jury, most of the film festivals appoint film makers who have featured their films or in other words are an alumnus. Like for instance, Quentin Tarantino's film 'Pulp Fiction' won the Golden Palm at Cannes in 1994, and in 2004 he was the head of the jury.

However, it is also very common to see film makers being on juries of more than one festival in the same year, like for instance, at Berlin in February and at Cannes in May. Therefore, they are very mobile, in the sense of not being tied to a particular festival. And as there are not many people who are eligible to act as film jurists, the film festivals compete to invite high profile and prominent film makers on to their juries. The announcement of the list of jury members with the chairperson immediately follows the unveiling of competing films. In so doing, an international film festival seeks to focus attention not only on the films that are vying for top honors, but also on the reputation of the jury members who will adjudicate the winners. In other words, a film festival's jury reputation becomes a strategic resource that might have performance implications. This gives us the following hypothesis:

H1: An international film festival's jury reputation will have a positive impact on event performance.

Elsaesser (2005) argues that international film festivals "compete for and are dependent on a regular annual supply of interesting, innovative or otherwise noteworthy films". In particular, they are competing for two types of resources: Firstly, a "regular roster of star directors", and secondly, an opportunity to "discover" new auteurs and a "new wave" or 'nouvelle vague' of cinema. International film festivals can elevate directors to internationally recognized auteur status. For instance, 1960s saw Cannes anointing Satyajit Ray, Ingmar Bergman, Luchino Visconti, Francois Truffaut, Jean-Luc Godard, in the 1970s, American directors Robert Altman, Martin Scorsese, Francis Coppola, and in the 1980s, Chinese directors

Zhang Yimou and Chen Kaige. Likewise, the premier American festival Sundance discovered and elevated the status of directors such as Quentin Tarantino and Steven Soderbergh.

Film festivals are also ideal venues for conferring recognition on new film making styles, or what is often referred to as “new waves”. Cannes, for instance, has played host to new cinema waves such as Italian neorealism, French Nouvelle Vague, and the “new” Iranian cinema. Such discoveries are more the product of media reporting, rather than part of the official mandate of the festival. But nevertheless they form part of the mystique of Cannes, and widely emulated by other festivals such as Sundance. Struggling to formulate a more precise definition of what constitutes a wave, Nichols (1994) proposes that one new auteur is a “discovery”, two new auteurs is a “new wave”, and three new auteurs from the same country constitute a “new national cinema”. By anointing auteurs, and initiating new waves of cinema, the festivals seek to appropriate the accompanying credit and reputation. In Elsaesser’s (2005) words “a festival is an apparatus that breathes oxygen into an individual film and the reputation of its director as potential auteur, but at the same time it breathes oxygen into the system of festivals as a whole”. Further, he states that “with every prize it confers, a festival also confirms its own importance, which in turn increases the symbolic value”. A healthy flow of these two resource streams, we propose not only confirms a festival’s importance and purpose, but also helps differentiate it, thereby offering it a competitive advantage over the rest. In other words, a film festival’s nominated directors’ reputation becomes a strategic resource that might have performance implications. This gives us the following hypothesis:

H2: The reputation of film directors whose films appear in an international film festival will have a positive impact on event performance.

DATA AND METHOD

The sample used in this study was generated from a list of 49 international film festivals accredited by the International Federation of Film Producers Associations (FIAPF). Though there exist somewhere in between 600 to 3000 film festivals worldwide (Turan, 2002), the most important among these are the ones accredited by (FIAPF). The FIAPF has member organizations from 24 leading film producing countries including China, Japan, USA, and India. The FIAPF website states its role “as a regulator of international film festivals”. And Elsaesser (2005) seems to concur when he argues that FIAPF accreditation is widely accepted as the gold standard for international film festivals. FIAPF accredits festivals in four categories: competitive, competitive specialized, non-competitive, documentary and short. The 12 festivals in the competitive category are considered the “A” list festivals and include all the best European ones like Cannes, Venice, Berlin, etc. The second category - competitive specialized or “B” list festivals consist of 26 festivals. These showcase films that focus on a particular regional cinema such as Mediterranean cinema, or on a particular topic such as children’s films or films by debutant directors.

Our sample includes only festivals that showcase full length feature films, and excludes the non-competitive film festivals as they source their films or resources from the competitive ones. Thus, the initial sample consisted of 38 film festivals. The data collected pertained to the year 2004 as it offered the best opportunity to fully capture the dependent variable – a film’s release dates after its festival debut. Missing data forced us to drop 13 film festivals, and therefore our final sample consists of 25 of the world’s leading film festivals: Cannes; Berlin; Venice; Locarno; Karlovy Vary; San Sebastian; Montreal; Moscow; Tokyo; Cairo; Shanghai; Brussels; Istanbul; Goeast; Sarajevo; Namur; Warsaw; Stiges; Thessaloniki; Molodist; American Film Institute Festival; Flanders; Sao Paulo; Gijon; and International film festival of Kerala. The data was collected from both the film festivals websites and [imdb.com](http://www.imdb.com).

Dependent Variable

Measuring the performance of international film festivals is very difficult as they possess attributes that are not just economic in nature but also artistic, cultural, and political. Certain tractable dimensions do exist that can be used as performance indicators, these include such as number of films presented, box-

office earnings of the films presented, number of media attendees, number of sales companies and buyers, number of admissions, etc. However, we argue that the performance measure should truly reflect the stated objectives of international film festivals. Almost all the leading film festivals state that one of their primary objectives is to promote cinema as a global art form. Similarly, Elsaesser (2005) argues that international film festivals function as cartographers of the “world’s cinema production and the different nations’ film cultures”. Further, one of the primary motives of film makers presenting their films at various festivals is not financial gain, but to acquire international “prestige, honour, fame, or recognition” (Ramey, 2002). Therefore, we propose a new performance measure for international film festivals, which is also our dependent variable: number of countries in which a film is exhibited after its festival debut. The dependent variable was measured by counting number of country releases a film has, excluding double or more releases, including non commercial releases like special exhibition venues or being shown at an international film festival. Further, each film festival’s number of country releases was obtained by averaging the count of individual film releases. Like for instance Cannes had 8 in-competition films and its average country release count was 31.625 (253/55+23+27+31+20+44+34+19).

Independent Variables

We operationalize the two independent variables in our study: stocks of festival reputation through the reputation of jury members, and flows of festival reputation through film director reputation. This operationalization is consistent with recent research within the resource based view which has used individual reputation as an indicator of a firm’s intellectual capital. For instance, Rindova, Williamson, Petkova & Sever (2005) propose the following variable as antecedents of business school reputation: Student GMAT scores, faculty experience in years, faculty publications, and faculty PhD degree. Rothaermel & Hess (2007) argue that innovation in biotechnology companies is a function of “star scientists”. The reputation of star scientists is measured in terms of their “star publications” and “citation stars”. Wade, Porac, Pollock & Graffin (2006) propose that a CEO’s celebrity status is a valuable intangible asset for a firm. They measure a CEO’s reputation through the awards won at the Financial World’s annual CEO of the Year competition.

Similarly, within the film industry research, the worth of a film production is assessed through the reputation of various individuals associated with it such as the director, producer, actors’, screenwriter, etc. Simonton (2004) uses 7 types of film awards in 16 different categories to assess individual and group artistic creativity in film productions. Perritti & Negro (2006) measure the status of film directors and actors by the number of Oscar awards or New York Film Critics Circle Awards they have won in the past. And film professionals who have accumulated such reputation are invited by the international film festivals to be part of their juries. Baumann (2001) suggests that competitive film festival bestow artistic merit on films as their competitions are juried by individuals who have claim to an expert status within the field. Therefore, we suggest that the reputation of a film professional on a festival’s jury is an appropriate measure for the festival’s stock of reputation variable. Towards that end, we measure it in three ways: Number of feature film credits he or she has; Number of years of experience since his or her debut; and Number of award nominations he or she has won.

The variables were calculated as follows: Number of film credits – count of feature film credits; Number of years of experience since his or her debut – count of number of years since his or her first debut film till 2004; Number of awards he or she has won – count of number of award nominations from a specially constructed index of world’s important awards. The index consists of 78 most important awards from 40 leading film producing countries (See Appendix B). The list includes all the 23 member countries of the International Federation of Film Producers Associations (FIAPF). Further, we added another 17 countries that also had significant film output. Further, each film festival’s number of directors’ years was obtained by averaging the count of individual director’s years. Like for instance Cannes had 8 in-competition directors and their average years of experience was 17.625 (141/15+27+21+13+29+20+12+4). Number of directors credits, and number of directors awards for each film festival were calculated in a similar way.

Though a film is a collaborative effort of many creative individuals, the director's role is paramount. The auteur theory states that a film's "authorship" lies with its director as his or her personal artistic vision is responsible in crafting it (Caughie, 1981; Becker, 1982). Simonton (2004) supporting this theory argues that "73% of all pictures that received the Best Picture Oscar have also claimed the Oscar for Best Director". Further, Elsaesser (2005) proposes that international film festivals such as Cannes have fostered auteurism by not only retaining the director as the "king pin" of a film production, but the entire festival system itself. Evidence to this is almost all the film festivals list the film director's name alongside the title of the film. Therefore, we suggest that the reputation of the director of a film included in the festival is an appropriate measure for the festival's flow of reputation variable. Towards that end, we measure it in three ways: Number of feature film credits he or she has; Number of years of experience since his or her debut; and Number of awards he or she has won. The variables were calculated in the same way as that of the other independent variable –jury member reputation.

Control Variable

Previous research on reputation suggests that age may be positively related with reputation (Deephouse & Carter, 2005). Older international film festivals have an established past of achievements and deep ties and relationships with all the stakeholders within the film festival field. They possess superior stocks of jury reputation, and command stellar flows of film directors' reputation, and therefore their films are exhibited in more number of countries. The age of an international film festival is calculated by deducting its debut year from the year 2004.

ANALYSIS AND RESULTS

The data were analyzed using linear regression, and descriptive statistics are presented in Table 1. The correlation matrix is presented in Table 2.

**TABLE 1
DESCRIPTIVE STATISTICS**

	Mean	Standard Deviation
Age	32.44	18.518
Director Years	10.78	6.639
Director Credits	7.13	4.750
Director Award Nominations	3.64	4.231
Jury Member Years	19.62851	7.136640
Jury Member Credits	17.05460	10.358716
Jury Member Award Nominations	5.24811	4.236891

TABLE 2
CORRELATION MATRIX

		1	2	3	4	5	6	7
1	Age	1.00						
2	Director Years	0.11	1.00					
3	Director Credits	0.305	0.723*	1.00				
4	Director Award Nominations	0.560*	0.176	0.254	1.00			
5	Jury Member Years	0.066	0.317	0.125	0.113	1.00		
6	Jury Member Credits	0.271	0.074	0.142	-0.053	0.529*	1.00	
7	Jury Member Award Nominations	0.076	-0.227	-0.271	0.105	0.319	0.252	1.00
8	Number of Country Releases	0.682*	-0.20	-0.031	.700*	0.045	0.276	0.316

We run three regression models to test the effects of jury reputation, and director reputation on the number of countries a festival film is released. The results are presented in Table 3.

TABLE 3
REGRESSION RESULTS – BETA COEFFICIENTS

	Model 1	Model 2	Model 2
Age	0.454 **	0.641 ***	0.317 *
Director Years	-0.258		-0.176
Director Credits	-0.115		-0.146
Director Award Nominations	0.520 **		0.614 ***
Jury Member Years		-0.146	-0.181
Jury Member Credits		0.107 †	0.321 *
Jury Member Award Nominations		0.286	0.125
Adjusted R ²	0.675	0.461	0.726
F-Statistic	13.479	6.139	10.104
Significance of F	0.000	0.002	0.000

N =25 for all models

†*p* < .1 **p* < .05 ***p* < .01 ****p* < .001

In model 1, we introduce the control variable - age of the film festival, and all the flows of reputation variables: director years, director credits, and director awards. Age of the festival, and director award nominations are significant predictors of number of country releases. In model 2, we introduce stocks of reputation variables together with the control variable. The age of the festival continues to be a significant predictor, and one of stock variable - jury member credits is weak in its effect on number of country releases. In the final model, we introduce all the variables – age, and stocks and flows of reputation. The results show that one stocks of reputation variable – jury member credits, and one flows of reputation variable – director award nomination, along with age are significant predictors of country releases. Therefore, we find support for both hypotheses, but only with respect to some measures of reputation - specifically, the number of jury member film credits and the total number of a film director’s previous award nominations.

DISCUSSION

Our research examines whether the level of stocks of reputation, and flows of reputation of international film festivals affect their performance. It conceptualizes stocks of reputation of an international film festival in terms of the nominated film directors' reputations. The stocks of reputation of an international film festival are conceptualized in terms of its jury members' reputations. The underlying rationale in classifying director reputation as flows, and jury reputation as stocks, and not vice versa, is as follows: First, because stocks of reputation are accumulated flows of reputation. However, we see instances where stocks are acquired without resorting to accumulated flows reputation. Like for instance, the birth of a new scholarly journal. The reputation of a new scholarly journal is signaled more by the reputation of scholars on its editorial board, than the reputations of authors publishing in its initial issues. Similarly, the reputation of a nascent international film festival is signaled by more by the reputations of the jury members adjudicating the competition. Therefore, the distinction between what constitutes stock as opposed to flows is blurred and confounding in the case of nascent institutions. Otherwise, in the long run, it is very clear that stocks are accumulated flows.

Second, in case of jury selection, international film festivals only invite those film makers who were their discoveries or have been previously featured in their competition sections. In fact, Elsaesser (2005) suggests that by grooming newly discovered auteurs for potential jury positions, the international film festivals seek fresh directions. Moreover, FIAPF prohibits a new film festival that is under consideration for accreditation from holding juried competitions. Though this rule might be in place to safeguard the interests of established festivals, it clearly points out two things: First, that jury resources are strategic in nature, and second, they can only be exploited through the process of accumulation. Therefore, we conceptualize stocks of reputation as accumulated reputational assets at a point in time which are continuously augmented and replenished by flows of reputational assets. Further, in Dierickx & Cool's (1989) words, film director reputational assets can be adjusted, but jury member reputational assets cannot. Drawing upon previous studies, we operationalize film director reputation through three variables: Number of feature film credits he or she has; Number of years of experience since his or her debut; and Number of awards he or she has won. Likewise, we operationalize jury member reputation through three variables: Number of feature film credits he or she has; Number of years of experience since his or her debut; and Number of awards he or she has won.

Results show partial support for both hypotheses. In each of the hypotheses, one important variable is found to be positively associated with film festival performance. In the first hypothesis about stocks of reputation, number of credits a jury member has significantly predicts film festival performance. There is no support for other two variables: jury member experience in number of years since his/her debut, and awards won the jury member. This shows that nominated films at international film festivals with experienced jury members in terms film credits are more likely to be released in greater number of countries. This seems plausible, and can be explained by the way international film festivals introduce their jury members, usually through a short biography in their press materials or websites. For instance, Quentin Tarantino was Cannes's president of the jury for 2004. And his 220 word biography reads like this:

“Quentin Tarantino was born in 1963 in Knoxville, Tennessee. He spent his youth in a suburb of Los Angeles and becomes interested in film at an early age. His passion leads him, at the age of 22, to work in a video store where he spends his days with his friend Roger Avary, with whom he wrote *Pulp Fiction* several years later. It's during this time that he decides to edit his first scripts. Owing to the sale of his scripts *True Romance* and *Natural Born Killers* he directs his first film *Reservoir Dogs* in 1992. The film is widely distributed and becomes one of the best cop thrillers of the 90s. His second film, *Pulp Fiction* wins the *Palme d'Or* at the 1995 Festival de Cannes. In 1997 he shoots *Jackie Brown*, one of the best films of the decade, a tribute film to American cinema of the 70s. With *Jackie Brown*, Quentin Tarantino crosses over into the realm of great filmmakers.

Following an absence of five years, Quentin Tarantino is back on the studio lot in 2002 with *Kill Bill*. Originally produced as a single film, it is finally released in two parts: *Kill Bill Volume 1* and *Kill Bill Volume 2*. He is planning to start work on the third and final opus of his *Kill Bill* saga". <http://www.festival-cannes.fr/index.php/en/archives/artist/866>

Though Tarantino has been nominated to 31 of world's leading awards, the biography just cites only Cannes's Palme d'Or award. And it cites only 8 films out the 14 films he has directed till 2004. Though, it is not clear whether the festival or Quentin Tarantino himself has authored the biography, it is clear that international film festivals prefer to project the jury member's past without indicating in full their awards or experience. This is also true in the case of Steven Soderbergh, the acclaimed American director who was on the Cannes jury for 2003. His biography mentions 10 of his films, and just two Oscars, and one Palme d'Or award, despite his three nominations at Berlin film festival, and one nomination at Sundance film festival.

On the other hand, in the second hypothesis about flows of reputation, number of awards won by directors significantly predicts film festival performance. There is no support for other two variables: a director's experience in number of years since his/her debut, and the number of film credits to his or her name. This shows that nominated films at international film festivals with highly acclaimed directors in terms of awards are more likely to be released in greater number of countries. This finding is consistent with institutional analysis of cultural fields that argues awards, honors, and prizes are especially important in cultural production as they represent forms of legitimacy (Bourdieu, 1984). Moreover, Mezias and Mezias (2000) suggest that "some measures of innovativeness that might be appropriate in the context of modern feature film industry, such as garnering awards, critical acclaim, or a massive box-office opening". Elsaesser (2005) argues that leading international film festivals such as Cannes profess a strong commitment to artistic excellence, usually displayed through awards and prizes. He further states that "with every prize it confers, a festival also confirms its own importance, which in turn increases the symbolic value of the prize". Therefore, our findings suggest that international film festivals see award nominated directors as superior flows of resources.

CONCLUSION

The paper examines the relationship between stocks of reputation, and flows of reputation in event performance within the international film festival field. As we previously stated, at present we seem to have only two studies that have empirically tested Dierickx & Cool's (1989) model - Decarolis & Deeds (1999) and Knott, Bryce & Posen (2003). Though, our study tests only asset stock accumulation process, the first part of their model, the findings have wider implications for the model. First, both previous studies have focused on scientific assets in bio-technology industries. Our study is the first to consider reputational assets. Second, our results show that both flows of reputation and stocks of reputation are important, but do not indicate their sustainability over the long run. Future studies should explore the effect of reputation erosion or leakage with a view to understanding the sustainability of accumulated reputational asset stocks more generally.

We believe that our study also makes a contribution in the emerging dialogue between strategy research and institutional analysis of organizations. This paper localizes the dialogue in the area of cultural industries/cultural fields, an area where many of the traditional attributes of strategy must be extended to reflect the unique properties of cultural products. Here institutional analysis of organizations is particularly useful.

Institutional analysis of cultural fields examines the production and distribution of institutionalized cultural forms like art works, cuisine, religious practices, juridical ties, etc. These forms are enacted by a web of interactions between people with occupational identities, formal organizations, and markets. Studies within this perspective have examined the role of reputation in the production and distribution of institutionalized cultural forms. Anand and Peterson (2000), for instance, propose that Billboard charts function like reputation indices, and overtime have morphed into a summary measure of success or failure

in records business. Rao, Monin & Durand's (2003) research on French gastronomy shows that the socio-political legitimacy of the nouvelle cuisine chefs was mainly responsible for the growth of nouvelle cuisine as a high-status rival to that of the classical cuisine. The study identifies nouvelle cuisine chefs' reputation in the form of Michelin Guide's star ratings as one of the key sources of legitimacy. Watson and Anand (2006) argue that Grammy awards shape the canon formation process in the U.S. popular music field by constructing and purveying prestige that embodies the "hallmark of peer recognition".

However, as clearly brought out by the above review, the extant literature on institutional analysis of organizations has focused more on identifying the benefits of reputation acquisition, and less on explicating the process through which reputations are acquired and developed in the first place. Rao's (1994) suggests that "there has been little contact between resource based researchers and neo-institutionalists" (Meyer & Rowan, 1977; DiMaggio, 1982). In this spirit, our present study suggests that Dierickx & Cool's (1989) model is a good departure point for integrating institutional analysis with the resource based view, thus addressing Rao's (1994) concern that resource based perspective has overlooked the institutional process of legitimation which can often play an important role in creating and sustaining competitive advantage.

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