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**EXTENDING LINKAGES BETWEEN ORGANIZATIONAL
ANALYSIS AND SOCIAL STRUCTURE: A CASE STUDY OF
THE CELEBRITY-CONSTRUCTION OF A
CHINESE MARKETPLACE**

By: Marc Jacobs

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EXTENDING LINKAGES BETWEEN ORGANIZATIONAL ANALYSIS AND SOCIAL STRUCTURE: A CASE STUDY OF THE CELEBRITY-CONSTRUCTION OF A CHINESE MARKETPLACE

Mark Jacobs*

This paper examines the emergence of firm-celebrity, both an intangible-asset, and a facilitator of competitive advantage. Institutional approaches have asserted that organizations from the same organizational field and characterized by comparable structural positions face similar structural forces. These result in isomorphic tendencies, and similarities among firms. But, in any organizational field, differences among firms also exist. Apart from research on variations resulting from intra-organization factors, however, firm-differentiating processes have not received much attention. This paper focuses on various firm-external social constructions: legitimacy, reputation, and status, and how they impact the emergence of firm-celebrity, a construct that helps to differentiate one firm from another. The paper adopts a historical, relationally framed approach, which features a firm-celebrity case study.

The recent calls by scholars for a greater coherence within management research between organizational analysis and social structure have yet to be fully heeded (Lounsbury & Ventresca, 2003). There remains much work to be done in order to reap the benefits

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gained from an expanded understanding of the relationships existing between organizations and other socially constructed, relationally situated, social-structures (and between the social structures, themselves). Many have complained about a lack of effort in this area (Dobbin, 2008; Emirbayer & Johnson, 2008). They have called for less compartmentalized, relational studies examining inter-actions between agency and structure, and between structure and structure. An existing problem, however, has been the existence of a dichotomy in research positions, with those championing atomistic, individualistic accounts tending to separate themselves from individuals promoting structural positions and vice versa (Heugens & Lander, 2009: 61). Gaps exist.

This study seeks to bridge these gaps. Through an incorporation of the notion of fields, or realms consisting “of all relevant actors in a social space” (Dobbin, 2008: 56), it combines issues of agency with notions of social structure to show how a hierarchical framework of social standing emerges (Vandenberghe, 1999: 53). Such an approach involves a focus not only on agency, but also on how “structured structures...function as structuring structures” (Bourdieu, quoted in Vandenberghe, 1999: 48). The paper posits that the motivation for actors to undertake structurally influencing actions is not only the actors’ own hopes of achieving an improved action-environment for themselves, but also the actors’ cognizance, via an ongoing monitoring of their environment, of the competitive environments they face (White, 1981). Individuals are aware of their social embeddedness (Granovetter, 1985), and this realization influences the actions they choose and the norms they follow. Such a view is in line with the conceptualizations of social-exchange theorists, who believe that the success of social norms depends on mechanisms inherent within ongoing social relationships (Nee & Ingram, 1998: 24).

In its formulation, the paper relies upon an inductively founded case-study, which draws its principal strength from an integration of theory and interview results, to investigate the manner by which a chosen organization, one situated in a non-U.S. based environment, garnered competitive advantage in the form of firm-celebrity (Rindova, Pollock & Hayward, 2006: 66). The study heeds the current suggestions of scholars advocating a heightened focus on the “natural history” of organizations, wherein an enhanced understanding of organizational change is achieved through a reliance on a temporally based perspective, which gives weight to the manner by which organizational changes occur over time (Davis & Marquis, 2005: 333). In addition, the paper also adopts a relational view (Emirbayer, 1997; Emirbayer & Johnson, 2008; White, 1992). It focuses on the processes of narration, presentation, and action relied upon in the initiation and construction of the in-focus structural form. The principal foci of the investigation are how, in a particular real-life situation, the celebrity-attainment process took place.

A specific goal of the paper, one that is intended to help extend further the linkages between organizational analysis and social structure, is the fostering of understanding regarding the inter-relations between celebrity and three socially constructed intangible assets: legitimacy, reputation, and status. The little, existing work pertaining to firm celebrity, apart from theorizing about the methods actors should rely upon to achieve celebrity for their organizations, has actually tried to differentiate celebrity from these other constructs (Rindova, et al., 2006). It has not attempted to relationally link celebrity with them. In this paper, however, the center of attention is on how the processes of celebrity attainment depend upon its inter-relations with legitimacy, reputation, and status. Such an approach is important because it shows the inter-linkages between the

structures, not just at a particular instant, but also over time. The significance of such a dynamic approach has been noted elsewhere (Barney, 2001: 51).

This focus is not only important in and of itself, but more so given the fact that the research environment selected for the empirical portion of the paper is a non-U.S. situated one. The preponderance of existing research concerning intangible assets has paid overwhelming attention to developments within the U.S., only. The current study, given its China-situated location, offers the potential to add to overall understanding by unearthing insights regarding the possible outcomes in other, non-U.S. locales. For example, with respect to issues of status in U.S.-focused research the key variable of consideration has tended to be the market ties an actor has with other high-status actors (Benjamin & Podolny, 1999; Han, 1994). These ties are said not only to promote information flow and resource acquisition, factors of critical importance to success within a market environment, but also to influence how others perceive an actor in terms of its quality and performance. But the frameworks and results relied upon in these studies are premised on the existence of a strong market context. It remains to be seen whether such ties are of similar importance in other societies, places where the market is less of a focus. In fact, in hybrid economies, economies transitioning from a state-led economy to a more marketized one, a situation of “politicized capitalism” frequently exists (Nee & Opper, 2007). And, under such a context, commercial action frequently depends on political connections. Researchers have asserted that in these locales ties to the government should thus be of more significance than would be the case in market economies, where prices play more of a determining role (Ibid: 107).

With respect to the ordering of this paper, I divide it into this introduction and four additional sections (one of which is the conclusion). The first section (following the introduction) starts out with a discussion of celebrity, defining the construct and then shifting to a consideration of the manner by which firm-celebrity attainment has been characterized in existing literature. Past depictions have emphasized the role of the media in this process, directing little attention to other important factors. While the media certainly plays a critical role in the celebrity-development process, the stress in this paper is on how other intangible assets, legitimacy, status, and reputation, also relate. The paper puts forth various propositions concerning the roles of these constructs in the celebrity-development process. The second section is made up of the empirical results from the case study. It introduces the case-study subject, the Yiwu Small Commodities Market (subsequently referred to as Yiwu or the Yiwu marketplace), and outlines how this organization moved from a situation of near anonymity to become China's most famous center of trade. Given that in China there are now more than 4,000 marketplaces having total sales of over 100 million RMB (around USD15 million) annually (Song, Wang and Wang, 2008, P. 3), this has been no simple task. The section summarizes the process of Yiwu's celebrity development. The third section, in a general sense, focuses on the relevance of the Yiwu story to celebrity scholarship interlinking the history of this process with a discussion of the paper's earlier comments and formulated propositions. The paper's fourth and concluding section presents a summary of the paper's main points.

FIRM-CELEBRITY, EXISTING VIEWS OF ITS CONSTRUCTION, AND HOW LEGITIMACY, REPUTATION AND STATUS RELATE

What Is Firm-Celebrity?

This paper defines firm-celebrity to be an outcome in which an organization garners significant attention from the public, while at the same time realizing “positive emotional responses from stakeholder audiences” (Rindova, et al., 2006: 50). Celebrity is a social construction. It is both a strategic resource (Barney 1991), and an intangible asset (Hall, 1992). Strategic resources are valuable, rare, non-imitable (uneasily copied), and non-substitutable forms of organizational property. Intangible assets are possessions that cannot be touched or seen, but that have value. Scholars have directed significantly more attention to intangible-assets like reputation, status and legitimacy than they have to celebrity (Rindova, Williamson, Petkova, and Sever, 2005; Podolny, 1993, 2005; Fombrun and Shanley, 1990; Suchman, 1995; Deephouse and Carter, 2005; Suddaby and Greenwood, 2005). Celebrity remains an under-researched topic.

Existing Frameworks Relating to the Construction of Firm-Celebrity

In fact, firm-celebrity has received very little attention, and the attention it has received relates more to theory than to empirical investigations. This is true of not only firm-celebrity, but also of celebrity in general. Actually, the only paper to discuss succinctly the topic of firm-celebrity, as well as the processes by which an organization goes about achieving it, was a 2006, largely theoretical work by Rindova, et al. entitled, “Celebrity Firms: The Social Construction of Market Popularity.” In their paper,

Rindova, et al. portray firm-celebrity in relational terms, referring to it as “a property of [an] actor’s relationship with an audience, rather than a characteristic of the actor him/her/itself” (2006: 51). They contend that celebrity is different from other intangible assets, like reputation, status, and legitimacy, in at least three ways: theoretical underpinnings, socio-cognitive foundations, and processes of emergence (Ibid: 54). A large portion of the Rindova, et al. paper focuses on how firm-celebrity is unique as compared to the other intangible assets noted above.

Two of the primary differences cited by Rindova, et al. pertain to how celebrity is theorized, and to the manner by which firm-celebrity comes into existence. Although studies of the three other intangible assets “focus on how a firm’s behaviors and performance are evaluated, assuming that the firm is already noticed” (Ibid: 55), the authors of the Rindova, et al. paper assert that the focus of celebrity research is different. One difference is that celebrity does not emphasize evaluation (Ibid). In addition to examining the unique qualities of firm-celebrity, Rindova, et al. also posit various propositions pertaining to the means by which the celebrity-attainment process should successfully unfold, stressing the role of the media, and asserting that in order to achieve celebrity-related success those engaged in relevant processes must rely upon the publicizing of dramatic narratives about the celebrity-seeking firm. The authors contend that these narratives must encompass a conflict situation (involving a disruption of the status-quo), in which the firm is portrayed in the role of a non-conforming, likeable protagonist possessing a well-developed character (Ibid: 57-65). According to Rindova, et al., agents of the firm need also be involved in the celebrity-construction process in the sense that they take an active role in actions intended “to project desired images to

audiences” (Ibid: 62). Such transmission involves the application of impression management, encompassing mechanisms like storytelling (Aldrich & Fiol, 1994; Lounsbury & Glynn, 2001; Zilber, 2007), and the production of “information subsidies” (Rindova, et al., 2006: 62). Information subsidies are packaged accounts of firm actions that are directly issued to media representatives to enhance perceptions of the firm’s importance, and which contribute to the heightening of the firm’s celebrity standing.

Rindova, et al. also discuss the manner by which firm-celebrity might be sustained. The authors posit that “celebrity is not static over time” (Ibid: 63), and that its continuance depends on the later ability of a firm to “overconform” to existing norms (Ibid). That is, once a firm has achieved celebrity, it must shed its rebel image of non-conformance and present itself as a leader in the enhancement of existing social norms (Ibid: 63-65). This is one of the few portions of the paper that refers directly to the positive relation of firm-celebrity to another of the three intangible assets referred to earlier. This occurs when Rindova, et al. remark that “By moving away from its previous nonconforming behavior and adopting behaviors that conform to industry norms, a firm can increase its legitimacy and appeal to a broader market” (Ibid: 64). In addition, although not a direct reference to one of the other intangible-assets, the paper also implies the importance of reputation to the firm-celebrity attainment process when it states that celebrity “cannot be fully fabricated” (Ibid: 66). A further illustration of reputation’s importance is apparent in the comment that “the attention and positive emotional responses from audiences that define celebrity depend on the sustained perception that celebrated firms—at least to some extent—possess the extraordinary qualities attributed to them” (Ibid). Still, generally the direct linkages within the Rindova, et al. paper

between firm-celebrity and the legitimacy, status and reputation constructs are few and far between.

A Framework Integrating Legitimacy, Reputation, and Status with the Firm-Celebrity Development Process

In this section of the paper I attempt to expand upon the notion of firm-celebrity by bringing into the discussion a focus on the three other, previously referred to intangible-assets: legitimacy, reputation and status. Rather than differentiating firm-celebrity from these other constructs, as Rindova, et al. did in their paper, the goal here is to show how firm-celebrity dynamically relates to them. I rely upon a historical perspective to do so, beginning with a discussion of legitimacy. Legitimacy is a social construction, whose emergence depends on two elements. First, actors within a social field begin to believe that a majority or a large percentage of actors within their field view a particular social structuring or manner of doing things as being acceptable and desirable (referred to as propriety) (Johnson, Dowd, & Ridgeway, 2006: 55). Second, these actors agree that this action/structure template is one that deserves application elsewhere (referred to as validity) (Ibid). Legitimacy is defined by Suchman as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (1995, P. 574). It is frequently categorized into three types: normative (i.e., endorsements, affiliations, adherence to established practices), regulative (i.e., action in line with existing laws, certifications), and cognitive (i.e., taken-for-grantedness, attainment of valued credentials

(e.g., education), seeming acceptance of established forms of action) (Ruef & Scott, 1998). Legitimacy is critical to the structuring of relations given that it “is a necessary precondition to initiating social ties with stakeholders and obtaining and recombining resources” (Delmar and Shane, 2004, P. 386). It is structural in the sense that it generally segments actors into two groups: those possessing legitimacy and those who don’t. While there is often also a grey area of intersection between the two sets, made up of actors who possess some legitimacy, but who are still not fully legitimated, a prerequisite for relationship formation is generally that interacting actors first attain a mutually defined level of legitimacy, which then allows the relationship to progress.

Though Rindova, et al. emphasized the role of the media in the process of firm-celebrity attainment, legitimacy is also important in this process if for no other reason than because there are precursors to the media’s involvement. The media has a choice in terms of the actors it will highlight, and there are often many, from whom it can select that can serve as “vivid examples of important changes in industries and society in general” (Rindova, et al., 2006: 52). Generally speaking, apart from being forced to do so, the media will not support an actor that it does not appreciate, condone, or believe to be acceptable. But the media must also take into account the opinions of those on whom it depends for the resources that sustain it (money being the primary one), which in the U.S. tend to be media advertisers (though in China they are oftentimes powerful, purse-holding government officials). Overall, legitimated actors will possess a higher probability of being chosen. Legitimacy does not need to be field-wide, with every involved participant believing that any one particular actor should be supported. But at least most media representatives and their supporters must believe that an actor is worthy

of their backing. There is thus a threshold of legitimacy required for a firm to successfully attain celebrity (Zimmerman & Zeitz, 2002: 428). This leads to the following proposition:

Proposition 1: Legitimacy is a necessary, but not sufficient, condition for firm-celebrity attainment.

Reputation, or “the beliefs and evaluations held by external members” about a particular actor (Fischer & Reuber, 2007: 55), also plays a role in the firm-celebrity development process. Like legitimacy above, reputation is relational in nature. Reputations are generally based on comparisons among different entities, which in the case here are organizations from the same industry or field. Key decision-makers frequently rely on reputations (and status) when deciding whom to affiliate with (Jensen & Roy 2008), and, as Fobrum and Shanley contend: “Well-reputed firms have a competitive advantage within their industries, but poorly reputed firms are disadvantaged” (1990: 235). Such an impact is not just limited to industry effects alone, but it also influences wider field outcomes as well.

In considering reputation’s relation to this discussion, various questions emerge. For example, to what extent are performance and reputation linked? Also, to what degree does reputation impact firm-celebrity outcomes? That is, will the firm with the best reputation necessarily become the most famous organization? As for the first question, research has shown that there is generally a relationship between reputation and performance, especially when reputation is associated with prominence, in the sense of “the extent to which an organization is widely recognized in its organizational field”

(Rindova, et al., 2005: 1044). Prominence relates to the degree to which institutional intermediaries (such as the media and other evaluating bodies), and high-status actors favor a particular entity. The relationship between reputation and performance is particularly evident with regard to financial performance (Deephouse & Carter, 2005; Fobrum & Shanley, 1990). Good financial performance tends to impact reputation favorably, and once a reputation is formed it very often persists (Roberts & Dowling, 2002). This implies that performance and reputation are mutually sustaining, building upon each other (Ibid). Such a suggestion meshes with the notion of the “Matthew Effect” referred to by Merton (1968), asserting that any actor of high status tends to benefit disproportionately from actions it undertakes as compared to the results of similar actions engaged in by lower status actors.

In general, however, research focusing on the relation of reputation and performance has been conducted in market environments, where information diffusion is quite high and conditions relatively transparent. But, in situations of uncertainty, where performance outcomes are not always clear, reputation becomes even more important because it can “help overcome imperfections in the markets for knowledge” (Lichtenthaler & Ernst, 2007: 38). Reputation thus plays a particularly helpful and critical role in transitioning environments, where infrastructures and institutional contexts are frequently underdeveloped, and the flow of accurate information is poor. This is because in such environments actors, in coming to conclusions about a particular entity, rely more heavily upon signaling processes and other externally apparent clues (as opposed to direct knowledge transfer) than they do in other contexts.

The question is how do reputation and firm-celebrity relate? To answer this

question it must again be noted that reputation is relational in nature. Reputation depends on comparisons to evolve. It is also a structured, categorical construct in the sense that comparisons are made among entities that are viewed as being of a similar type or of the same category. This comparison process is one that requires the categorization of actors into a group, and then, based on the standing of actors within this group, reputations arise. But, such a process is oftentimes problematic, particularly in a situation where a new organizational field is emerging. Under such a context, comparisons among group members are difficult to ascertain simply because there are few members of the group to compare, and also because the situations of existing group members are poorly defined. Reputations are, in consequence, difficult to determine. It is possible, however, that in a situation like this actors are compared not as members of the same industry or based on some other apparent linkage, but instead on a more intangible characteristic. They can be compared, for example, on some aspect of their abilities, like aptitudes regarding innovation, iconoclastic potential, potential to deliver value, or some other grouping. These comparisons are not only useful in determining reputations, but they also act to distinguish an actor from a group that it might otherwise normally be compared with, a group whose members are defined by a more common characteristic, such as industry, demographic type, or the like. Hence, a kind of “decoupling” (Nee, 1998: 88), or re-framing process can emerge in which ongoing events and occurrences take on different meanings, thus engendering new ontological foundations (Benford & Snow, 2000: 614). This process pertains to firm-celebrity creation in the sense that a possible-outcome of such reframing is for actors to attain standing as a non-conforming protagonist, heavily involved in the transformation of the status-quo. This is a footing that it might not

otherwise (if judged from previously existing perspectives) be able to obtain. And, the attainment of this standing makes the actor a highly suitable candidate for media promotion, given that there consequently (when judged from the differing perspective) exists an interesting and worthwhile story to tell. But, possessing a reputation as a non-conformist is not sufficient for a firm to maintain existing celebrity. As the firm becomes better known it must also show that its celebrity standing does not conflict sharply with in-place normative, regulative and cognitive standards. A positive reputation, therefore, is increasingly required. Minus such a reputation, firm-celebrity will be short lived. This leads to the following propositions:

Proposition 2a: For new firms, located in emerging organizational fields, although legitimacy precedes reputation in importance, the reputation-seeking process is a critical step in the attainment of firm-celebrity. This is because, if they are to achieve celebrity, firms need to distinguish themselves from their competitors. This involves the establishment of reputation.

Proposition 2b: For firm-celebrity to develop further, there is a need for the establishment of a positively perceived firm-reputation, one that is increasingly associated with over-conformance, as opposed to non-conformance.

The third of the intangible-asset structures (apart from firm-celebrity) referred to in

this paper is status. Status is a hierarchical, social construct that is based not so much on any particular quality of involved actors, but rather on the positions actors hold within a social framework. Like reputation, it is categorical in nature, in the sense that it structures actors into differentiated, general groupings of superiority, equality, or inferiority (Chan & Goldthorpe, 2007: 1097). Status helps to determine who will interact with whom, and thus has relevance to the “liability of newness” notion (Stinchcombe, 1965: 148), wherein new organizations face a much more difficult survival situation than do their more established counterparts. One reason for this newness liability is that resource-rich actors tend to be of high status, but have (often intentionally) little interactions with those of lower status. Start-up organizations, with little status, thus are faced with difficulty. Not only do they generally lack resources, but, because of their lower-status standing, they have little opportunity to interact with those possessing the resources they need. They thus, in part due to a lack of resources, have a hard time of becoming established. That is, the same actor possessing different levels of status will be treated in different ways, and will find his/her situation affected by this, something also referred to as the Matthew Effect (Merton, 1968). Joel Podolny uses the example of professional golfer, Lee Trevino, to illustrate this. He quotes Trevino as saying, “When I was a rookie, I told jokes and no one laughed. After I began winning tournaments, I told the same jokes, and all of a sudden, people thought they were funny” (2005: 10).

What then is the relationship between status and firm-celebrity development? This depends on the life-course situation of the firm under consideration. For the new firm, lacking celebrity, mid-level status can actually work against the celebrity-development process. This is because this status often limits the ability of an actor to take on a role as

a non-conformer, which is often necessary for the initiation of the celebrity-attainment process. There are obviously cases where the high status of a new firm can promote celebrity, as in a situation where a brilliant, iconoclastic researcher leaves a well-known, established firm to start up a new firm. Due to the researcher's established legitimacy, reputation and status, the new organization almost instantaneously becomes a celebrity-firm. But, high-status actors, like those of low status, have action freedoms that those of middle status do not possess (Phillips & Zuckerman, 2001).

Still, for those firms without status, once a firm is on its way to becoming or has already become a celebrity, it then needs to quickly acquire status in order to maintain its standing. This is because the firm needs to shift from being a non-conformer to becoming a conformer, and then move on to become an over-conformer (Rindova, et al., 2006: 63-65). This results in a fourth proposition:

Proposition 3: For a new, un-established firm, status is not a necessary condition for the development of firm-celebrity. Once celebrity is achieved, however, status is required to attain the over-conforming standing needed for celebrity's continuance and further development.

One additional facet of the relationship between firm-celebrity and status that requires attention relates to the types of status that a celebrity-firm will need if it is to be viewed as an over-conforming actor. The assertion made here is that the social structure of the situation under consideration must be taken into account. The reason is because different societies possess differing norms of social status, with these norms being related

to the power-distributions found within the societies. In the empirical case of interest in this paper, a situation characterized by a transition of an economy from a state-led to a more market-dominated form, a process commonly referred to as “market transition” (Nee, 1992, 1996), politicized capitalism should be evident. Under such a context, significant power continues to reside in the state, and thus the attainment of status should depend heavily on networks developed between the organization and high-ranking political leaders. Based on this, I posit the following proposition:

Proposition 4: In a situation characterized by politicized capitalism, the status required by a celebrity-firm to transform itself into an over-conforming actor should depend on the development of ties between the organization and relevant, high-ranking political leaders.

Something else that needs to be mentioned regarding the development of firm-celebrity involves a focus on resources. The focus I refer to is, however, not like that developed in resource-based views of the firm, which examine “the resources and capabilities of firms that enable them to generate above-normal rates of return and a sustainable competitive advantage” (Oliver, 1997: 697), but rather is one associated with the basic resources required by a firm to assure its own survival. According to Pfeffer and Salancik, firm survival is premised on the ability of the organization “to acquire and sustain resources” (1978: 2). The assertion here is that if a firm is to acquire celebrity standing it must have available to it the resources needed to do so. This resource package

will differ by firm, but the importance of the resource-development process to firm-celebrity attainment will be true for all firms. While this is perhaps common sense, it is a point that needs to be emphasized. This leads to the following proposition:

Proposition 5: In order to successfully attain celebrity standing, firms must possess the abilities needed to develop and acquire the resources they need to achieve the desired celebrity outcome.

The next section offers an empirical summary of the firm-celebrity development process of the Yiwu marketplace, a now famous organization in China. Yiwu is both a real-life example of celebrity attainment, and it is also useful in helping to determine whether the propositions outlined above are confirmed by actual results.

HOW DID AN INITIALLY UNKNOWN MARKETPLACE GO ON TO BECOME CHINA'S MOST FAMOUS CENTER OF TRADE? THE YIWU STORY

An Introduction to the Yiwu Marketplace

Yiwu is located at about the geographical midpoint of Zhejiang Province (in China's east-central region), and an approximately two-hour train ride to the southwest of Shanghai. In 1978, the year in which China's market-transition process began, Yiwu was a relatively unknown locale, with few outstanding features. It was small in size, having an area of only 2 square kilometers (as compared to the 800 square kilometers now) (12/08/08 Yiwu interview), and a relatively small population. In the words of one

interviewee, a former Zhejiang Province newspaper reporter, originally responsible for covering economic happenings in Yiwu, “When I first went to Yiwu in 1983 there was only one, small road in the place. It was like a farm town, with few people and a limited land area. It really had nothing. There was not much there to write about, except perhaps for the small market. None of us thought Yiwu would ever develop” (11/29/08 Hangzhou interview). On a scale of one to a hundred, Yiwu’s China-wide celebrity at the time that reforms commenced would have been close to zero.

The contrast with the Yiwu of today is substantial. Yiwu is now a city of about 700,000 registered residents (holding Yiwu residence permits (*hukou*)), and over a million other persons living there on a long-term and ongoing basis. Not only has Yiwu’s population increased, but so too has its level of celebrity. In fact, for a city of its size, Yiwu is currently among the most famous places in China. The thing that has made Yiwu special has been the nature of its post-reform development. The following breakdown gives some perspective as to how impressive Yiwu’s performance has been:

Between 1978 and 2007, the Yiwu district’s total value of production increased from 128 million RMB to 41 billion RMB, 319 times the original amount, an average yearly increase of 22%; financial income for the city went from 20 million RMB to 5.888 billion RMB, 293.4 times the original amount, representing an average yearly increase of 21.6%; the holdings of banks and other financial institutions in the city increased from 30 million RMB to 85.56 billion RMB, 2851 times the original amount, for an average yearly increase of 31.6%; during the period the breakdown of the three forms of production makeup (1. agricultural, 2. industrial, and 3. service) went from 57.8: 21.1: 21.1 to the revised grouping of 2.4: 46.3: 51.3. In 2006, of the 100 top county level cities in China, Yiwu was ranked 12th (after being previously unranked in 1978),

and in terms of its overall competitiveness within Zhejiang Province, Yiwu was ranked first when compared with other similarly sized cities.¹

Of late, Yiwu's achievements have been widely noted, and its celebrity is without question. The city has been lauded on multiple recent occasions as a symbol of China's post reform success. It has recently been featured in several documentaries appearing on China's national TV station, CCTV, and has also been the subject of various well-known studies by government-related institutes. Even prior to these events, in May 2006, the Zhejiang Provincial government cited Yiwu as a model of development and suggested that all government bodies throughout the province learn from its experiences.

Obviously, Yiwu's performance has impacted its recent celebrity. Because of its success, Yiwu has become known throughout China as a paradigm of achievement. Given that in today's China there are now (based on 2007 statistics) 4,121 markets that have annual trade volumes of 100 million RMB or more (Song, Wang and Wang, 2008, P. 3), Yiwu does not lack for competition. Yet, the Yiwu marketplace has, for more than 20 years, been ranked by China's Ministry of Commerce as the number one market in the nation. This is the case even though there are other markets that surpass the Yiwu marketplace in total overall sales. But, there is no market in China that can match Yiwu's standing in terms of celebrity. The efforts to build this standing have been unending. They have met with great success. The following comment from an official associated with Yiwu's marketplace organization illustrates this: "We've been very

¹ See: <http://gd.people.com.cn/GB?123946/8143881.html>

successful in the ongoing and diligent efforts we've made at publicizing Yiwu. Yiwu is now extremely well known throughout China and is seen as a dynamic, innovative place that people, particularly entrepreneurs, want to come to in search of riches. Attracting such people has been critical to our success" (6/13/08 Yiwu interview).

Wherever one goes in China, the mention of Yiwu elicits immediate reaction, with people quickly making reference to the city's markets. Proof of this came through 59 author-conducted interviews carried out at three different markets in China, markets located in Wuhan (Hubei Province) (19 interviews), Beijing (20 interviews), and Jinan (Shandong Province) (20 interviews). The markets selected for the interviews were all associated with a product category in which Yiwu is not competitive: clothing items. In fact, this choice, the decision to interview sellers of clothing, was deliberate. My hope was to see how Yiwu's standing would compare with other markets, which are more associated with the clothing trade than Yiwu, markets like Changshu (Jiangsu), Guangzhou (Guangdong), and Shijiazhuang (Hebei). One might assume that those selling clothing would know these markets better than they knew Yiwu. This was not the case, however. The full breakdown of the conducted interviews can be found in Appendix One. A summary of the results, however, shows that about 63% of the interviewees, when asked "Do you think any other market in China can compare with Yiwu?" responded with a "no," or "not sure." Again, this was surprising given the interviewees' product linkages, ties to products in which Yiwu is less competitive. There were only about 3% of respondents who had never heard of the city, even though there are 2,862 cities in China, which, like Yiwu, are classified to be county-level forms (*xian ji chengshi*). Of the characteristics cited as being most representative of Yiwu, 83% of

respondents cited markets, about 58% made reference to small commodities, 44% indicated that they viewed Yiwu as a center of wealth, and, 14% mentioned the strong commercial abilities of Yiwu market participants. One surprising response was that approximately 18% of the respondents believed Yiwu to be a major clothing market, even though this is not actually true. The combined responses were quite interesting given that only 20% of the interviewees said that they had ever been to the city. The responses to these interviews, combined with Yiwu's history of performance and its top-market billing, lend credence to the city's celebrity standing.

Yiwu's Legitimacy, Reputation and Status during the Early-Reform Period

The early development of the Yiwu marketplace was a self-catalyzed one, a bottom-up process, which depended on the efforts and entrepreneurial abilities of the Yiwu people to carry out. What is of interest in this paper, however, is the process by which Yiwu became a celebrity-firm, and how this standing has helped Yiwu achieve competitive advantage. The paper focuses on the roles of legitimacy, reputation and status in this process, examining the perceptions of outside stakeholders and how, and in what ways, relevant-Yiwu actors took strategic action to influence these perceptions to its benefit. This is not to say that the observations of those within the Yiwu organization itself did not matter, but with respect to celebrity attainment, the views of outside stakeholders mattered more. The paper will first discuss the early standing situations of the three constructs, individually.

LEGITMACY In a general sense, at the start, and for the first few years of China's reforms Yiwu possessed little legitimacy. The unique forms of activity (predicated on market exchange) emerging in Yiwu were not fully compatible with the expectations of society, largely because these expectations were themselves undefined and in a state of flux. Normatively, there existed in China much conflict regarding what exactly the government and people should condone and what they should oppose. Many people, particularly officials, were unwilling to commit their public support to any new forms of action. Significant uncertainty existed. From a regulative standpoint, there was little legal clarity, with many existing laws (particularly economic laws) having lost their meaning, and with new laws not yet formalized. Cognitively, among many there was a significant questioning of what to believe in. There were also few markets in existence similar to Yiwu, which actors could point to as justification for Yiwu's structural and action templates. In fact, throughout China, and especially in Yiwu, numerous social contradictions were evident. While there were supporters of Yiwu, there were also many who opposed it. Nobody, however, seemed to be sure as to whether markets would continue or not. Markets were therefore not openly discussed. According to one interviewee, even among Yiwu's provincial and central government supporters "there existed a mindset wherein [the officials] pretended the Yiwu market did not exist. They knew it was here, but they didn't see it" (10/12/08 Yiwu interview). Up until the late 1980s Yiwu continued to be a kind of non-entity, and in the words of one Yiwu propaganda official, "Early on there were three upper-hierarchy political policies regarding Yiwu: 1) no press coverage; 2) no direct expression of opinion regarding Yiwu's situation; and, 3) no overnight stays in Yiwu." (9/27/08 Yiwu interview). The

former head of Yiwu's Department of Propaganda conceded that, "increasing Yiwu's fame through the promotion of Yiwu in outside areas was not our major priority, at least not until the late 1980s" (12/08/08 Yiwu interview). Under conditions of high uncertainty, nobody was sure if the Yiwu marketplace harbored the potential to be legitimized or not.

Regardless, during the 1980s, one of the focuses of Yiwu government leaders was still to try actively to legitimate the Yiwu marketplace (11/01/08 Yiwu interview). A major reason for this was because, apart from the marketplace, there was not much else in Yiwu that possessed any strong hope for development, and the upper leaders were aware of this. They also knew that their own success, as was the case for other officials throughout China, depended on the developmental situations of the community they oversaw. But to develop the market, Yiwu's leaders needed to garner active support for the marketplace from outside sources (particularly at the Zhejiang provincial level). Yiwu was short of resources and had little standing. Such efforts, however, even when considered from a theoretical standpoint (Suchman, 1995: 575), were difficult, largely because many marketplace participants actually just wanted to be left alone. They were not interested in forming linkages with the outside, apart from the ties they already had (mostly with other Yiwu'ers located in other parts of China). This is because, at the time, Yiwu and its markets were simply a point of distribution. Little production occurred there, Yiwu traders took on the roles of exchange conduits, bringing goods produced in other areas (mostly Guangdong, Dongbei (Liaoning, Jilin and Heilongjiang Provinces) and other Zhejiang locations) to Yiwu and reselling them to other Yiwu natives, who would then take them to other markets, reselling them there for substantial profits. Yiwu

traders were service providers, and the service they provided was one based on knowledge and information. They were successful in their activities because there was huge demand for products and a lack of outside knowledge concerning how to access these products. Yiwu residents, because of their previous involvement in trade (even prior to reforms, Yiwu residents had been involved, often illegally, in trading activity), knew how to find and utilize sources of product. They were also skilled at getting the goods to Yiwu for further distribution elsewhere (services undertaken by other Yiwu natives), and Yiwu logistics services were superior to those of other places. A kind of monopoly in distribution arose. Yiwu traders believed, however, that their success was possible only “because nobody knew about Yiwu. Most people didn’t know you could come to Yiwu to do business, and those from Yiwu would purposely not tell outsiders about the Yiwu situation, or tell them where they were from. Early on, the Yiwu market was an Yiwu market only” (10/13/08a Yiwu interview). The Yiwu traders did not want Yiwu to become well known because they feared that if it were that this knowledge would then diminish their own prosperity. They did not even write down their Yiwu addresses on the products they were selling, because they did not want others to know where they were from (12/16/08 Yiwu interview). They also did not welcome the arrival of outsiders who they felt might end up taking away from them money-making opportunities. This situation extended into the early 1990s, after which time adjustments began to occur.

Even so, throughout the period senior local-leaders and those among the Zhejiang provincial hierarchy who supported market reforms (and as a result, Yiwu), continued to make efforts to legitimize the marketplace and its operations. These efforts were

strategic in nature, and included the application of educational and propaganda mechanisms to establish local (county and provincial levels) validation for the Yiwu model, and to link Yiwu with previously legitimated forms. But, at the local level, “lower-level bureaucrats were a problem. There were many among them who were not advocates of markets. Their opposition arose due to their discomfort concerning some of the consequences of market development. Through market participation, farmers, who the officials viewed as being of comparatively low status, were beginning to make more money than they were and the officials resented this. They in turn made efforts to constrain market development. Higher-ranking local officials therefore focused a significant part of the party’s propaganda efforts towards educating the Yiwu people (particularly the bureaucrats) as to the benefits of markets. We wanted the markets to succeed” (12/08/08b interview). Another reason for emphasizing the local level was that there also existed opposition to Yiwu “from the local state-businesses. They were bothered by the market’s improved competitiveness. Yiwu was having a big impact on the prices at which goods were being sold, and the state monopoly was being eroded, with monopoly gains no longer possible” (October 6, 2008 Yiwu interview). Yiwu’s administrators made efforts to deal with this opposition. They needed to garner the acceptance of the leaders of the local state firms so as to undertake further market developments. Otherwise, the leaders could make trouble.

Various Province officials who were supporters of market reforms, individuals like Shen Zulun (who later became Zhejiang’s governor), Li Dexin, and Dong Chaochai), also made efforts to help Yiwu legitimize itself. For example, in 1985 Shen Zulun took the risk of including a report, entitled “Encourage Business to Develop Our Counties,

Develop Yiwu Vigorously,” which discussed the positives of markets, as a key part of a widely publicized provincial meeting, the Zhejiang Provincial Agricultural Township Working Symposium. The meeting gave Yiwu its first major opportunity to achieve positive, province-wide exposure (11/01/08 Yiwu interview). The aim of this exposure was directed solely towards legitimating the Yiwu form of development, and improving Yiwu’s overall reputation (11/01/08 Yiwu interview). Shen also helped Yiwu gain provincial permission and some financial support for its early market expansions. Without such assistance these expansions would probably not have occurred, or at a minimum they would have been extremely difficult to carry out. This assistance was thus critical to Yiwu’s early success.

One other early legitimation effort was to try and intentionally link Yiwu with already legitimated forms of action from China’s planning past in order to heighten Yiwu’s “acceptability” among decision-makers. Although Yiwu’s situation differed substantially from China’s traditional *jishi*, or periodic markets, at the beginning of the marketplace’s development, Yiwu’s leaders consistently referred to Yiwu as such an economic form. They also ongoingly talked about Yiwu’s development as one predicated on a variety of already acceptable elements: planned and small-scale (*geti*) efforts, as opposed to behavior of a more capitalist nature; the sale of small commodities, rather than industrially produced items; and the involvement of poor farmers, who otherwise had few other opportunities for support (Jinhua Department of Industry and Commerce, 1982: 1).

At the same time as all of these developments were taking place, institutional processes of legitimization were occurring as well. Macro-level ideologies and laws

were undergoing change, and this helped to make Yiwu more acceptable. That is, the central state was playing a role in market legitimation (Nee, 2000). Yiwu administrators were aware of these changes and attempted to portray Yiwu as aligned with them, for example framing Yiwu as a form of Deng Xiaoping thinking (12/08/08 Yiwu interview). Also, from a population-ecology perspective (Hannan & Freeman, 1977, 1988), as the number (or density) of marketplaces increased, Yiwu's acceptability as an organizational form naturally improved. All of these macro-level changes played a role in Yiwu's overall legitimation process, leading to enhanced legitimacy for Yiwu. Overall, then, at least with respect to issues of legitimacy, this early-reform period was a time when the foundations for later celebrity emergence were being formed.

REPUTATION According to one interviewee, "Prior to 1990 the efforts of Yiwu administrators were primarily focused on legitimating Yiwu" (11/01/08 Yiwu interview), with these efforts being overwhelmingly local in nature (11/03/08 Yiwu interview). One reason for such an approach was the fact that in the 1980s information flow in China was severely limited, with the number of newspapers and other publications very restricted (10/20/08 Hangzhou interview). Even so, by around 1988 Yiwu was becoming increasingly well known (11/29/08 Hangzhou interview). But, the reputation Yiwu was developing was mixed. On the one hand it began to be represented, particularly by Yiwu and various Zhejiang officials, as a paragon of market success. But, on the other hand it was becoming known as a center of fake products and of goods that were of poor quality. Regarding this latter standing, state-owned firms, particularly in Shanghai, whose products were being copied and sold in the Yiwu markets as the real thing, but at lower prices, were targeting Yiwu as an improper economic-actor. One reason for this was

because, for the most part, consumers did not know that the products being sold in Yiwu were imitations. When used, however, the items were of poor quality, impacting the standing of those firms whose labels were being copied. The firms began to send representatives to Yiwu and Hangzhou (the capital of Zhejiang) to file complaints, and to enlist newspapers from their own areas, particularly in Shanghai, to write reports critical of Yiwu. These efforts, however, did not have significant impact. This was because Yiwu was still a largely local market and “even the [Zhejiang] Provincial government didn’t pay much attention to the situation preferring to do its best to ignore Yiwu” (2/16/09 Yiwu interview). There was one sense, however, in which Yiwu’s reputation was impacting its development and potential celebrity, and this was with respect to Yiwu’s reputation among other Zhejiang entrepreneurs. By 1988, individuals from Wenzhou and Taizhou, two entrepreneurially focused Zhejiang communities, had begun to come to Yiwu. They were attracted to Yiwu by the reputation of Yiwu’s government for openness and support of business activity. This reputation included the fact that taxes in Yiwu were comparatively low (as a result of a policy instituted by an early, Yiwu Party Secretary, Xie Gaohua), as were stall rents. The market itself also had a reputation as being a good location for doing business, characterized by comparatively inexpensive logistics fees and significant opportunities. The process of outside actors coming into the market began to stimulate the formation of new, useful business networks and increased the overall diversity of Yiwu (differentiating it from emerging competitors adding further to positive reputation effects (Fombrun, 1996: 393)). The outcomes brought Yiwu rewards. They also resulted in an increase in the size of the marketplace, which further enhanced Yiwu’s reputation (Fombrun & Shanley, 1990: 250), and correspondingly its

celebrity. Early on, then, reputation formation did play a role with respect to Yiwu's firm-celebrity development process, but this role was not a large one.

STATUS As a new entity, involved in questionable activities, ones which constrained the ties it was able to form with powerful, established actors, Yiwu early-on possessed little status. The vast majority of high-status political actors, in particular, were unwilling to form close ties with it. At the same time, however, Yiwu's low status was, as theorized by previous research, useful in its ability to take on non-conforming status (Phillips & Zuckerman, 2001). Also, given that during the early post-reform period there were few competitors (though this number was continually increasing) with whom Yiwu had to compete, there still did not exist hierarchies of status that Yiwu had to be concerned with, and which restrained it in its actions. In this sense, Yiwu was relatively unrestricted in what it could do and the relationships it could form. While this presented difficulties in the sense that as a path-breaking organization Yiwu had no pre-established template to follow, and no other organization to emulate, particularly early on when it even lacked the opportunity to rely on benchmarking mechanisms to guide it (though this situation rapidly changed) (Still & Strang, 2009), but, in another sense, the situation was ideal, because Yiwu could establish itself on its own terms, without the need to justify its actions. Thus, early on, it appears that status was not a primary factor impacting Yiwu's celebrity potential.

In summary, Yiwu's priority, in the aftermath of the formal establishment of its market, was initially centered on self-legitimation. Legitimation efforts took various forms, and were directed towards achieving a base of support for Yiwu's mode of development. Yiwu administrators made their first priority the solidifying and

standardizing of local support, attempting to bring conformity of focus to all Yiwu organizational-actors. The means used to accomplish this were mechanisms of education and propaganda, which stressed the appropriateness of Yiwu and the society-wide benefits of its operations. Yiwu's efforts at legitimacy also focused on identifying and developing support at the provincial-government level and using this support to its own benefit. In all of these actions, Yiwu administrators attempted to frame Yiwu's developments as a general adherence with existing norms. They positioned Yiwu as a kind of periodic market (a form already acceptable within Chinese society), one that was bringing great benefits to Yiwu's rural residents, who were portrayed as being akin to the salt of the earth. Additionally, Yiwu attempted to line itself up with institutional changes taking place at the macro level. It ongoingly portrayed itself as an embodiment of Dengist (Deng Xiaoping, the then leader of China) philosophies.

Issues of reputation and status took a backseat to legitimation efforts. This is logical given that legitimacy is "a critical ingredient for new venture success" (Starr & MacMillan, 1990: 83). Also, in the absence of legitimacy new firms generally face a hard time of finding the resources they need (Zimmerman & Zeitz, 2002: 414), making survival problematic. Yiwu simply did not have the standing or resources to allow it to focus on issues of reputation and status. Still, gradually, based simply on its own performance, Yiwu became increasingly well known. Such reputational changes, however, were two-sided. While viewed as successful economically, Yiwu was also becoming known as a low-status opportunist, relying upon questionable practices of imitation, the sale of poor-quality products, and misrepresentation to benefit itself. Positive change regarding this standing, however, would have to wait for various

developments, including improved economic conditions, the impact of outside forces (brought on by an increased openness), and a better resource position before taking place.

A Second Phase of the Celebrity Development Process: The Impact of Economic Jolts, Increased Openness, and Resource Abundance on Yiwu's Legitimacy, Reputation, and Status

Researchers theorize that a major source of organizational change is one associated with environmental jolts, or points of unexpected and discontinuous transformation (Meyer, 1982; Romanelli & Tushman, 1994). Various events, happenings like financial disasters, the unanticipated death of a top leader, a sudden loss of legitimacy, etc., often act to destabilize existing conditions (often through sharp changes in resource availability (Park & Mezias, 2005: 987; Wan & Yiu, 2009: 792)), giving rise to a situation where the probability for other changes increases sharply. Such “jolts” result in periods of instability, and are often times of crisis. But as with the Chinese character for crisis, *weiji* (composed of a character for danger and one for opportunity), such periods inherently possess both the possibility of ruin and the potential for organizational gain.

In the late 1980s, Yiwu experienced such a severe jolt. It was an event that set in motion a series of changes that had significant impacts on Yiwu, and upon its legitimacy, reputation and status. It was also a happening that, surprisingly, began the process by which Yiwu's celebrity expanded greatly. The event was the Tiananmen Crisis of 1989, an event wherein the Chinese government violently put an end to Beijing student protests, taking place in support of democratic change. As a result of this incident there

occurred a deep questioning of the appropriateness of China's markets and market reforms, generally, and of Yiwu, in particular. In the words of one interviewee, this situation was "a great shock for Yiwu" (2/24/09 Yiwu interview). Not only did many conservative officials begin to harshly criticize and attack Yiwu, but many local residents also began to question Yiwu's future. There was, in fact, an exodus by many locals away from market-related activity. The future of the marketplace was in doubt. A large segment of the Yiwu population was "very upset. They felt like Yiwu's future was over" (1/16/09 Beijing interview). In reaction, many Yiwu officials sought to tone down Yiwu's standing. But, other officials, led by a vice-mayor, Chen Zhengxing, took aggressive efforts to promote the positives of Yiwu's activities. Working in conjunction with private businesspersons, the Yiwu government spent RMB 20,000 on a documentary that appeared on the national television network, CCTV, which featured Yiwu's marketplace and told stories of the new riches being made. The documentary featured a famous CCTV reporter, Zhao Zhongxiang, and although it lasted less than 15 minutes, it was enough to assure people of Yiwu's standing, as well as the acceptability of markets. This is because the common people (*lao bai xing*) reasoned correctly that the central government would only allow subjects possessing governmental support to be featured on CCTV. The documentary was the first time that Yiwu had received such national exposure. It made people aware of Yiwu's existence, and it provided Yiwu with a needed shot of legitimacy.

But, something else it did was to focus attention on Yiwu, and this had multiple consequences. For one thing, it attracted even more outsiders to the market. Yiwu became known as a place where one could make money, and many moved to Yiwu in

search of riches. These outsiders, although generally not well educated, brought with them many skills and forms of experience that had previously been missing from the market. A positive of Yiwu was its ability to attract and fit these persons into its market. Many interviewees attributed this ability to the local government's fair treatment of the outsiders (2/27/09 Yiwu interview). In the words of a Fujian businessperson, who first arrived in Yiwu in 1992, "Yiwu was quite successful in integrating people from Fujian, Guangdong, and other places in Zhejiang, particularly Wenzhou and Taizhou, into its market. Without these persons Yiwu would not have developed as it has. Each of the places has its own unique capabilities, and the merging of these strengths resulted in significant competitive advantage for the market...In fact, the more open Yiwu became, the more its situation improved" (2/26/09 Yiwu interview).

The increasing attention being focused on Yiwu also resulted in more notice taken of it by others, however, particularly members of the political realm. As one interviewee commented, "It was not until the opening of the market to the outside that there was strong pressure on us to become more and more rationalized. There came to be significant pressure on us from higher-level government officials to make changes...At the same time, we also faced pressure to go to the outside to monitor other markets: Shenyang, Chengdu, Chongqing, Xinjiang, Taizhou, and Wenzhou. Other market actors also increasingly came to see us. These developments gave rise to forces for change" (2/11/09a Yiwu interview). According to another interviewee, one force for change arose due to a realization that Yiwu faced strong competition from other markets: "We found that the other markets were getting close to the level of Yiwu, and we felt the pressure to improve" (2/11/09b Yiwu interview). The increasing awareness of others regarding

Yiwu's situation was coupled with Yiwu's increasing awareness of them. A true market field began to arise characterized by ongoing mutual monitoring by involved actors. Market hierarchies and standards emerged, structuring action and rationalizing competition. This resulted in a heightening of overall legitimacy, the formation of reputations (via a comparison of performance outcomes), and the engendering of field-based status differences (based on such elements as differences in price and quality, customer share, types of product, etc.). While facing strong competition, Yiwu was comparatively well positioned with regard to the three constructs, and had begun to distinguish itself via its strong performance. The foundations of Yiwu's celebrity standing were becoming set.

Still, Yiwu needed to improve itself more. The entry into the marketplace of additional market participants had begun to strain Yiwu's infrastructure and changes were required. Yiwu's "infrastructure situation was not good. There was insufficient electricity, water, sanitation, and transport networks, etc." (10/11/08 Yiwu interview). While a factor attracting actors to Yiwu was the market's low cost structure, particularly in terms of the small amount of taxes being charged, market-operating revenues were consequently too low. This, coupled with the fact that money for development from the Provincial government was minimal, meant that Yiwu needed to develop other resource sources. It had to take action, and this required interacting with key members of its social environment (Pfeffer & Salancik, 1978: 19). The individuals of importance were power holders within the political realm

Yiwu needed the support of these power holders to improve its situation. This is because Yiwu had already conceived of a new means to develop sources of revenue, but

needed the OK of authorities to pursue its strategy. Yiwu hoped to become the first city of its size to try and implement an approach that had previously only been allowed in Guangdong Province's Shenzhen and Zhuhai cities, places of a much larger size. It required the approval of the Zhejiang Provincial Government's Commission for Economic Restructuring (*Tigaiwei*), at the time led by Dong Chaocai, a market supporter. Market-supporting Dong also supported Yiwu. He therefore allowed Yiwu special permission to implement its chosen strategy. The successful implementation of this strategy was critical to Yiwu's growth and subsequent celebrity. The strategy involved making Yiwu into an experimental zone, wherein the provincial government gave Yiwu the ability to auction off, in measured amounts, the rights to local land, providing the people with the property they needed to build office space, factories, residential units, and other real-estate assets. In return, the city gained a substantial source of revenue. The results of the policy were quick and considerable:

After the policy was implemented the city took off. The whole situation completely changed. Buildings were built all over. The people and the government both became rich. There were new roads built all over, too. The people's focus on market activities also increased substantially. Their total focus became one of making money (12/8/08a Yiwu interview).

Yiwu administrators used their new resources to improve the market. They initiated various infrastructure-enhancing projects, which involved the construction of new, improved markets. They also began a stronger focus on market behavior improvement. One market participant noted that, prior to taking this action, "Yiwu was beginning to become known as a center of fake products" (2/24/09 Yiwu interview). And, according

to a Bureau of Industry and Commerce official working in Yiwu at the time:

Product copying was quite extensive, but truthfully many copiers didn't even know that what they were doing was improper. Educational efforts relating to such copying really took off once Yiwu began opening up in the early 1990s. People were arrested, fake products confiscated and destroyed, and propaganda efforts made. The reason for initiating these actions was twofold: 1) pressure from upper level authorities, and 2) the recognition that counterfeit goods and copying was not in the interest of our markets. The outside media and representatives from foreign countries had already begun to focus on Yiwu and action was needed (12/16/08 Yiwu interview).

Even so, Yiwu still was far from its goal of achieving celebrity. At a minimum, it still lacked legitimacy, and this deficiency restricted the advancement of its reputation, status and celebrity. Although more media attention had begun to be focused on the marketplace, the extent of this attention was still not enough to achieve the celebrity standing Yiwu sought. More help was needed.

Becoming a Media Star: How Yiwu Used Its Resources to Promote Itself and Garner Firm-Celebrity

In China, legitimacy is politically determined. Power resides in the party and government. The party controls the media, the courts, and also has control over the appointment of administrators. The government carries out the application of laws and

policies. Laws and policies are generally written quite severely, but are frequently implemented in ways that are weaker than their words would otherwise imply. Those who implement laws, especially with regard to taxes, adherence to standards, and land policies, have much discretion as to how the laws will be implemented. This gives them the power, backed up by the police and military, to determine the success or failure of any economic entity in China. The notion of politicized capitalism is a real life phenomenon in China.

Yiwu administrators were constantly aware of this situation, and they knew that they needed the power of the polity behind them, if they were to succeed. How could a small place like Yiwu, however, with strong potential, but lacking legitimacy, reputation and status, improve its situation? What was required was some opportunity to form connections with the political elite. Yiwu found such an opportunity in the form of the annual China Mayor's Conference. The first such conference was held in 1991 and took place in Hainan. Even though a small city, Yiwu sent a contingent to the event. While there, the group lobbied hard to try and garner the right to host the 2nd conference, to be held in 1992, and used some of Yiwu's growing wealth to market Yiwu to conference attendees. They were successful in their efforts. The China's Mayor Association chose Yiwu to host the May 1992 event. In the words of one of those participating in Yiwu's marketing efforts: "At the time Yiwu had already started to gain some recognition within the market community, but outside of this realm it was still little known... We succeeded even though Yiwu had little standing. It was totally against the odds. When the committee selected us to hold the meeting, we didn't even have a three star hotel. Our

success was predicated on good insight, hard work and a lot of fortuitous luck” (10/20/08 Hangzhou interview).

But, even having been chosen to host the meeting it was not clear what mayors would attend the event. The opportunity to host the conference would only be valuable if top-ranking mayors agreed to participate. Yiwu put its focus on obtaining the commitment of the then mayor of Beijing, Chen Xitong. If Chen were to attend and found the event to his liking, this would be of great benefit to Yiwu in its quest for legitimacy. But Yiwu was largely unknown, and its status position was low. The likelihood of Chen’s participation thus seemed low. Chen, however, decided to attend. Why did he agree to come? There were at least two reasons. First, because of its newly obtained wealth (see above), Yiwu had enough resources to pull a successful meeting off. It possessed the fundamentals that Chen required. With regard to the second reason, I turn to the comments of the person responsible for directing the event:

Our timing was right. The primary reason Chen decided to come was Deng Xiaoping’s strong support of markets. In January-February 1992 Deng had made his “southern tour,” but it still had not been publicly disclosed. Sometime around this period, knowing of Deng’s trip, Chen had given a market-supporting speech. The speech was published in *The Peoples’Daily*, meaning it had found favor among key power holders. Holding the meeting in Yiwu, a center of market activity, worked in with Chen’s thinking. Fortunately, the meeting went well and received strong press coverage. At its conclusion we took Chen to tour the markets, and whenever we went people welcomed him wildly. It was incredible. Chen was enthralled. He instructed all of Beijing’s highest officials to come to

Yiwu to show them the power of markets. He also ordered Beijing's stores to start purchasing Yiwu's products. Prior to Chen's arrival, Yiwu's markets were relatively closed. After the trip, everything changed, including people's attitudes. The provincial government took notice; so did the leaders in Jinhua (the city overseeing Yiwu). Many dignitaries began to visit, and Yiwu's standing improved almost instantaneously (Ibid).

Following Chen's visit, Zhejiang and central-level media coverage of Yiwu expanded significantly, as did the number of high-level visitors from other places. Suddenly possessing legitimacy, Yiwu became the poster child of those supporting market reforms, many of whom were China's senior leaders. These officials had suddenly taken notice of the market, and had power. They used their power to promote Yiwu, especially in influencing the reporting of the media. While authors have discussed in fearful tones the increasingly centralized character of the media in the US (Bagdikian, 2000), citing that now only six major firms control most of what is propagated, such warnings are actually not of much relevance in China, where the communist party oversees all media workings. In China, the polity controls what will be reported and to what degree.

This situation was of great benefit to Yiwu. Having achieved legitimation, Yiwu became a favorite media topic. But, not only was the increased scope of Yiwu's coverage of benefit, but so was its tone, which was overwhelmingly positive. But, as one reporter commented, this is not unusual.

In China reporting takes place using the following logic: *zhengmian wei zhu*, which means focus on the positive. There are less than five percent of articles each week that focus on real social problems. For example, out of 60 pages per week, maybe two will examine problems. This is the tradition in China for party newspapers. We are a propaganda mechanism (10/16/08 Yiwu interview).

Possessing the attention and acceptance of the media, and with resources at its disposal, Yiwu administrators took the initiative to promote themselves further. Such efforts have taken various forms. First, Yiwu has put great effort into forming and maintaining networks with political leaders. The Yiwu government annually spends a substantial amount of money to invite outside officials to Yiwu for all expense paid junkets. About 40% of all officials coming to Yiwu each year receive such treatment. Given that in 2007 Yiwu “had 500 groups visiting that included officials of a vice minister and/or deputy provincial governor status or above” (6/13/08 Yiwu interview), this can add up to a big expense. For example, Yiwu “invited leaders from Tibet to the city for a 3 day stay, spending RMB 100,000 to do so” (Ibid). As to why these officials receive such treatment, one former official notes that:

Officials not only control media access, but they also control policy, and if Yiwu is able to garner policy benefits these will be of great advantage to it in its competitive standing with other places. For example, because of policy allowances granted to us, we can now manage easily the visas of visiting

businesspersons. We can also better handle disputes between foreigners and locals. These are advantages not enjoyed by other places (11/3/08 Yiwu interview).

Second, Yiwu allocates significant amounts of resources on the promotion of itself. When asked if “other markets advertise themselves like Yiwu,” a former vice director of Yiwu’s propaganda department replied, “Not to the extent Yiwu does. Our expenditures in this area are significantly greater than those of other cities of similar and even greater size. Yiwu faces little competition with regard to propaganda efforts from other market areas. One reason for this is because Yiwu has more money than they do, and this is directly the result of our special land use policies” (11/3/08 Yiwu interview). According to this same official, the Yiwu city government allocates its propaganda office four to five times the amount of funds that the propaganda offices of other comparably sized cities receive. The propaganda department’s budget is RMB 20 to 25 million annually and in addition to these amounts there are various private propaganda initiatives undertaken as well (strongly encouraged by the local government) (Ibid). The amount that Yiwu spends on propaganda is more than 100% of the combined total spent by all of the other cities in the Jinhua district in which Yiwu is located (12/11/08 Yiwu interview). Yiwu’s district includes at least five other cities of similar size as Yiwu. Each year, more than ten million RMB are spent on China Central Television (CCTV) advertisements alone. In addition, the city has an office of promotion in Frankfurt, Germany as well as offices in Hangzhou and Shanghai. The city also advertises in Shanghai and Hong Kong, placing advertisements on Dragon Satellite TV and Phoenix TV, respectively (Ibid). The

city also sends Yiwu government and market-related officials on trips to other areas of China, with at least 100 such trips taking place each year: “These trips are made to attract new or higher quality businesses to our markets and they are also effective in promoting Yiwu’s overall reputation as well. They tend to be well covered by the local medias in the places we visit” (6/13/08 Yiwu interview).

Third, Yiwu puts heavy emphasis on making it easy and comfortable for the media to cover to it. For example, it offers the media various forms of encouragement to undertake such efforts. This assistance started as early as the late 1980s, and includes periodic invitations to favored reporters to come to Yiwu for a good time. It also encompasses the writing of stories for reporters by the propaganda department, as well as the production and dissemination of “interesting” stories. In the words of one reporter, “Yiwu has been very systematic in its promotion strategies. Yiwu’s leaders have also given us great support” (11/01/08 Yiwu interview). Such support has included direct payoffs. For example, one former *People’s Daily* reporter, who is an Yiwu native, noted that in 1998 the city began a policy wherein it provides bonuses to any reporter who publishes a story or picture (with caption) in a newspaper or magazine of a provincial status or above. In the words of this reporter, “I was making RMB80,000-90,000 per year just from writing about Yiwu. Prior to this, Yiwu offered rewards, but the amounts were less. In other places, no such rewards are offered or if they are available the amounts are significantly lower” (12/04/08 Yiwu interview).

Fourth, Yiwu has also intentionally and ongoingly attempted to characterize itself as distinctive. With every passing year, Yiwu has seemed to initiate some new policy or form of action that in some way sets Yiwu apart from other markets. A former media representative commented on this saying “Yiwu’s greatest advantage now is that it is distinctive, it is newsworthy. We played on this advantage and tried to build on it. We needed to because without provincial and central government support in China it’s difficult to succeed here” (11/01/08 Yiwu interview). Another reporter observed that, “There is much to write about here. Other places are helpful in providing information, too, but Yiwu has more newsworthy information. The government purposely positions its activities in such a way to make them attractive to news purveyors. They also have the resources to promote themselves, and spend a great deal on such endeavors” (11/22/08 Yiwu interview).

A fifth way Yiwu promotes itself is by seeking outside accreditation and certification. Researchers have cited such factors as being key to legitimacy, reputation and status attainment (Martens, et al., 2007; Rao, 1994; Rindova, et al., 2005). Some of Yiwu’s recent achievements in this area have been its being named by one of China’s top magazines, “China’s Most Newsworthy City of 2008-2009,” as well as achieving designation as a “2008 Zhejiang Province Safe City,” “The County Level City in China Having the Most Foreign Residents,” and “The County Level City in China Having the Highest Rate of Money Turnover.” Yiwu is also the only county level city in China that can process foreign visas, and the only county level city able to adjudicate the legal cases of foreigners. It has been designated China’s largest interior port, and the only city that allows foreigners to participate in its People’s

Congress (the city selected the author as a People's Congressperson in 2008). The central government has certified Yiwu "An Hygienic City," "An Environmental City," "A Forest City," "A Park City," and many more.²

A sixth way that Yiwu attempts to enhance its celebrity standing is through the formation of networks with other high status (not just political) actors. Actually, these networks are both instrumental and legitimizing. For example, one Yiwu administrator commented on Yiwu's establishment of ties with intellectuals:

We try to attract the attention of scholars and experts, people who normally would not be interested in a community as small as Yiwu. In turn, we can learn from them and improve. This helps us greatly, especially since our educational backgrounds are not that great. But we are willing to learn, and we want to learn from those who know more than we do (12/4/08b Yiwu interview).

There is also the realization that these networks are legitimating as well. And, Yiwu plays on this, commissioning famous intellectuals to write books and articles about it. Even though most of the writings are largely propaganda, they still carry with them the aura of scholarship, and this acts to improve Yiwu's legitimacy, reputation, and status. Examples of such works include: *Weishenma Shi Yiwu?* [Why Yiwu?], written by two Zhejiang University scholars; *Yiwu Fazhan zhi Wenhua Tanyuan* [The Cultural Roots of Yiwu's Development], penned by a contingent of professors from

² See: <http://yiwu.gov.cn/glb/>

China's Academy of Social Sciences in Beijing; and, *Yiwu Shangjuan* [Yiwu's Business Districts], by a professor at the Zhejiang Communist Party School. The books all stress several things. First, they all discuss Yiwu's distinctiveness, indicating how it is different from others. They all also refer to Yiwu's early standing as a non-conformer, as a protagonist in a dramatized story of conflict and change (Rindova, et al., 2006: 56). But, in addition, the books also indicate the fact that Yiwu has likewise transformed itself into a special kind of conforming status. The books portray Yiwu as becoming the exemplar of a now established field, distinguished in the sense that it stands out from its competitors, but now an over-conformer rather than a non-conformer as before. One of the books includes a quote from China's former Minister of Commerce (and now party secretary of the city Chongqing) stating that, "If a person wants to research China's socialist market economy, then that person must go to Yiwu" (Huang & Zhang, 2007, P. 3). Yiwu has become the new paragon of China's emerging form of economic development.

Finally, Yiwu also attempts to develop ties with others it considers to be of high status. One group targeted has been foreign businesspersons. Yiwu ongoingly puts out stories discussing the numbers of foreigners operating in its markets and living in its city. This number is now well over 10,000. It also highlights the establishment by high-level foreign buyers of buying offices within the market. Yiwu administrators clearly recognize the legitimacy and reputational value of ties to high status actors, and do their best to focus attention to these ties.

DISCUSSION

Having detailed the process by which Yiwu achieved firm-celebrity, the discussion now shifts to a focus on the relation of the Yiwu story to the six, previously outlined propositions. Each of the propositions will be dealt with separately.

The first proposition states that “Legitimacy is a necessary, but not sufficient, condition for firm-celebrity attainment.” At the start of its existence, Yiwu had low levels of legitimacy, reputation, and status. Its legitimacy was under-developed for several reasons. To understand one of these reasons, I consider a certain definition of organizational legitimacy, which states that organizational legitimacy is the degree to which a firm is recognized and accepted (Hannan & Carroll, 1992). Another way of referring to this is to consider the extent to which a firm has attained propriety and validity, two factors referred to earlier (Johnson, Dowd, & Ridgeway, 2006: 55). But, early in its development Yiwu was an unknown entity, and in many ways this was a purposeful situation. Relevant members of the Yiwu community and their supporters, including Zhejiang Provincial leaders, were happy to keep Yiwu at a low level of recognition. In China, markets were still not fully accepted, and Yiwu was clearly a market-related entity. It was better to maintain Yiwu under wraps and wait to see what happened. That is, Yiwu’s celebrity progress depended to a large degree on the marketplace’s existing macro-level environments. This is because, according to Rindova, et al., “one defining characteristic of celebrity is that a social actor attracts large-scale public attention” (2006: 50). If Yiwu were to achieve firm-celebrity, it needed to become known, but to do so it required legitimacy, a legitimacy that depended on macro-level trends.

Yet, even having attained a certain level of legitimacy, as was the case for Yiwu after the 1989 CCTV broadcast, firm-celebrity for Yiwu was not immediately forthcoming. At the time, Yiwu was simply one of many markets. It was distinctive, but because of macro-level based concerns regarding the overall appropriateness of markets, it continued to lack status. Powerful actors, particularly in the political realm, were not willing to form known ties with it. Also, Yiwu's reputation was mixed. On the one hand, it was a successful organization, in that it was surviving (not always easy for a new firm), and its members were doing well. But on the other hand, it had many deficiencies and lacked resources (most importantly money) required to improve upon its weaknesses. Yiwu's deficiencies, for example, inadequate infrastructures, questionable behaviors by its participants, and not yet well-organized systems of operation (e.g., there existed in particular problems with logistics systems), adversely impacted its reputation, and also restrained the marketplace from promoting itself too much. Thus, even possessing legitimacy, firm-celebrity was not forthcoming. While legitimacy was needed for firm-celebrity to arise, legitimacy alone was not enough. This suggests there is support for this first proposition.

The second proposition relates to reputation. It asserts that, "For new firms, located in emerging organizational fields, although legitimacy precedes reputation in importance, the reputation-seeking process is a critical step in the attainment of firm-celebrity. This is because, if they are to achieve celebrity, firms need to distinguish themselves from their competitors. This involves the establishment of reputation." In reference to this proposition, it must first be recognized that reputation is relational in nature. That is, implicit in reputation are processes of comparison. Reputation embodies a ranked

structure, with firms being graded in a top-down sequence. For new firms in emerging organizational fields, such rankings are not possible. This can be shown by Yiwu's experience. Initially, Yiwu was not even that well aware of its competition, but rather focused more on its own activities. There was little early mutual monitoring among competitors. Standard forms of reputation frameworks could not form, at least with respect to comparisons made between marketplace competitors.

Instead, early on, Yiwu's reputation was founded more upon its standing as a new form of development. It was being compared with other developmental forms, rather than other marketplaces, and its reputation was emerging on the basis of this comparison. Yiwu framed itself as a pioneer, as an institutional entrepreneur fighting to survive, and doing so in the only way it knew how, through a reliance on the entrepreneurial efforts of its people to carve out for themselves a new niche of existence. Yiwu's development was predicated on markets first, and production second. This differed from all other places, where production came first, followed by markets. Yiwu thus garnered a reputation as an entity able to find new ways to provide its stakeholders with value. It came to be seen as a developmental innovator, a place embodying processes that were unique as compared to the situations of others. The reputation-forming process did not depend upon a comparison between marketplaces, but rather on a comparison of developmental forms. This impacted Yiwu's own progress and helped it to achieve celebrity. Reputation formation was thus an important factor in Yiwu's ability to achieve celebrity. There exists qualified support for the proposition.

The focus of Yiwu's positioning, however, changed over time. This is the assertion made in the third proposition, a complement to the proposition above, which

states that, “For firm-celebrity to develop further, there is a need for the establishment of a positively perceived firm-reputation, one that is increasingly associated with over-conformance, as opposed to non-conformance.” The framing of Yiwu was one that initially positioned the market as an innovative mechanism of development rather than as a marketplace. Yiwu characterized itself as a place providing opportunity to those without other significant life chances, people like farmers and poor laborers, individuals who had seemingly been neglected in the development processes of other locales. No special talents or relationships were necessary in Yiwu. Anyone willing to work hard and possessing a bit of luck could succeed. In this sense, Yiwu was different than other places. It was an open place and full of opportunity. This made it special. Yiwu’s early reputation was predicated on its standing as an anomaly.

Yiwu was not simply a developmental approach, however. All things said, it was still a marketplace. But, a reputation-formation process based on a comparison between marketplaces had to wait until a field of marketplaces came into being. A certain level of recognition and acceptance of marketplaces needed to form before such a reputational basis could emerge.

Once an emerging organizational field achieves a certain level of legitimacy, however, if a firm’s celebrity development is to continue, it must then begin to distinguish itself from other members of its field, those with whom it is naturally compared. This is generally not a natural process, in which one singular firm is a clear and recognized paradigm of “the important changes [occurring] in industries and society in general” (Rindova, et al., 2006: 52). There are potentially, depending on how the situation is framed, many such firms, and not all firms can take on the “paradigm” role.

One firm must separate itself from its competition. This suggests the development of a ranking structure. This ranking structure, however, is not one based on status, in the sense that a network of relations determines it. Such relations have not yet had the time needed to form. This structure is rather one dependent on the signals being emitted by organizational-field members. This, however, is analogous to reputation. That is, the development of firm-celebrity depends on reputation.

In the case of Yiwu, a key foundation of Yiwu's reputation and hence its celebrity was Yiwu's relative success, particularly its financial success (Fobrum & Shanley, 1990 pointed to financial success as key to firm reputation formation), as compared to its competitors. It developed a reputation as an organization that successfully overcame the odds to become a high performer and ongoing innovator, doing so while providing its stakeholders with value. Yiwu also came to be seen as an entity famous for its leadership abilities within its field, that is, an over-conformer. This differed from its previous standing as a non-conforming anomaly. There is evidence in support of this proposition

The next proposition deals with status. It posits: "For a new, un-established firm, status is not a necessary condition for the development of firm-celebrity. Once celebrity is achieved, however, status is required to attain the over-conforming standing needed for celebrity's continuance and further development." According to Rindova, et al., "status derives not so much from a firm's past actions and investments but, rather, from observation of its affiliations with prominent network partners and its centrality within market exchange networks" (2006: 55). Early on, Yiwu had little status, and it also had little legitimacy, reputation, or fame. Yiwu administrators put their priority on achieving legitimacy. To do so, however, meant relying on the influence of powerful individuals,

particularly actors within the polity, who supported market reforms. And though these actors were not particularly willing to form openly perceived ties with Yiwu, there were behind the scenes ties and these were important to Yiwu's legitimation efforts. Even so, prior to Yiwu's success in forming open relationships with well-known, high-status individuals, like the mayor of Beijing, Chen Xitong, the market had only a modicum of legitimacy. This impacted its ability to become a celebrity. It appears then that, in fact, based on the Yiwu situation, status formation is a prerequisite to celebrity. A change in the wording of the proposition above is required. Open ties to powerful actors are not necessary for the development of celebrity, but some form of relationship with these actor types is required. It is only through such relationships that full legitimacy, a precursor to celebrity, can be achieved. The proposition thus needs rewriting.

Still, with regard to the second part of the proposition: the perceived need for celebrity actors to possess ties with high status others so as to become known as over-conformers, the evidence suggests that this is true, at least with respect to Yiwu. Yiwu has used its resources to curry and maintain such ties, and in doing so has successfully perpetuated its celebrity. The motivations behind such actions relate to the realizations that the networks that an actor forms with high status actors are not only able to influence the perceptions of others in the field, but also that the ties aid in the garnering of a particular resource distribution. They do so not only through actual power over decision-making, but also based on their greater access to information and knowledge. As a result of their high-status standing, the actors are better informed. There is the awareness that if Yiwu is to continue to succeed, it needs resources and such access depends on its ability to maintain a network of relationships with high-status actors.

The fifth proposition states, “In a situation characterized by politicized capitalism, the status required by a celebrity-firm to transform itself into an over-conforming actor should depend on the development of ties between the organization and relevant, high-ranking political leaders.” Evidence for this can be drawn from the discussion above and the comments of the interviewee referred to earlier in the paper, in which this person related the importance of political networks to Yiwu for two specified reasons: access to media coverage, and advantages relating to policy formulation. In China, a nation characterized by politicized capitalism, the polity controls media access. Good relations with the polity, therefore, result in media advantages. Rindova, et al. stressed the importance of the media in celebrity attainment. Hence, this explains the importance of polity contacts. A similar situation exists with respect to policy formation. For the firm hoping to be seen as an over-conformer, such contacts are particularly important. This is because, under a context characterized by political capitalism, achieving leadership in any field is a politically related process. It is members of the polity who have the ability to decide who will and who will not succeed. Evidence in support of the proposition exists.

The last, referred-to proposition is the following: “In order to successfully attain celebrity standing, firms must possess the abilities needed to develop and acquire the resources they need to achieve the desired celebrity outcome.” The Yiwu case showed this proposition to be especially true. Prior to Yiwu’s development of a means to garner needed resources (in particular, money), the marketplace had not achieved its potential. It was only when a new source of wealth became available that the marketplace began to takeoff, at least from a celebrity standpoint. Still, it must be noted that it was not simply

the availability of resources that was important, it was also the way in which Yiwu used these resources, applying them to the improvement of infrastructures, the development of useful networks of relations, and the creation of a grand overall plan for the future.

CONCLUSION

The focus of this paper has been to show the inter-relations between structures, and how these processes shape organizational hierarchies. The paper examined the manner by which the social constructions legitimacy, reputation, and status influence the development of organization-differentiating firm celebrity. It relied upon a case study of a now famous marketplace in China, Yiwu, to carry out its purpose, finding that the three elements are actively involved in developmental outcomes. Another finding of the paper is that resources matter, as do the manner in which they are applied. In the case of Yiwu, Yiwu administrators were successful in their attempts to garner the resources they believed they needed, and used these resources to facilitate the emergence of legitimacy, reputation, and status for their organization. Well-though out application of resources, in conjunction with the development of legitimacy, reputation, and status were the means by which a firm-differentiating celebrity was attained.

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TABLE A1: RESULTS OF CLOTHING MARKET INTERVIEWS

Interviews one through 19 were conducted in Wuhan’s Hanzhengjie market area, those from 20-39 in Beijing’s Bairong Market, and the 39-59 interviews in Jinan’s Luokou Market.

Column One: Interview Number

Column Two: Home area of interviewee

Column Three: Question One-“Have you ever been to Yiwu?”

Column Four: Question Two-“Have you heard of Yiwu?”

Column Five: Question Three-“What characteristics are most representative of the Yiwu market?”

Column Six: Question Four-“Do you think any other market in China can compare with Yiwu?”

Column Seven: Question Five-“Can you think of any negatives associated with the Yiwu market?”

Int. #	Home	Q. 1	Q. 2	Q. 3	Q. 4	Q. 5
1	Wuhan	yes	yes	markets, disordered, many goods, women’s jewelry	perhaps Changshu	no
2	Wuhan	no	yes	markets, wealth, clothing producer	no	no
3	Hubei	no	yes	manufacturing center, market, wealthy, cheap prices, many goods	no	not sure
4	Wuhan	yes	yes	small commodities, market, wealth, many goods, production center	no	no
5	Wuhan	yes	yes	market	not sure	not sure
6	Wuhan	no	yes	market, many goods, wealth, production center	no	not sure
7	Hubei	no	yes	small commodities, market, business ability, wealth, civilized	Shaoxing	not sure
8	Hubei	no	yes	market, good business environ., wealth, product selection, bus. Skills	Changshu	not sure
9	Fujian	no	yes	small commodities, production center, market, bus. Ability	no	no
10	Wuhan	no	yes	production center, tourism, market, business ability	not sure	no
11	Hubei	no	yes	small commodities, market	not sure	no
12	Hubei	no	yes	production center, market, wealth, government support	no	no
13	Fujian	yes	yes	developed, market, total dependence on market, wealth, well ordered	not sure	no

14	Wuhan	no	yes	small commodities, poor quality of goods (early), cheap prices, market	no	inconsist. quality
15	Wenzhou	no	yes	small commodities, exports, wealth, future potential	no	not sure
16	Hubei	no	yes	large market, well-ordered, good selection, exports, wealth	no	no
17	Wenzhou	yes	yes	market, good development, well ordered, wealth, many products	yes	culture, hygiene
18	Wuhan	no	yes	ability to do business, market, openness	not sure	no
19	Fujian	yes	yes	market, well developed, comprehensive selection, wealth	no	order
20	Hebei	no	yes	small commodities, market, product selection, wealth	yes, Baigou	no
21	Hebei	no	yes	market, small commodities, production center	no	not sure
22	Hebei	yes	yes	dirty, disordered, wealth, smart in bus., market	yes, Shenyang	dirty, disordered
23	Hebei	no	yes	small commodities, production center, market, wealth, good economy	no	no
24	Jilin	no	yes	small commodities, production center, wealth, market, well developed	no	no
25	Hunan	no	yes	clothing	not sure	no
26	Wenzhou	yes	yes	small commodities, hand made goods, export center, market	Guangzhou	no
27	Anhui	no	yes	market, small commodities	no	no
28	Liaoning	no	yes	small commodities, market	not sure	no
29	Hunan	no	no			
30	Hubei	no	yes	not sure where Yiwu is, many foreigners, market, distribution center	no	poor creditabilty
31	Wenzhou	yes	yes	market, openness, wealth, convenience	no	clothing just so-so
32	Hebei	no	yes	small commodities, small appliances, market, wealth, production area	not sure	suspect quality
33	Hebei	no	yes	market area, production center, clothing	Baigou	suspect quality
34	Jiangsu	no	yes	small commodities, production center, clothing	Guangzhou	not sure
35	Zhejiang	no	yes	small commodities, clothing, markets, wealth, business acumen	no	no
36	Hubei	yes	yes	small commodities, market, production center, high real estate prices	Guangzhou	no
37	Shandong	no	no			
38	Fujian	no	yes	small commodities, clothing, production, distribution center, market	Guangzhou, Shenzhen	not sure
39	Sichuan	no	yes	not sure	Guangzhou, Wuhan	no
40	Wenzhou	no	yes	small commodities, wealth	no	no
41	Jinan	no	yes	small commodities, wealth, market	Guangzhou, Shijiazhuang	no
42	Jilin	no	yes	market, clothing	not sure	no
43	Jinan	no	yes	clothing market	not sure	no
44	Jinan	no	yes	market, small commodities	Changshu, Guangzhou	no
45	Hubei	no	yes	small commodities	Wuhan	no
46	Zhejiang	yes	yes	small commodities, market	no	no

47	Zhejiang	no	yes	small commodities	Changshu	no
48	Jinan	no	yes	distribution center, market	no	no
49	Wenzhou	no	yes	small commodities, production center, wealth	no	no
50	Jinan	no	yes	small commodities, market	Guangzhou	no
51	Jinan	no	yes	small commodities, market, wealth	Guangzhou	not sure
52	Zibo	no	yes	wealth, small commodities	Hangzhou, Changshu	no
53	Zhejiang	no	yes	big market	no	not sure
54	Jinan	no	yes	not sure	not sure	not sure
55	Hubei	no	yes	small commodities, market, wealth	Wuhan	no
56	Jinan	no	yes	small commodities, clothing, market	not sure	no
57	Liaoning	no	yes	small commodities, market, clothing	no	no
58	Jinan	yes	yes	market, small commodities, wealth, developed	Guangzhou, Changshu	no
59	Jinan	no	yes	small commodities, market, business acumen	Wuhan, Guangzhou	no

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