

Status dynamics in the fashion textile market: Border crossing of institutional fields by anonymous firms

Yasuhiro OTA

Tokuyama University, Faculty of Economics

843-4-2 Gakuendai, Shunan, Yamaguchi, 7458566 Japan

E-mail: ota@tokuyama-u.ac.jp

### Abstract

Status stratifies firm positions in a market and affects their performances. Previous status research investigated status dynamics through networking between high- and low-status holders within status-shaping fields, and pointed out low probabilities of such networking due to high-status holders' fear of status loss resulting from connecting with low-status holders. This study focuses on a neglected area of status dynamics: high-status attainment by anonymous firms that operate outside status-shaping fields. Although anonymous firms that are willing to become status holders need to overcome institutional gaps between status holders (trendsetters) and anonymous firms (followers), their potential stakeholders, such as high-status customers and trade fair organizers, welcome resourceful anonymous firms, and market intermediaries, such as trade fair organizers and governmental agencies, support institutional adaptation. By broadening the scope of research in status dynamics, this study reveals institutional factors that affect opportunities and challenges for anonymous firms.

### INTRODUCTION

In social interaction between individuals and organizations, such as individuals'

standing in groups, professionalization, formation of investment ties, buyer-supplier relations, and strategic alliances, status is one of the important factors that shape networks between actors and their interaction modes (Chen, Peterson, Phillips, Podolny, & Ridgeway, 2012; George, Dahlander, Graffin, & Sim, 2016; Piazza & Castellucci, 2013; Sauder, Lynn, & Podolny, 2012). In this study, I focus on the status of organizations in a market.

There are constructs similar to status, such as brand and reputation. I use the term “status” as a specific form of reputation that stimulates stratification within a group of actors. Status signals a particular category that an organization occupies within a well-defined social hierarchy (Sauder et al., 2012). Based on status signals, some actors make choices about whom they connect to and purchase products and services from (Podolny, 2005).

Unlike objective information, such as price, status is based on relatively subjective factors, such as attributes, behavior, and achievements, and third parties (intermediaries) often express signals in the forms of rankings, ratings, and other indexes (Lamont, 2012; Sauder, 2006; Zuckerman, 2012). Consequently, those who accept status signals show deference to high-status holders. As such, research on firms’ status-based competition and cooperation in a market provide rich understanding about interactions in our subjectively stratified social and economic life.

Compared to reputation, an economic and objective concept indicating qualities of products and services, status is regarded as a non-economic and subjective concept and an actor’s status is transferred by its affiliates (Barron and Rolfe, 2012; Washington and Zajac, 2005). Unlike studies on status in other settings, such analysis, however, does not provide us meaningful results on status mechanism in a market, because firms’ status and economic environment influence each other. Without putting economic factors into the scope of status analysis, we cannot understand status

mechanism in a market. For example, the basis of economic factors (e.g., values of product qualities) is constructed through social interactions, status-seeking actors in a market are motivated by economic factors (e.g., premium pricing), and economic factors (e.g., each actor's financial resources) condition their resources accessible, and outcomes from competition to attain high-status.

Prior studies showed when status signals are useful to market actors. Podolny (2005) pointed out that buyers depend on signals to make their buying choices when they are uncertain, because they lack enough knowledge to examine product quality.

Although Podolny (2005) explained that an actor's status is shaped by the status of its affiliates, Sauder (2006) described that, to produce and diffuse these signals, intermediaries, such as trade fair organizations, consultants, and other certification organizations, play crucial roles in evaluating firm competences, products and services, and achievements and in diffusing status signals by announcing the results of their evaluations. I focus not only on status transfer between market actors, but also on the roles of intermediaries in status shaping and diffusion.

As a result, status signals significantly affect the behavior of those evaluated by intermediaries and other stakeholders. While actors behave considering how the evaluators investigate them, the stakeholders who are unable to examine quality by themselves choose products and services from the highest status holders among the available ones.

In status hierarchies, the rich gets richer; higher-status holders are more influential and obtain more scarce resources than lower-status holders. Status is transferred between actors by others' recognition of focal actors' affiliates and the affiliates' status. For example, connections between high-status holders and lower-status holders result in loss of status for the former. Moreover, high-status holders could pay more to high-status suppliers than low-status holders (Benjamin & Podolny, 1999). Therefore,

heterophilous networking, that is, connections between partners with high and low status, arises only when high-status holders could achieve innovation by collaborating with low-status holders (Granados & Knoke, 2013). As a result, homophilous networking, that is, connection between partners with similar status, dominates in a market.

In summary, there are networks between status holders in a market. Some researchers argued that intermediaries evaluate their competence and quality of their products and services. On the other hand, others stressed that status of an actor's affiliates shapes the actor's status. Additionally, prior studies emphasized that status holders who are uncertain about the quality of firms' products and services make their purchase choices by relying on status signals, and that status dynamics are unlikely to occur because high-status holders fear status loss resulting from affiliating with lower-status holders, and high-status customers could pay for products and services by high-status suppliers.

Status researchers concentrated on analyzing status contests and their attendants (status holders), neglecting the fact that not all market actors join contests. Outside contests, anonymous firms follow or are unconscious of high-status holders. However, outsiders that follow high-status holders are important actors in the process of diffusion of status signals and status dynamics in markets.

Previous studies focused on status dynamics in which low-status firms connect to high-status firms (Granados & Knoke, 2013); however, these ignored status dynamics, in which anonymous firms attain high status in a market.

To understand anonymous firms' opportunities and challenges to attain high status, we need to pay more attention to institutions. Status research focused on status and networks, but institutions—norms, rules, and organizations based on shared values—affect the opportunity of networking actors and mode of interactions between them

(Bessy & Chauvin, 2013; Lampel & Meyer, 2008; Owen-Smith & Powell, 2008). I regard patterned interactions between networked actors in a market as institutional fields (Wooten & Hoffman, 2008).

The present study uncovers status dynamics in which anonymous firms join status contests and attain high status, focusing on institutions that affect their networking opportunities and challenges as well as the roles of intermediaries promoting such affiliations.

To investigate this emerging phenomenon, I conduct a case study of Japanese textile small and medium enterprises (SMEs) competing to attain high status. From this case study, I extract a theoretical framework to capture the process of status dynamics.

I organize this paper into three sections hereafter. The next section provides a case study, which illustrates that behavioral patterns differ between attendants of status contests and anonymous followers, and subsequently demonstrates why anonymous firms attain high status focusing on high-status customers' and market intermediaries' interests. The subsequent section examines the findings of the case study and the theoretical contributions of the study. The final section concludes the study and presents directions for future research.

## CASE STUDY

### Case Research Context

The textile industry is one of the representative industries in which networked actors and intermediaries shape subjective values of products by evaluating their objective features (i.e., colors) . In evaluating objective and subjective factors, high-status customers and market intermediaries (i.e., trade fair organizers) have a

significant impact on social valuation processes; high-status customers make an impact by affiliating with partners, and market intermediaries by screening and status ordering (i.e., ranking). Although rankings and ratings are not widely implemented in the textile industry and affect firms' performance less directly than law school rankings (Sauder, 2006), with whom textile firms collaborate, at which trade fairs they exhibit, and whether they receive awards at the fairs shape the status of textile firms in a market.

In the analysis of status dynamics of anonymous firms in a market, Japanese textile SMEs are a typical case, because most have been anonymous. Some of them have followed trends from western fashion capitals, and others have been engaged in producing kimono fabrics that are outside the trend-shaping processes in the world textile market. Furthermore, in recent years, some anonymous Japanese firms have succeeded in building collaborative relationships with prestigious western brands (customers) and attained high status in the industry. For such Japanese firms, one of the effective measures to achieve high status is joining international trade fairs held in western fashion capitals.

### Case Study Material

As this is an emerging phenomenon and drawing a representative sample of research populations is difficult, I conducted a case study of Japanese textile SMEs by using (1) documents (reports, articles, and home pages of Japanese, Italian, and French textile firms and trade fairs), (2) semi-structured interviews with representatives of textile firms, sales agents, customers, government agencies for export promotion, trade fair organizers, and trend consultants in these countries, and (3) observations at trade fairs. Through these multiple sources of evidence, in this study, I examine behavioral routines shaped by social interaction for Japanese SMEs (followers and emerging

trendsetters), and the roles that market intermediaries (sales agents, consultants, government agents, and trade fair organizers) play. To approach Japanese firms and market intermediaries aiming to be trendsetters, I began by conducting interviews at Japanese textile firms introduced in the documents and other information sources as collaborators of prestigious western brands and established market intermediaries. I confirmed the similarity of their behavioral routines to extant high-status textile firms through interviews with Italian textile trendsetters and Italian and French professionals (e.g., fashion consultants). I present the composition of the interviewees from 1994 to 2015 in Appendix Table A1. At fairs, I conducted interviews with representatives of exhibitors and informal observations. To evaluate Japanese firms, I conducted interviews at established Italian textile firms and industry associations, as well as Italian and French fashion and business consultants.

#### Product Development and Merchandizing in Fashion Textile Industry

In the fashion industry, professionals and organizations present new concepts, colors, materials, and final products in order to become trendsetters (Kawamura, 2005). Regarding the textile sector, by taking concepts, colors, and yarns proposed by related firms and exhibitions into consideration, textile firms develop new samples, converse with textile buyers of fashion brands, and join established western trade fairs held in fashion capitals, such as Paris, Milan, London, and New York.

To the customers, textile firms offer new collections of their proprietary products in stock and new samples for joint development with the customers. Textile firms develop the proprietary products independently. The firms implement joint development when they find it difficult to attract the interest of customers with extant proprietary products and samples. In this trade, they develop textiles from products and samples in collaboration with the customers and supply them exclusively. Thus,

product development and merchandizing proceed simultaneously.

To market their products, textile firms demonstrate two types of sales activities. One is visiting individual customers. In this case, the textile firms propose new samples customized for specific customers or samples selected for each customer. The other type is collective marketing at biannual trade fairs. At the fairs, exhibitors need to take care of all visitors, including imitators.

### Challenges and Opportunities for Anonymous Firms to Attain High Status

*Behavioral patterns within status-shaping fields.* Textile trendsetters usually begin to develop new products 18 months before the target season and start discussions with prestigious customers 15 months prior to the season. In the case of autumn and winter collections, the discussions with customers start around July of the previous year. Additionally, each September, they conduct joint marketing at international trade fairs, such as Premiere Vision and Milano Unica. Organizers hold trendsetters' trade fairs much earlier than followers' fairs, and propose trends through advertisements, trend seminars, and trend areas at the fairs.

Prestigious customers expect textile firms to propose new ideas and meet customers' special requests. In product development and merchandizing, textile trendsetters often have "conversations" with stakeholders, such as customers, suppliers, consultants, and trade fair organizers. Through these conversations, new meaning and languages of products and consumption arise, and they affect the next trends in the market, accordingly, textile trendsetters compete to initiate and guide the conversations.

Prestigious western brand starts materials development earlier than established trade fairs, and thus, the fairs provide textile buyers at the brands with opportunities to find new suppliers and source complementary textiles from fixed suppliers.

These processes are appropriate when textile firms require creativity and the possible outcomes of product development are unknown. The attributes of products developed by trendsetters are far beyond those of standard products. Thus, their prices are determined not based on direct costs, but in reference to their value for customers. By developing and merchandizing such products, textile trendsetters could increase the profitability of their products.

In the process of status ordering, established western trade fairs are the gatekeepers of status and evaluators of exhibitors' competences and products, and they provide platforms for diffusing exhibitors' status signals and market trends.

The organizers rigorously screen textile firms that apply to join the fairs. Textile firms that pass this rigorous screening receive fashion insights and the opportunity to produce samples based on the organizers' instructions. The selected samples and trend proposals by the organizers are on display at the trend areas of these fairs.

Accordingly, trendsetter's fairs not only provide a platform for individual exhibitors' promotional demonstrations, but also offer visitors consolidated proposals on colors, texture, function, and other interesting textile characteristics at trend areas. These areas function both as spaces to share trend information and as indexes of exhibitors. The tag with each sample contains information on colors, materials, and other technical attributes, as well as producers' names and location of their booth. Those interested in the samples can visit the booths. Each booth has walls and enough space for business discussions. In the case of an Italian trade fair, Ideabiella in Milano Unica, exhibitors allow only visitors with appointments to talk business with exhibitors.

*Behavioral patterns within status-diffusing fields.* Generally, textile firms following high-status holders and their customers are both followers. Subsequently, textile trend followers typically begin to develop new products according to

trendsetters' new collections, which the trendsetters proposed individually and/or displayed collectively at trendsetters' trade fairs. Then, followers develop their textiles much later than trendsetters do, and join followers' trade fairs, which occur one to two months later than trendsetters' trade fairs.

Trend following customers expect textile trend followers to supply economical textiles on trend with enough quality and with a short delivery time. To achieve this, they propose on trend textiles and attempt to produce textiles with similar properties to the shown by customers at business discussion.

Textiles produced by followers are not unique compared to their rivals' textiles. Textile trend followers and their customers negotiate product prices with reference to the market price of standard textiles. Thus, the prices of their textiles are close to market prices. By selling at much lower prices than trendsetters do, followers seek to increase profits from larger sales volumes.

At the followers' trade fairs, because trend proposals are less important than for trendsetters' fairs, there are no trend proposals or ineffective trend proposals. Additionally, all visitors can access booths, and thus, customers are unable to have private business discussion with exhibitors, and imitators could easily touch and examine displayed samples as to assess colors, texture, materials, structure, and other properties.

Numerous exhibitions held in Japan face another problem. Each local industrial association has launched a small trade fair for its members only. The categories of exhibited products are limited, and screening of candidate exhibitors is not rigorous. Accordingly, they are not supportive for customers to observe trends and buy a variety of creative materials necessary for the new season's collections.

*Factors that encourage border crossing by anonymous firms.* Establishing cooperative relationships with prestigious western customers is difficult for Japanese

textile SMEs. One reason is that they do not have basic resources, such as financial resources and skills for filling linguistic and cultural gaps. However, another crucial issue is that they follow trends from western fashion capitals, and are unfamiliar with trendsetters' norms, rules, and organizations. Differences in timing of product development and merchandizing, approaches to product development and pricing, and organizations of collective promotion and merchandizing function as barriers for Japanese followers to enter trendsetter networks.

However, Japanese textile SMEs have become motivated to approach networks of trendsetters through international marketing, especially in fashion capitals, and some have succeeded in building cooperative relationships with prestigious western brands.

External environmental changes that modify Japanese firms' attitudes are macroeconomic shocks. Japanese firms face an influx of cheap textile merchandise from developing countries, but decreasing product prices and implementation of flexible production systems have not contributed substantially to Japanese firms' sales. While many Japanese textile companies have exited the market, some entrepreneurial firms started marketing to prestigious western customers.

One of the crucial breakthroughs for Japanese entrepreneurs is opening the door to foreign textile firms at established international trade fairs. For example, one of the leading textile exhibitions, *Premiere Vision*, organized by a French company, allows non-European textile firms to participate since 2002. Thereafter, some Japanese firms joined the fair individually and some received "PV awards," that are, awards for exhibitors. Additionally, since 2013, *Milano Unica*, previously composed of Italian textile trade associations, launched a special exhibition zone for Japanese firms in collaboration with a Japanese organization supporting the fashion industry named the "Japan Fashion Week." Their attendance as exhibitors of established trade fairs signals to stakeholders that they have passed rigorous screening by established trade fair

organizers. Moreover, Japanese firms who are recipients of awards at fairs obtain certification as textile firms with capability to develop outstanding qualities of textiles among trendsetters.

In general, organizers hold trade fairs later than the prestigious brands' peak period for product development. However, by joining famous trade fairs, such as *Premiere Vision*, exhibitors that have no prior connection to luxury brands could converse with renowned companies and easily make contact with them for the development of subsequent collections.

Another breakthrough for Japanese firms has been the encouragement of the Japanese government and industrial associations to create appealing designs, to exhibit their collections in fashion capitals, and, outside exhibitions, to engage in direct marketing to established brands. In support of international marketing of Japanese textile SMEs, a government-related organization with global networks, the Japan External Trade Organization (JETRO), has taken a central role. JETRO supports Japanese SMEs, giving special consideration to the five high-potential industries—including textiles—by helping companies participate in trade fairs, inviting buyers of famous brands to Japanese and foreign trade fairs, offering know-how at exhibitions, and organizing seminars. Such market intermediaries as JETRO are becoming more supportive of the globalization of Japanese firms.

Finally, prestigious fashion brands searching for new materials are essentially open to entrepreneurial suppliers. If anonymous firms could discuss with them and propose new, original, and attractive textiles effectively, they could collaborate without being constrained by previous positions in the market.

Japanese textile firms, which have developed steady relationships with high-status customers, have gained an advantageous position in terms of negotiating with Japanese clients that previously dominated them. Textile firms sell their products to

Japanese customers still following trends at much higher prices than before by collaborating with prestigious western brands. This is a typical case in which emerging trendsetters that were previously anonymous followers attain high status.

## DISCUSSION

Previous works on status investigated status dynamics among status holders and pointed out the dominance of partnering between same-status holders due to high-status holders' affluence and fear of status loss resulting from connecting to low-status holders. The assumption that status holders select their partners depending on status signals is present in some studies.

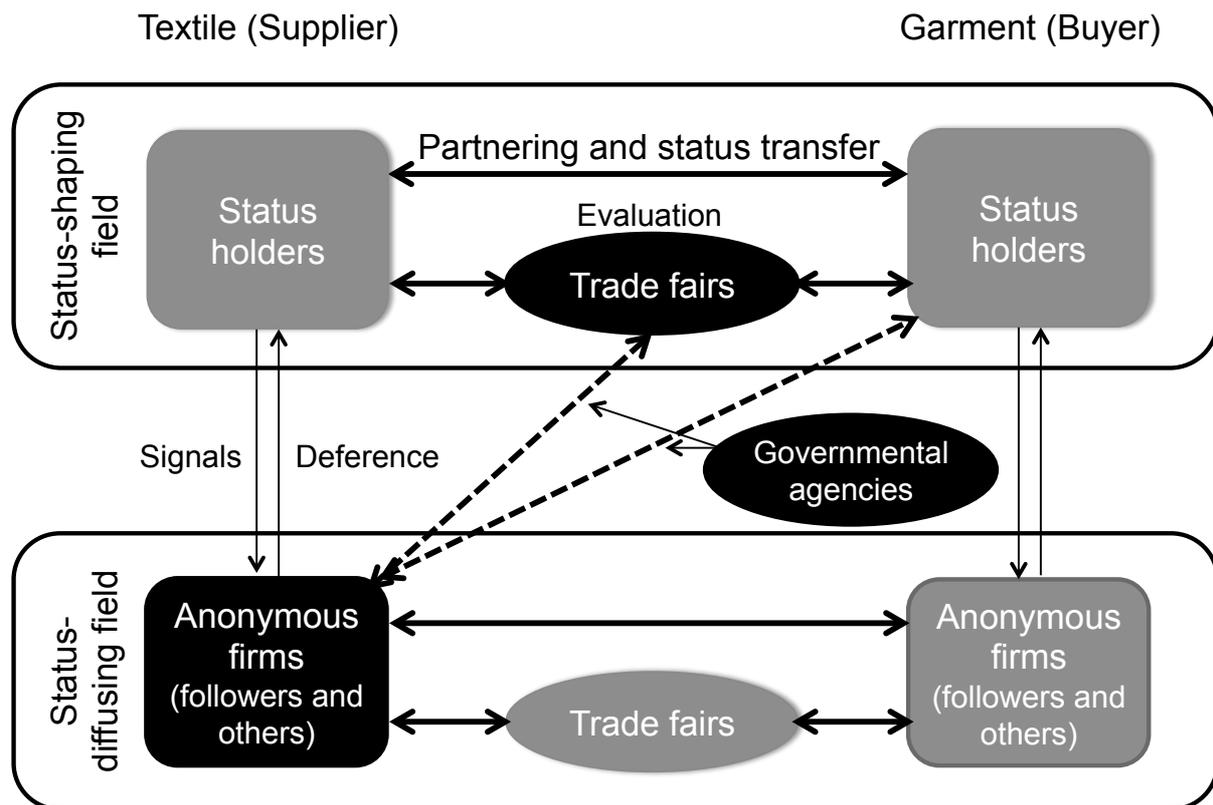
However, previous studies neglected another status dynamic: high-status attainment by anonymous firms that operate outside status-shaping fields. To broaden the scope of research on status dynamics, I provided a case study to determine the institutional determinants of opportunities and challenges for anonymous firms. Using the results, I develop a framework for status dynamics across two institutional fields and propose questions on the importance of status signals in partner selection of status holders explained in previous research.

Most notably, to the best of my knowledge, this is the first study to introduce the viewpoint of actors' positions within institutional fields into the analysis of status ordering and diffusion. By analyzing status dynamics in the textile industry by focusing on institutionalized behavior, the present study showed that institutional fields and logic (Hardy & Maguire, 2008; Thornton, Ocasio, & Lounsbury, 2012) affect status ordering and its diffusion. Specifically, status ordering and diffusion proceed across two institutional fields: status-shaping fields and status-diffusion fields. While the market actors labels textile firms in status-shaping fields in an industry as

status holders (high- and low-status holders), those in status-diffusion fields are anonymous. Figure A. 1 shows the fields and actors in the textile industry.

FIGURE A. 1

Status shaping/diffusing fields



As institutional research, this study focused on two complementary and competing fields and offered a new approach for the comparative analysis of firms' competitive and cooperative behavior in a market. In these two fields, textile firms, their customers, and market intermediaries (trade fair organizers) show contrasting behavioral patterns in product development and merchandizing in coping with market uncertainty, and the outcomes also are rather different for each one. Textile trendsetters demonstrate product development and merchandizing earlier than followers and focus on proposing new ideas to their customers to achieve high prices, while trade fair organizers

rigorously screen candidate exhibitors and effectively foster trend promotion and business discussion. On the other hand, followers start product development and merchandizing later than trendsetters do, focus on supplying lower-cost and on-trend products quickly, and negotiate product prices in reference to market prices of standard textiles, while their trade fairs lack effectiveness for trend proposals and business discussion. Existing studies provided institutional research focusing on macro-institutional fields and logic (Thornton et al., 2012; Wooten & Hoffman, 2008) with an analytical framework on mesoscopic institutional fields and logic in a market. An analysis of mesoscopic institutions enables us to recognize and compare the different coexisting behavioral patterns in a market/industry or a country. Additionally, the analysis constitutes part of a multi-level analysis on institutional arrangements.

My research provides theoretical links for the strategy research. The behavioral patterns observed in the two fields have characteristics common to those in other categories, such as “first-movers” and “late-movers” (Lieberman & Montgomery, 1988, 1998) and “interpretive” and “analytical” (Lester & Piore, 2004), which were implemented to characterize individual firms’ strategic behavior. These studies and the present one corresponded in terms of focusing on the timing of product development and merchandizing, and firms’ attitude to market uncertainty. I further pointed out the existence of common behavioral patterns among firms in a market, and provided deeper investigation of buyer-supplier relationships and market intermediaries.

Although previous studies on status examined the probability of only heterophilous networking between status holders (networking between low-status and high-status holders), the present case study focused on anonymous firms, neglected players in status dynamics, and explained that outsiders of status-shaping fields could attain high status by joining the fields. To attain high status, anonymous firms (i.e.,

followers willing to enter status-shaping fields) should change their behavioral patterns from followers to trendsetters. As most firms within status-diffusing fields have taken for granted followers' norms, rules, and organizations, or lack the skills to select and mobilize resources effectively for high-status holders, they have difficulties in reflecting that they need to transform their behavioral patterns and build more preferable institutional environments. Although this is a case study in which actors move from an extant field to another extant field, anonymous firms face challenges common to institutional entrepreneurs engaged in creating new institutions (Holm, 1995; Seo & Creed, 2002).

From a wider viewpoint, establishing that differences in institutionalized behavior constrain heterophilous networking as an opportunity for status dynamics is another contribution to status and network research that focused on the status of firms' affiliates as one of the determinants of firms' status (Owen-Smith & Powell, 2008; Podolny, 2005). The institutional differences between trendsetters and anonymous followers prevent them from connecting to each other because of differences between trendsetters and followers on (1) timing of product development and merchandizing, (2) approaches to product development and pricing, and (3) organizing collective promotion and sales at trade fairs.

Given such an institutional divide between networks of status holders and those of anonymous firms, the question is when anonymous firms could enter status-shaping fields. To answer this question, I analyzed the interests of potential stakeholders, such as high-status customers and market intermediaries. Established customers and trade fairs are open to anonymous firms because they need to innovate their products through collaboration with entrepreneurial textile firms with attractive resources, and established trade fairs are seeking new stars to attract more visitors to their fairs. To find such firms, they are essentially open to high-potential textile firms regardless of

their previous market status. This finding raises the question of whether, in prior research that discusses status effect on networking between status holders, status holders make decisions about selecting textile firms without considering status signals (Podolny, 2005). In the case of the textile industry, it seems that status signals are reliable, especially for followers, but not for status holders. Incorporating stakeholders' interests into the analysis of status dynamics is another contribution of this study to status research.

To establish collaborative relationships with high-status holders, anonymous firms need to adapt to trendsetters' institutions. Without adapting to the institutional logic within status-shaping fields, anonymous firms are unable to capture opportunities to market their products to prestigious brands, that is, opportunities to attain high status, even if these firms have potentially valuable resources. For anonymous firms to meet the challenges of status attainment, I proposed institutional adaptation and, as sources of institutional transformation (Hardy & Maguire, 2008), I emphasized the roles of anonymous firms' potential stakeholders, such as high-status customers and trade fair organizers located outside the followers' fields, which welcome resourceful anonymous firms (Bathelt, Golfetto, & Rinallo, 2014). As promoters of institutional adaptation, I shed light on market intermediaries, such as trade fair organizers and government agencies for export promotion, which instruct anonymous firms to adapt to trendsetters' institutional environments and give them opportunities for affiliating with high-status holders and achieving high status.

Regarding institutional research, this study contributes by analyzing actors' moves between fields, which result in changes in membership and population of fields, taking interests of buyers, suppliers, and market intermediaries into account. These moves can mean exit from given fields and acceptance of other existing fields, which complement studies on isomorphism (DiMaggio and Powell, 1983), strategic

responses against institutional processes (Oliver, 1991), and plural institutional fields and logics (Wooten and Hoffman, 2008; Thornton, Ocasio, and Lounsbury, 2012). The possibility of the moves is affected not only by potential entrants' competence, but also by field conditions, such as openness, attractiveness, and supportiveness for new entrants, and interests of gatekeepers and incumbents of the fields, which I analyzed for the two fields in the textile industry.

From an economic perspective, this study showed that the institutionalized mechanism of status ordering and its diffusion shapes the market process—innovation and its diffusion—in an industry. In the process, market intermediaries in status-shaping fields play a great role as evaluators of firms' competences and their products and services, as gatekeepers of membership of collaborations, as developers of status indexes, such rankings, and as supporters of newcomers in adapting to status holders' institutions. These are broader descriptions of the roles of market intermediaries than those provided in research on valuation in a market (Bessy & Chauvin, 2013) and field-configuring events (Lampel & Meyer, 2008).

This study established opportunities and challenges for anonymous firms to attain high status in a market by analyzing mesoscopic institutions in product development and merchandizing. With regard to practical implications, I emphasize that we need to encourage anonymous firms facing difficulties in a given market to join extant established contests for status or launch new contests. In the choice of contests or development of new contests, evaluation standards and indexes of their competences and products, and organization of collective activities are important for their success. Consequently, to help anonymous firms adapt to status holders' institutional environment, instructions and other support that stimulates change in product development and merchandizing are necessary. Without transforming these, new entrants are unable to collaborate with high-status customers effectively, even if

macro-institutions, such as patent laws, are supportive of it.

## CONCLUSION

By considering the institutional environment of status ordering and diffusion in the scope of research, the present study showed that anonymous firms could be important players in status dynamics. Although anonymous firms (followers) willing to become status holders need to overcome institutional gaps with status holders (trendsetters), their potential stakeholders, such as high-status customers and trade fair organizers, welcome resourceful anonymous firms and market intermediaries, such as trade fair organizers, and government agencies support institutional adaptation.

The findings enriched not only the framework of status dynamics, but also frameworks of multilevel institutional arrangements, transformation of institutional environment, and innovation and its diffusion. Future research could proceed in two directions. The first is to investigate the applicability of my framework to contexts other than buyer-supplier relationships. The second is to extend my framework by adding constructs, such as market identity and firms' institutionalized resource selection and mobilization.

## ACKNOWLEDGMENTS

This study was supported by JSPS KAKENHI, Grant Numbers 20330057, 18730269, 23653106, and 26590070.

## APPENDIX

Table A.1 Composition and number of interviewees

	Locations			
	Japan	France	Italy	Total
Textile firm	J52, I2	J1	J3, I21	J56, I23
Sales agent	J4	J3	J5, I3	J12, I3
Trade fair organizer	J5	F1	I3	J5, F1, I3
Fashion consultant	J4, F1	J1, F2	J2, I2	J7, F3, I2
Government agency and industrial association	J4, I1	J1	J1, I4	J6, I5
Total	J69, F1, I3	J6, F3	J11, I33	J86, F4, I36

Note: The letters and numbers show the nationalities of interviewees and the number of interviewees, respectively. J, F, and I stand for Japanese, French, and Italian nationalities, respectively. The occupations of interviewees in organizations are presidents, managing directors, heads of departments, and creative directors.

## REFERENCES

- Barron, D. N., & Rolfe, M. 2012. It ain't what you do, it's who you do it with: distinguish reputation and status. In T. G. Pollock & M. L. Barnett (Eds.), *The Oxford handbook of corporate reputation*: 160–178. Oxford, UK: Oxford University Press.
- Bathelt, H., Golfetto, F., & Rinallo, D. 2014. *Trade shows in the globalizing knowledge economy*. Oxford, UK: Oxford University Press.

- Benjamin, B. A., & Podolny, J. M. 1999. Status, quality, and social order in the California wine industry. *Administrative Science Quarterly*, 44(3): 563–589.
- Bessy, C., & Chauvin, P. 2013. The power of market intermediaries: From information to valuation processes. *Valuation Studies*, 1(1): 83–117.
- Chen, Y.-R., Peterson, R. S., Phillips, D. J., Podolny, J. M., & Ridgeway, C. L. 2012. Introduction to the special issue: Bringing status to the table—Attaining, maintaining, and experiencing status in organizations and markets. *Organization Science*, 23(2): 299–307.
- DiMaggio, P. J., & Powell, W. W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2): 147–160.
- George, G., Dahlander, L., Graffin, S. D., & Sim, S. 2016. Reputation and status: Expanding the role of social evaluations in management research. *Academy of Management Journal*, 59(1): 1–13.
- Granados, F. J., & Knoke, D. 2013. Organizational status growth and structure: An alliance network analysis. *Social Networks*, 35(1): 62–74.
- Hardy, C., & Maguire, S. 2008. Institutional entrepreneurship. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), *The SAGE handbook of organizational institutionalism*: 198–217. Thousand Oaks, CA: Sage.
- Holm, P. 1995. The dynamics of institutionalization: Transformation processes in Norwegian fisheries. *Administrative Science Quarterly*, 40(3): 398–422.
- Kawamura, Y. 2005. *Fashion-ology: An introduction to fashion studies*. Oxford, UK: Berg.

- Lamont, M. 2012. Toward a comparative sociology of valuation and evaluation. *Annual Review of Sociology*, 38(1): 201–221.
- Lampel, J., & Meyer, A. D. 2008. Guest editors' introduction. Field-configuring events as structuring mechanisms: How conferences, ceremonies, and trade shows constitute new technologies, industries, and markets. *Journal of Management Studies*, 45(6): 1026–1035.
- Lester, R. K., & Piore, M. J. 2004. *Innovation: The missing dimension*. Cambridge, MA: Harvard University Press.
- Lieberman, M. B., & Montgomery, D. B. 1988. First-mover advantages. *Strategic Management Journal*, 9(S1): 41–58.
- Lieberman, M. B., & Montgomery, D. B. 1998. First-mover (dis)advantages: Retrospective and link with the resource-based view. *Strategic Management Journal*, 19(12): 1111–1125.
- Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16(1): 145–179.
- Owen-Smith, J., & Powell, W. W. 2008. Networks and institutions. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), *The SAGE handbook of organizational institutionalism*: 596–623. Thousand Oaks, CA: Sage
- Piazza, A., & Castellucci, F. 2013. Status in organization and management theory. *Journal of Management*, 40(1): 287–315.
- Podolny, J. M. 2005. *Status signals: A sociological study of market competition*. Princeton: Princeton University Press.
- Sauder, M. 2006. Third parties and status position: How the characteristics of status systems matter. *Theory and Society*, 35(3): 299–321.

- Sauder, M., Lynn, F., & Podolny, J. M. 2012. Status: Insights from organizational sociology. *Annual Review of Sociology*, 38(1): 267–283.
- Seo, M.-G., & Creed, W. E. D. 2002. Institutional contradictions, praxis, and institutional change: A dialectical perspective. *Academy of Management Review*, 27(2): 222–247.
- Thornton, P. H., Ocasio, W., & Lounsbury, M. 2012. *The institutional logics perspective: A new approach to culture, structure, and process*. Oxford, UK: Oxford University Press.
- Washington, M., & Zajac, E. J. 2005. Status evolution and competition: Theory and evidence. *Academy of Management Journal*, 48(2), 282–296.
- Wooten, M., & Hoffman, A. J. 2008. Organizational fields: Past, present and future. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), *The SAGE handbook of organizational institutionalism*: 130–147. Thousand Oaks, CA: Sage.
- Zuckerman, E. W. 2012. Construction, concentration, and (dis)continuities in social valuations. *Annual Review of Sociology*, 38(1): 223–245.