Ashlee Humphreys & Gregory S. Carpenter

Status Games: Market Driving Through Social Influence in the U.S. Wine Industry

Research on market orientation finds that market-driven firms succeed by identifying and appealing to consumer needs. Yet many technologically innovative firms achieve remarkable success by taking a market-*driving* approach. The ways that firms drive markets without disruptive innovation, however, remain unclear. Adopting a market-systems perspective, the authors conduct an ethnographic analysis of producers, distributors, retailers, critics, and consumers in the U.S. wine market. They find that firms drive the market by playing a status game. Firms pursue a vision and advance that vision among influencers inside and outside the industry to gain recognition. Winners of the status game influence and drive social consensus by setting benchmarks and shaping consumer preferences to the firm's advantage. High status is difficult to imitate, creating an advantage that can endure for years or decades.

Keywords: market orientation, status, competitive advantage, social influence, market driving

In contrast to *market-driven* firms that aim to understand and respond to consumers and competitors (e.g., Jaworski and Kohli 1993, 1996; Kohli and Jaworski 1990), *market-driving* firms try to influence consumers and competitors (Carpenter, Glazer, and Nakamoto 1997; Jaworski, Kohli, and Sahay 2000; Kumar, Scheer, and Kotler 2000). Many market-driving firms, such as Apple and Tesla, drive markets through disruptive innovation, but others do not. DeBeers created a $50 billion market for diamonds, and Starbucks relies more on education than technology. As Starbucks' chief executive officer (CEO) Howard Schultz explains: "Don't just give the customers what they ask for. If you offer them something so far superior that it takes a while to develop their palates, you can create a sense of discovery and excitement and loyalty that will bond them to you," (Schultz and Yang 1997, p. 35). Apple became the most valuable company in history in 2012 using this logic, and Starbucks has thrived for more than a quarter century, suggesting that a market-driving approach can be exceptionally rewarding, with or without technological disruption.

Ashlee Humphreys is Associate Professor of Integrated Marketing Communications, Medill School of Journalism, Northwestern University (email: a-humphreys@northwestern.edu). Gregory S. Carpenter is James Farley/Booz Allen Hamilton Professor of Marketing Strategy, Director of the Center for Market Leadership, and Faculty Director of the Markets and Customers Initiative, Kellogg School of Management, Northwestern University (email: g-carpenter@kellogg.northwestern.edu). The authors are grateful to the Wine Market Council for financial support and to Xavier Barlier for his support and encouragement throughout the project. Dylan Carpenter, Lacey Carpenter, Gary Gebhardt, Dominique Hanssens, Sharlene Shuyin He, Matteo De Angelis, Hayagreeva Rao, Kent Nakamoto, and seminar participants at University of California, Los Angeles provided valuable comments on previous drafts. The Kellogg Center for Market Leadership provided financial support. Robert Meyer served as area editor for this article.

Scholars have developed conceptual frameworks to identify successful approaches to market driving with a focus on disruptive innovation. Kumar, Scheer, and Kotler (2000) discuss the power of breakthrough technology and breakthrough marketing. They propose education, buzz marketing, and radical innovation, among other strategies, as successful approaches to driving markets. Jaworski, Kohli, and Sahay (2000) argue that firms drive a market by changing the market structure or the behavior of firms and consumers within an established structure. For example, a firm can create or reverse consumer preferences. Carpenter, Glazer, and Nakamoto (1997) identify the psychological mechanisms that firms use to influence consumer behavior and create competitive advantage. Based on these conceptual frameworks, scholars have proposed options for pursuing a market-driving strategy focused on disruptive innovation. Combined with examples of successful market driving from Apple, Starbucks, and other firms, these conceptual frameworks offer valuable insights.

Empirical analyses testing these conceptual frameworks, however, have not followed, leaving three important questions unresolved. First, how do firms drive markets without technological innovation? Extant research suggests that market-driving firms shape consumer preferences and rival behaviors, but these studies offer few details on the processes through which firms achieve such shaping (Jaworski, Kohli, and Sahay 2000; Kumar, Scheer, and Kotler 2000). Second, how do firms create *enduring* competitive advantage with a market-driving approach? Radical innovation appears to be one route to short-term advantage. For example, Motorola created and shaped the mobile phone market before Nokia overtook Motorola and Apple eclipsed Nokia. Some firms, however, drive the market for decades using established technology. Third, previous research suggests that market driving can be effective but offers few insights into when market driving is more effective than other approaches. What conditions favor a market-driving approach?

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We explore these three questions through an analysis of the U.S. wine market. Similar to earlier work on market orientation, we focus on firms in a value chain, including producers, distributors, retailers, and consumers, and examine the impact of producers on consumers and rivals (Jaworski, Kohli, and Sahay 2000). In some industries, external actors can also influence consumers and firms. For example, experts and the media influence consumers in sports betting, financial markets, arts, health care, movies, and restaurants (e.g., Giesler 2012; Holt 2004; Humphreys and Latour 2013; Vargo 2011). Adopting a systems perspective, we examine a broader set of actors than previous research by integrating those outside the value chain, including critics and the media. Using ethnographic or qualitative methods (Geertz 1994; Glaser and Strauss [1967] 2009; Pettigrew 1990; Thompson, Locander, and Pollio 1989), we examine producers, distributors, retailers, critics and the press, and consumers. We explore the relative influence, motives, and relationships among stakeholders.

Our analysis produces new insights into three areas. First, we show how firms drive a market without innovation. We find that firms systematically and strategically take action to shape consumers' preferences and the decisions of rivals, as Jaworski, Kohli, and Sahay (2000) propose. But we find that firms do so through a complex social process. Firms build relationships with actors both inside and outside the value chain. Through these relationships, they influence consumers, critics, and other actors, thereby shaping preferences. For example, drinking wine is a subjective, complex, and ambiguous experience for many consumers. Market-driving firms try to influence how consumers interpret and value wine by influencing critics and the language they use. In turn, critics influence producers, retailers, and, ultimately, consumers. A firm's influence, however, extends well beyond preferences. Firms strive to define product categories, the standards used to value wines within categories, and the status of brands. We analyze how firms engage in these activities continually to drive markets over the long run through social influence.

Second, our analysis suggests that firms use this social influence process to create competitive advantage. By shaping the preferences of consumers and rivals, they shift the flow of resources in the industry and gain more influence than rivals, which creates competitive advantage. To achieve influence, firms compete in a status game in which they develop and promote their vision and seek recognition from influential actors such as critics and winemakers. Some firms gain status, while others do not. Winners achieve fame and fortune, and their winemakers become industry celebrities, while losers remain obscure. More fame confers even more influence to firms. For example, a celebrated winemaker can influence critics and consumers to a degree that an obscure winemaker, however gifted, cannot match. Consumers pay high, even extraordinary prices for high-status wines despite the availability of thousands of excellent, lower-priced alternatives. Moreover, firms in the wine industry enjoy high status for years, sometimes decades, and, in a few famous cases, more than a century, suggesting that status is an important source of long-term advantage. We identify how firms compete for status, how status creates competitive advantage, and why this advantage endures.

Third, our analysis identifies conditions that favor a market-driving approach. Specifically, we explore the roles of preference ambiguity, complexity, learning, and expertise and suggest combinations of factors that favor market driving. Under these conditions, firms can successfully adopt novel competitive strategies. For example, in contrast with the traditional view of competition in which firms succeed or fail as a result of their actions alone, our results suggest that a market-driving firm's success depends on the collective action of others. As a result, a firm may compete with some rivals while cooperating with others, thus enhancing its competitive advantage through the selective sharing of knowledge and resources.

We compare our findings with approaches suggested by established frameworks. We find that firms drive markets over time by employing a vision and shaping consumer learning (Jaworski, Kohli, and Sahay 2000; Kumar, Scheer, and Kotler 2000). Our analysis adds to previous work by identifying new approaches to shaping the behavior of actors without disruptive innovation. For example, we find that firms gain enduring competitive advantage by creating symbolic value and engaging actors outside the value chain to attain status. This analysis reveals a different logic for success than what many firms employ. We discuss four new approaches to status creation, show how they extend established frameworks, and explore their managerial implications by suggesting specific actions managers can take to drive markets.

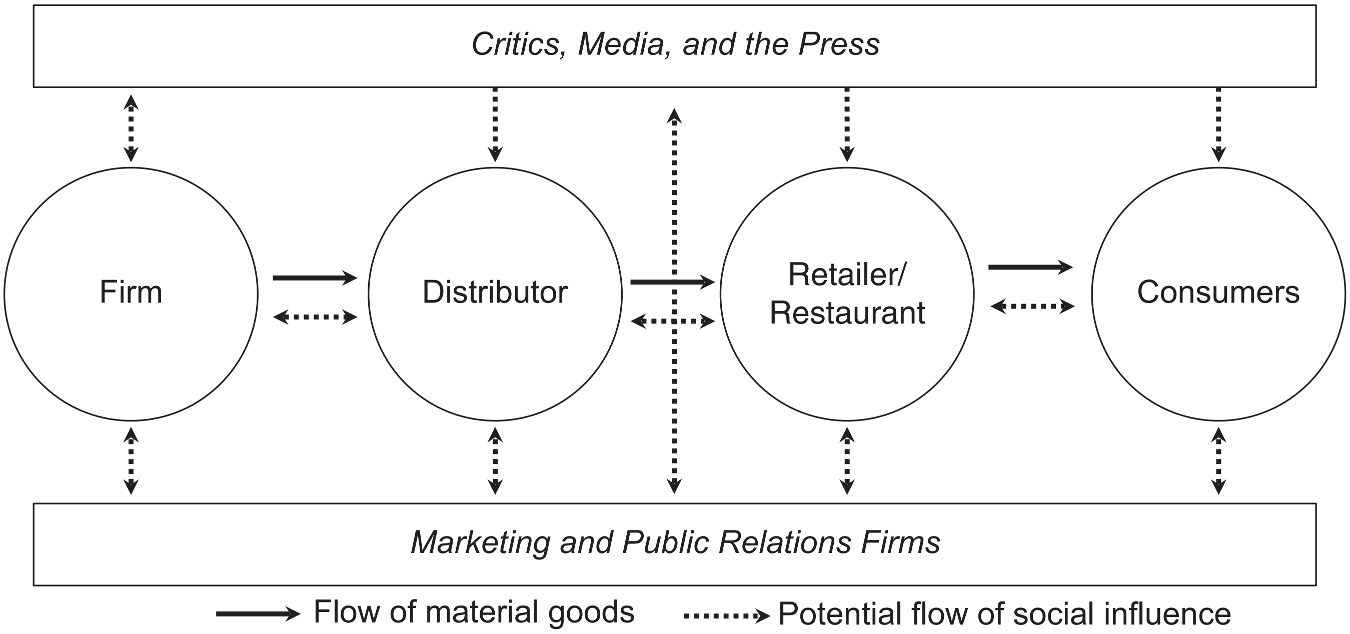
The Market System, Methods, and Data

We explore our questions in the U.S. market for wine. Wine emerged more than 7,000 years ago, and the process for producing it has remained largely unchanged (McGovern et al. 2017). Although wine is popular in many countries, consumers spend over $35 billion each year buying wine in the United States, making it the largest wine market in the world (Wine Institute 2015). The market is mature, technologically stable, and intensely competitive, with more than 15,000 wines available to consumers.

The Market System

As do previous studies on market orientation (e.g., Carpenter, Gebhardt, and Sherry 2014, Gebhardt, Carpenter, and Sherry 2006; Kohli and Jaworski 1990), we begin by focusing on a firm in the value chain. In the case of wine, the value chain begins with producers that reach consumers through distributors, retailers, and restaurants. In contrast with previous work that focuses *exclusively* on producers, or firms, our analysis examines multiple members of the value chain, including producers, distributors, retailers, and customers. In addition, we take a systems approach to include actors outside the value chain, such as critics, the press, and media (Giesler 2012; Humphreys 2010). In the wine market, these experts are influential, as they are in other industries, including film, restaurants, financial markets, and sports (Ali, Lecoq, and Visser 2008; Darlington 2011; McCoy 2005). We also include advertising, marketing, and other agent firms in our analysis. The members of the value chain, together with these influential

FIGURE 1
The U.S. Wine Market System, Including the Flow of Material Goods Among Actors in the Value Chain and Potential Avenues for the Flow of Social Influence



actors outside the value chain, form a market system that is the focus of our analysis.

Actors in the system pursue a range of motives. Firms may seek profit or status, consumers may seek satisfaction or utility, and critics and the press may seek influence. Any of these actors may also pursue multiple motives at the same time. For example, firms can simultaneously build relationships with consumers, compete with some rivals, and collaborate with other firms. Although most analyses on market orientation treat members of the value chain as independent, we view all actors in the system as interdependent. Each actor develops relationships with other actors, creating dependencies and thus enabling one actor to influence others either directly or indirectly.

The U.S. wine market system comprises a large number of potential relationships. Figure 1 illustrates the flow of material goods from firms to consumers across the value chain (solid lines) and the possible symbolic and informational relationships among actors (dotted lines). For example, consumers can be influenced by critics, the media, and marketing firms, while marketing firms are partly influenced by consumers. For each relationship, a range of connections are possible. For example, firms may influence customers through distribution and indirectly influence distributors and restaurants through a critic or marketing firm. In our analysis, we examine the motives of the actors, the relationships they forge, and the actors' relative influence over one another. We discuss the patterns of influence that emerge as firms play a status game within this system.

Method and Data

We explored this system by conducting an ethnography of producers, distributors, retailers, critics, consumers, and marketing professionals. We focused on producers in the United States but also included firms in France and Italy that sell a significant volume of wine in the U.S. market. We chose firms through connections with key informants and sought diversity on multiple dimensions. Firms differed in size, ranging from small, boutique wineries to large multinational firms; some firms are relatively new entrants, while others are centuries old; some are vertically integrated, owning vineyards and wineries, while others purchase grapes from farmers. We spent time at firms in different capacities—observing, helping at trade events, and assisting at tastings and customer visits to the winery. We interviewed winemakers and executives responsible for marketing, sales, and operations; current and former winery CEOs; and employees who regularly interact with customers, such as tasting-room employees. We interviewed distributors, critics, and wine writers and spent time with them at events such as dinners, public tastings, and trade events (see Table 1). We conducted 28 interviews with those working in the industry, which resulted in 1,066 pages of interview transcripts and field notes, as well as pictures and other archival records such as trade publications and magazine articles.

To examine consumers, we conducted interviews and participant observation, selecting informants primarily through snowball sampling and from a popular wine message board. We focused on wine enthusiasts: consumers who enjoy researching, purchasing, reading reviews, shopping, discussing, drinking, and sharing wine with others. By one estimate, wine enthusiasts are 12% of wine consumers but purchase 25% of all wine sold.[1]

[1]http://www.cbrands.com/news-media/constellation-brands-reveals-third-phase-cutting-edge-consumer-insights-study.

TABLE 1
Wine Producers, Retailers, Distributors, and Critics

Name	Approximate Age (Years)	Gender	Education	Job	Years Experience	Location
Paulette	60	F	BA	Tasting room guide	20	West Coast
Monica	38	F	BA	Marketing/sales	15	West Coast
Mike	60	M	BA	Marketing executive	35	West Coast
Katie	30	F	BA	Marketing/sales	10	West Coast
Tom	40	M	MS	Winemaker	15	West Coast
Hugh	58	M	BA	Owner	35	West Coast
Anna	24	F	BA	Tasting room guide	4	West Coast
Vijay	35	M	BA	Marketing/sales	11	West Coast
Robert	58	M	JD	Owner	40	West Coast
Rachel	37	F	MBA	Marketing/sales	15	West Coast
Ed	45	M	MBA	Marketing	15	West Coast
Phil	45	M	BA	Sales	20	West Coast
Barbara	65	F	MBA	Chief Marketing Officer	20	West Coast
John	55	M	MBA	Marketing executive	25	West Coast
Aron	40	M	MBA	Marketing	10	West Coast
Chris	45	M	BA	Critic	20	East Coast
Theresa	55	F	MA	Critic	30	France/East Coast
Avery	65	F	BA	CEO	40	West Coast
Yves	50	M	BA	Winemaker	25	France/West Coast
Kristin	45	F	BA	Winemaker	20	West Coast
Angela	40	F	MBA	Executive	15	West Coast
Clark	65	M	BA	Owner	40	West Coast
Dominic	65	M	BA	Winemaker	40	France/West Coast
Alain	60	M	BA	Executive	25	West Coast
Lorenzo	35	M	BA	Executive	10	Italy
Hubert	40	M	BA	Winemaker	20	West Coast
Richard	45	M	MBA	Owner	15	West Coast

Notes: BA = Bachelor of Arts degree; MA = Master of Arts degree; MBA = Master of Business Administration degree; MS = Master of Science degree; JD = Juris Doctor (i.e., law) degree.

In the wine industry, enthusiast consumers may be most aware of status because they are the most engaged in acquiring knowledge about and discussing wine. However, they are also perhaps less likely than other consumers to be influenced by a status-related market, because they have invested time in learning about wine and exploring their own preferences. We therefore expect that the degree to which firms influence less-informed consumers is even greater than the degree to which they influence enthusiasts. We sampled for diversity in expertise, region, age, and gender (see Table 2). Attuned to small group and network dynamics (Epp and Price 2011), we sampled groups of three to four people, which allowed us to explore status and ritual dynamics. We observed and participated in tastings in people's homes, in retail stores, and at large multivendor events, as well as at dinner parties, bars, restaurants, wineries, and special events (see Table 2). We interviewed 30 consumers for one to two hours each, producing 1,306 pages of interview transcripts and field notes.

We approached observation and analysis dramaturgically. We viewed participants, practices, and settings as part of a drama, complete with scripts, stages, roles, and performances (Deighton 1992). Observing producers and consumers at different times and events helped us untangle both front- and backstage dynamics for each group (Goffman 1959). Using a cultural perspective, we aimed to discern "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide the norms for behavior in the organization" (Deshpandé and Webster 1989, p. 4). We supplemented participant observation with extended interviews with key informants. Age and gender diversity in our research team allowed us to elicit different perspectives from participants and view the data through different lenses.

We analyzed interview text using a hermeneutical approach (Thompson, Locander, and Pollio 1989). We used open and axial coding to code the interviews and field notes (Corbin and Strauss 1994), developing themes within and across interviews. After interpreting consumer and producer interviews separately, we analyzed commonalities and differences between the data sets. In the following section, we discuss each actor in the system—producers, winemakers, distributors/retailers, critics, and the press—to understand how firms build status to drive the market.

The Dream and the Vision

We begin with producers. Previous research indicates that market-driven firms agree on the importance of customers (e.g., Deshpandé and Farley 1998; Kohli and Jaworski 1990; Narver and Slater 1990). For many firms, the customer is king and, as such, determines firm success or failure. In the wine industry, however, market-driving firms view consumers very differently. Firms see customers as lacking an understanding of wine, having limited expertise, and holding inconsistent, difficult-to-predict preferences. Some people within the industry feel even more strongly; for example, Tom, an American

TABLE 2
Wine Consumers

Name	Approximate Age (Years)	Gender	Education	Years Experience	Location
Allison	45	F	BA	25	Midwest
Debra	32	F	MBA	10	Midwest
Jason	31	M	MBA	10	Midwest
Kelly	33	F	MBA	8	Midwest
Matthew	32	M	MBA	5	Midwest
Tiffany	30	F	MBA	8	Midwest
Kathy	55	F	BA	25	Southeast
Veronica	31	F	BA	8	East Coast
Courtney	24	F	BA	5	Midwest
Meredith	25	F	BA	4	Midwest
Laura	24	F	BA	3	Midwest
Anthony	28	M	BA	5	Midwest
Eryn	32	F	BA	10	Midwest
Marti	27	F	MBA	10	Midwest
Katie	29	F	MBA	10	Midwest
Rebecca	35	F	PhD	15	Midwest
Robert	22	M	BA	2	Midwest
Vick	56	M	BA	25	Midwest
Lisa	34	F	BA	13	West Coast
Irene	31	F	BA	7	West Coast
Ray	56	M	MBA, JD	30	East Coast
Mara	29	F	BA	10	East Coast
Vincent	31	M	BA	10	East Coast
Tavi	38	F	PhD	12	West Coast
Daniel	28	M	MA	7	West Coast
Tre	32	M	MA	10	West Coast
Phil	29	M	PhD	7	East Coast/Midwest
Booth	58	M	JD	30	West Coast
Onathan	52	M	MA	25	West Coast
Caitlin	34	F	MA	7	West Coast

Notes: BA = Bachelor of Arts degree; MA = Master of Arts degree; MBA = Master of Business Administration degree; JD = Juris Doctor (i.e., law) degree; PhD = Doctor of Philosophy degree.

winemaker, stated that consumers "don't respect the product ... don't understand wine ... don't care. I don't think consumers are very knowledgeable." A wine executive expressed a similar sentiment:

> People don't know what they're drinking, basically. When we get feedback, people will go, "Oh, I love your big, buttery, oaky chardonnay." I go, "We don't make that." And they go, "Oh, no, that's why I like your wine." And you just go, am I going to fight this or am I just going to tell them "okay"? But no one with a nose or a palate would say this is a big, buttery, oaky chardonnay. No way. But that's how they define it with their palates. (Robert)

Interviewees gave many examples of the ways consumers demonstrate naiveté about the fundamentals of wine. Wine often evokes scents and tastes that have little association with grapes, such as the smell of roses or the taste of citrus. When tasting wines, consumers may detect these flavors or scents and then ask questions that demonstrate their lack of expertise. For example, Vijay, a wine executive, remarked, "Some people ask, well you know, how do you add the chocolate into the wine? Or at what point do you put the raspberries in the wine to get that flavor? So, you hear all sorts of things like that." Confirming this view of wine customers, Chris, an American wine critic, said, "We don't know what we're drinking. We don't know how we're supposed to react to it. We don't know what we're reacting to. We're ignorant."

One consequence of the wide gap in knowledge between producers and consumers is that market-driving firms rarely seek consumer input. This is similar to the way market-driving companies in other industries—most notably high-tech—eschew consumer focus group data or other sources of consumer feedback. As Kumar, Scheer, and Kotler (2000, p. 132) report, "Consumers are usually unable to conceptualize or readily visualize the benefits of revolutionary products, concepts or technologies." Although consumers may have latent needs, they are unable to articulate them to the firm. For example, Jaworski, Kohli, and Sahay (2000) note how OXO Good Grips identified comfort as a latent consumer need for utensils. In some markets, however, neither manifest nor latent needs exist for consumers because preferences are largely determined through social influence—examples include consumer preferences in markets such as art, fashion, music, and wine. Consumer preferences in these markets are not just uncertain; in these cases, they are actually ambiguous and therefore radically open to influence.

Even if producers could discern consumer tastes in wine in the short run, predicting them in the long run would be challenging. The agricultural nature of wine imposes long time frames on planning. After planting, a vineyard may produce usable fruit in four to seven years. Older vines produce better fruit. Some vineyards in the United States were planted before Prohibition. As Alain, an executive from California, said,

> One has to be a visionary to succeed in the wine industry because one has to see what other people don't see.... You have to see 5, 10, 25 years down the road.... I'm not going to be asking the market what it wants because they don't know what they want until I'm going to show them.

We heard this sentiment frequently from other market-driving firms. Limited in their experience and imagination, consumers offer little useful guidance, and it therefore falls to the firm to imagine what is possible.

Artistic Vision

Without input from consumers, market-driving firms pursue a vision. This vision often reflects characteristics of the firm's vineyard and the concept of "terroir," which refers to the combination of soil, climate, topography, weather, light, and all other nonhuman intangibles that affect wine made from a particular vineyard. For the winemaker, understanding the terroir is critical. Yves, a French winemaker, explained, "You have to decode the weather, decode the wine. You have to be the best craftsman in your terroir, and the best at blending and, if you are the best, the end result is great." An Italian wine executive, Lorenzo, echoed Yves's comments:

> We don't create wine starting from the consumer need.... Wine is basically a product of nature.... We cannot change the product only because a certain market is asking for this product. We start from the terroir, the vineyard, and we have to try to market the product that specific vineyard is able to give us.

A great wine expresses a unique terroir, but wine is also an expression of its winemaker. Winemaking is a creative process. As one winemaker stated, "I want to make something unique, something different. It's not by using recipes. I want to do something more, something exceptional." The desire to create something extraordinary while respecting the terroir imposes limits on the creative process. For some winemakers, their role is similar to that of an orchestra conductor. As Yves poetically noted, "You have your own vision, your own interpretation. It's like a musician. It has been written before us; the soil has done it. You can interpret it a little faster or a little slower with your own style, your own touch." Another winemaker, Dominic, described his work more like painting, bound by tradition: "You are part of a continuum of history ... and we have to perfect it.... It's a little like learning from a master painter but improving." Whether viewed through the analogy of music or art, winemakers feel deep passion for creating a unique product that is also, paradoxically, traditional.

For those who pursue the dream of wine as art, financial returns are secondary. Dominic, a French winemaker, stated his views clearly: "We're not here to make big money in the short term." A California winery similarly states on its bottles, "We are not here to break even, we are here to break the rules, break records, and break through." Some firms even consider commercial success *incompatible* with artistic achievement. According to their logic, an artist should be disinterested in commercial success, unconcerned with profit. As Pablo Picasso said: "Where is it written that success must always go to those who flatter public opinion? For myself, I wanted to prove that success can be obtained without compromise, even in opposition to all the prevailing doctrines" (Muñiz, Norris, and Fine 2014, p. 71). Market-driving firms regard profit as a means to realize their vision and not as the ultimate goal in itself. Picasso summarized this logic as well: "It is often said that the artist should work for himself, for the love of art, and scorn success. An artist needs success. Not only in order to live but primarily so that he can realize his work" (Muñiz, Norris, and Fine 2014, p. 71).

Discussion

The values of market-driving firms appear paradoxical or inconsistent when viewed through an economic lens. Ignoring the tastes of consumers contradicts the notion of market orientation and denies the firm the benefits associated with satisfying consumers. Through the lens of status, however, these apparently inconsistent beliefs become entirely consistent. Market-driving firms seek one unifying outcome: success through status. For market-driving wine producers, appearing disinterested in practical considerations enhances symbolic capital, or status. Referring to the *inverted relationship* between art and commerce, sociologist Pierre Bourdieu (1993, p. 154) notes, "The underlying law of this paradoxical game is that it is to one's interest to be disinterested: the advantage always falls to those who seek none." Those with cultural and symbolic capital are by their very nature disinterested (Bourdieu 1984), removed from economic or self-interest.[2] By feigning financial disinterest, market-driving firms focus on building symbolic capital, which allows them to influence others in the system. Firms can build symbolic value just as "the artist can triumph on the symbolic terrain only to the extent that he loses on the economic one, and vice versa" (Bourdieu 1993, p. 169). In this way, firms build status in part by offering something unique and distinctive. In the case of disruptive innovations, this creates a leap in value (Kumar, Scheer, and Kotler 2000). Yet, even without disruptive innovation, wine producers deliver novel, unique value based on vision, which builds symbolic capital and creates social influence.

Artists, Magicians, and Wizards

Similar to industrial designers or celebrity chefs, winemakers play an important role in value creation for their firms. The creation of symbolic capital begins with a vision. If wine is art, winemakers are the visionary artists. One winemaker, Dominic, said, "Great wines are as rare as great paintings or great pieces of music." Like music and paintings, consuming wine is an emotional experience. By drinking and sharing wine, consumers

[2]Symbolic capital is the degree of recognition, or the "prestige, consecration or honour" bestowed to an individual or firm, whereas cultural capital represents "cultural knowledge, competences or dispositions" (Randal Johnson, qtd. in Bourdieu 1993, p. 14; see also Holt 1998, p. 3; Bourdieu 1984; Lamont and Lareau 1988; Veblen [1899] 2007). Symbolic capital in Bourdieu's usage is equivalent to Weberian status, whereas cultural capital refers to internalized knowledge, tastes, and dispositions held by the individual. We focus primarily on symbolic capital.

join a special community, enhance relationships, and enjoy unique experiences. Consumers describe wine using magical terms and acknowledge its social power. For example, one consumer, Kathy, describes the meaning of wine in social bonding rituals: "I just think you can hang on to a glass of wine and have a conversation. Something about it is lingering. It encourages slowness, even over dinner." Comparing wine with cocktails, Kathy went on to say, "[With cocktails] it gets weaker and worse. You know, and your ice melts in it," whereas with wine, "There's just something different about that. And you know, you have a nice big red wine, and you're sitting with a friend, and you're talking, and you know, the longer you hold it, the better it gets." As something alive rather than decaying, wine has the power to change over the course of an evening, suggesting that it lengthens, elevates, and improves the moment for social interaction. As Tom, a winemaker, told us "What's in the bottle isn't what people are buying."

Wine contains what anthropologists call "mana"—a magical, spiritual substance that contains social power. There is a long history of cultures believing that objects possess magical, religious, or spiritual powers (Mauss [1925] 2000; Weiner 1992). Consumers and producers describe wine in similar, spiritual terms—often by describing a wine's connection with a place and possessing qualities inherent in the terroir. Mana links place and people. According to Marcel Mauss ([1925] 2000, p. 33), "Whatever it is, food, possessions, women, children or ritual, it retains a magical and religious hold over the recipient. The thing given is not inert. It is alive and often personified and strives to bring to its original clan and homeland some equivalent to take its place." In this way, wine is a magic elixir.

The winemaker alone knows the secrets for creating a beverage that evokes emotions and enhances the bonds between people. One California winemaker, Kristen, describes it as magic: "People dream of magic. There is magic in wine. The magic happens every time you share a bottle. The winemaker, the musician, the chef are all magicians, because they know the secrets." More than simple illusion, winemaking is magic that transcends logic. The winemaker transforms simple fruit into something extraordinary. How winemakers achieve this transformation is unclear even to them. As Tom, a winemaker with advanced degrees in biochemistry, explained, "There's so much mystery in wine, there's so much we don't know, there's so much that we can't explain.... How is this possible? To me, that's part of the romance."

Celebrity

As wizards and creators of mana, some winemakers achieve celebrity among producers, consumers, and even critics, and this celebrity serves as symbolic capital for the firm. "It's a rock star problem," Kristen, a winemaker, indicated. To illustrate, she told a story about a successful restaurant and its celebrity chef. At its peak, the restaurant thrived. The food was delicious and the chef was the show, strutting through the dining room as the star. When the chef left, the food was as good as ever, but the crowds went elsewhere. According to Kristen, when the chef left, so did the magic. Without magic, the restaurant lost its appeal.

Winemakers have a similar celebrity cachet that can transform a gathering into something special. One consumer, Irene, described an experience of meeting a winemaker unexpectedly:

> We show up. Literally, it's the vineyards where this guy makes his wine. And lo and behold, it's just Jason Kesner himself coming out. And we thought to ourselves, we just rolled up in a Honda Civic. He probably thinks who the heck are these kids that just bought my wine, that I'm coming out to greet personally? But he was actually incredibly gracious.... And he gave us some background and gave us a quick winery tour. It was amazing.

Juxtaposing the celebrity winemaker with the mundane Honda Civic, Irene captures the symbolic capital and charisma of the winemaker and underscores the impact of symbolic capital on her as a consumer and fan. Just as the Grateful Dead has Deadheads and bikers demonstrate brand commitment through a Harley-Davidson tattoo, celebrity winemakers have remarkably devoted fans. Sitting atop the wine industry status hierarchy, these winemakers produce artifacts of a culture, in the same way as chefs, musicians, artists, designers, and writers (Peterson and Anand 2004).

Driving Tastes

Embracing a wine-as-art approach, winemakers' choices often contradict market-based logic. For example, *The Wine Spectator* describes a relatively new wine brand (Steinman 2012):

> Pax Mahle started Paz winery in 2000 to make Syrah and Pinot Noir, but his best-selling wines were the ripest ones [with high alcohol], while those with less alcohol confused his customers. So Mahle created the Wind Gap brand as a home for the lighter [low-alcohol] wines. "Those," he says, "were the wines we believed in."

Rather than dropping a wine that might confuse customers, the winemaker continued to invest more, creating a different brand and increasing the risk of confusing customers, despite the lack of consumer interest in a low-alcohol wine.

In another example of actions that defy market logic, vintners will sometimes make wines that consumers *explicitly dislike* and deliberately avoid steps to make the wine more palatable to consumers. Bill, a marketing executive, told us about a conversation he had with Steve, a winemaker, in which he shared consumer feedback:

> I said, "Steve, I'm going to tell you something: they [customers] just didn't like the wine. The wine just was kind of hard, it was a little bit edgy and, you know, we're kind of saying to ourselves you know, is this the style that you want? It's just a hard style?" He goes, "Well there is nothing I can do about that.... They should like this and I don't understand why they don't." "They're not going to change. You know I'll build it and they will come," so I said, "Fine."

It may seem paradoxical that a firm would continue producing a wine that consumers expressly dislike. However, winemakers at market-driving firms often dismiss consumer feedback and try to *influence* rather than *respond* to consumer tastes.

Wines designed to respond to consumer tastes violate industry norms. When discussing one wine created using consumer input, a winemaker complimented the wine but dismissed the approach used to make it: "It's a marketing brand, a product that is not worked in the vineyard. It corresponds to one fashion and one moment. It's very good. It's very good. But I think it's definitely they have chosen to leave the wine world." This comment makes clear that for the market-driving firm, catering to consumer input contradicts firm identity (Porac, Thomas, and Baden-Fuller 1989). Firms that solicit consumer input forfeit status, risk their legitimacy, and reveal themselves as commercial ventures more interested in financial gain than great wine. Even so, some firms solicit consumer input. Although the final product may make money, under the logic of status, such an approach undermines the firm's symbolic capital as a purveyor of artistic vision and ultimately lessens its influence.

Although not all winemakers seek status and not all who seek status achieve it, a high-status winemaker can become remarkably powerful. Hiring a celebrity winemaker can result in a 10% increase in price, even when the wine itself does not change (Roberts, Khaire, and Rider 2011). Sitting atop the status hierarchy, winemakers can influence those lower in the hierarchy (Huberman, Loch, and Önçüler 2004). Visionaries in other fields, such as world-class chefs, trend-setting fashion designers, pioneering physicians, influential industrial designers, and superstar academics, play a similar role. For example, August Escoffier shaped classical French cuisine with the 1903 publication of *Guide Culinare*, crafting much of the vocabulary used to describe French cuisine, the presentation order of courses, the rules of cooking, and the archetypal ingredients. *Guide Culinare* is still used to train professional cooks in the French tradition (Rao, Monin, and Durand 2003). In a similar vein, Charles Mayo, working from a clinic in Rochester, Minn., proposed the concept of specialized medicine that patients still experience today. Harley-Davidson designers and engineers have, for more than a century, defined the iconic motorcycle, creating an enduring symbol of rebellion and community (Holt 2004). Like these visionaries, winemakers imagine a future that does not exist and then make it tangible, thus advancing their vision and, if successful, become recognized as influential visionaries (Kumar, Scheer, and Kotler 2000). Winemaking visionaries can drive the market over decades through symbolic capital. We now turn to exploring how symbolic capital, after being created by the visionary, shapes preferences and drives the market.

Critics and the Press: Powerful Allies

Market driving relies on a system for advancing the firm's vision to shape preferences. Critics, media, and the press play an important role in that process, just as they do in art, fashion, sports betting, health care, financial stocks, movies, and restaurants (Ali, Lecoq, and Visser 2008; Giesler 2012; Holt 2004; Humphreys 2010; Vargo 2011). In the U.S. wine market, Karen MacNeil, Jancis Robinson, *The Wine Spectator*, *Wine & Spirits*, and Vinuous Media are among the most influential writers and critics. Jancis Robinson advises the Queen of England, but Robert Parker, founder of *The Wine Advocate*, towers over the rest; he has even insured his nose and palate for $1 million (Langewiesche 2000), earning him the nickname the "million-dollar nose."

Influencing Consumers

Of the consumers we interviewed, all but one expressed ambivalence at choosing wine, even though many of our informants were quite expert. This ambivalence is due partly to the overwhelming number of choices. *The Wine Spectator*, for example, reviews 15,000 wines each year, but that impressive number still excludes thousands of wines.[3] Distinguishing among this sea of options is quite difficult, even for experienced consumers. Consumers appear unable to reliably distinguish high-priced wine from low-priced wine (Goldstein et al. 2008) or even red wine from white wine in blind taste tests (Morrot, Brochet, and Dubourdieu 2001). In addition, wines appear alike. Aron, a wine executive, summarized a view we heard from many other executives: "The top 15 chardonnays all look exactly the same. They have the same label more or less, accents that are tan and gold, textured paper between white and cream."

Unable to taste and observe differences, consumers describe choosing a wine as fraught with *fear*. As one wine marketer told us, "Consumers are paralyzed at looking stupid. And they're paralyzed by the idea that they'll buy a Chardonnay that makes them look like they don't have sophistication. They're paralyzed by fear." We heard from many consumers about such fear—fear of making a poor choice, fear of embarrassment, fear of looking ignorant, and fear of missing an opportunity to make an evening more special.[4] Matthew, for example, spoke about his first time choosing wine from a list at a dinner for work:

> There were some people that were fairly knowledgeable about wine, and at one point I was sort of handed the wine list and asked to make a selection. And that's always for like, you know a new consultant. Like, that's the moment when you realize okay, I sort of need to know a little bit more about this.

In buying wine, consumer fear seems grounded in social risk, uncertainty about choices, and regret in making a poor choice. For this reason, critics and other taste makers can be particularly influential. Katie, a consumer, noted that she is inclined to choose a wine, "If it's been reviewed by *Wine Spectator* or sometimes the stores do their own tasting and they put their own opinion of the bottle of wine. So that can kind of help guide you too."

The simple 0-to-20 or 0-to-100 scoring systems of critics can be powerful. According to Chris, a critic himself, "What we've done by making [Robert] Parker the most influential critic in the world for anything, we have basically created an objective opinion."[5] Despite questions about objectivity of these scores, critics do influence consumers. As Clark, a retailer, said: "People sometimes buy only on ratings" and ignore the description or tasting notes that typically accompanies the score. His observation is shared by other retailers. For example, in an experiment, a retailer stacked two California Chardonnays next to each other, posting their *Wine Advocate* scores (92 and 84)

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[3]See http://www.winespectator.com/display/show/id/about-our-tastings and www.binnys.com.

[4]Campbell and Goodstein (2001) provide experimental evidence demonstrating some of these fears. See also Bester (2012).

[5]The scoring of wines is controversial. As Clark explained: "Wine ratings are so subjective.... Wine is 90% bullshit. It's a lot of spin." Economist Richard Quandt (2007) concurs, writing that "the wine trade is intrinsically bullshit-prone and therefore attracts bullshit artists." Evidence supports this view. Judges apparently rate identical wines differently depending on the label (Brochet 2001), and judges rate the same wines inconsistently in repeated tastings at the same event (Hodgson 2008).

and tasting notes. The better-scoring wine outsold the other ten to one. When the same wines were displayed with tasting notes only, sales were roughly even (McCoy 2005). By one estimate, an additional point from Parker generates 2.80 euros of revenue per bottle (Ali, Lecoq, and Visser 2008). A difference of ten points can mean millions of euros for a large-scale producer, and a perfect score of 100 can support a three- or fourfold price increase (McCoy 2005).

Influencing Influencers

Some market-driven firms pursue high scores from critics to achieve commercial success. Yet, in their pursuit of accolades from a small set of influential critics, these firms produce a sea of similar wines (Darlington 2011). For a market-driving firm, engineering a wine to satisfy a critic is unthinkable. Angela, an executive at a California winery, expressed a common view among market-driving winemakers: "You know everyone is making wine to please wine writers or to please some perception of their customer base. [Our winemaker] couldn't care less." Lorenzo, an executive at an Italian firm, said, "We have never produced a wine in order to get a rating, never. I wouldn't say [the winemakers] don't care. Of course, we're happy when we receive good ratings, but we have never been influenced by ratings during the production of the wine."

While market-driving firms do not consider critical opinion when producing wine, they do build important relationships with journalists and critics. Through these relationships, a firm can describe its history, its winemaker, and its vision for the future. As one executive stated:

> It is important to be part of the conversation with the press. You need to be part of their world. If they have a question or if they have an interest in one of your brands, you want them to turn to you. I maintain this conversation. It's no longer an on-off conversation. It's continuous. (Alain)

In these conversations, the voice of the winemaker is critical. The discussion focuses on the firm's view, its vision, rather than soliciting advice. As Alain recounted, "Listening to a winemaker is basically like listening to an artist; once the work has been released, whether this is a painting or book or a bottle of wine, it's all about what's behind the work of art. What's your intent? How did you do it?" The goal, as Alain describes, is to "help the consumer discover the soul" of the wine. By educating critics and the press about their vision, winemakers deploy their symbolic capital. This vision helps provide an interpretive schema for experiencing the product.

In addition to providing access to winemakers, firms create unique experiences for influential writers and critics as a way to educate them about the firm's vision. For example, Alain invites sommeliers, journalists, and other influencers to experience the harvest at his winery's vineyards in France each fall. A small group of five to six guests stay at the elegant home of the winery owner. They stroll in the vineyards with the winemaker and taste wines from previous vintages. On a visit to the winery, they observe the crushing of the year's harvest, followed by more wine tasting and more discussion with the winemaker. Each day the guests breakfast together in the kitchen of the owner's home and share their experiences and reflections. On the last evening of the visit, guests share a dinner with the winery owner in the family dining room. According to its host, Alain, the event is designed to be a "priceless experience":

> [The experience is designed] to make [visitors] feel a part of the brand. And then to become an advocate of the brand, even more so that they feel connected. And I think this is [what] I am really trying to do ... [to provide] the story of connection. Once you've said everything, once you've let out all the facts, and you've heard the winemaker talk, seen the vineyards that have been around for 200 years, at the end of the day this is what you feel about it.

Wine producers create experiences that reflect the wine-as-art ambition of the firm and illustrate how market-driving firms relate to critics. Visitors leave with a deeper understanding of the winemaker's vision, an appreciation of the vineyard's history and terroir, and membership in an elite group chosen for this experience by a legendary winery. As a result, they become greater advocates for the brand.

Shaping Meaning

Through experiences and conversations, firms shape how critics and the press interpret a wine. Christian Moueix, a highly regarded French winemaker, provides one example. Best known for Pétrus, a wine made in the Pomerol region of Bordeaux, Moueix is an exemplar of a winemaker as a visionary artist.[6] For Moueix, wine is an expression of terroir, and he creates wines that are in high demand—a single bottle of Pétrus can command $3,000. Moueix founded Dominus Estate in Napa Valley, where many vintners embrace practices that Moueix shuns. Rather than expressing terroir, Napa Valley vintners often create intensely fruity, high-alcohol wines described by some as *fruit bombs.* Many consumers favor these wines, but not Moueix: "I hate the idea of a fruit bomb." On the notion of catering to consumers, he is similarly unequivocal. "My objection is philosophical." When asked about how he considers the consumer when making wine, Moueix simply replies, "I don't. I make what pleases me."

Moueix produced the first vintage of Dominus Estate in 1983. Robert Parker awarded the first vintage 90 points. Scores from other critics ranged from 81 to the low 90s in the first few years. Critics largely withheld glowing praise and high scores. For example, well-known British wine critic Jancis Robinson (2014) remarked simply that Dominus Estate is "highly distinctive." Ever gracious, Moueix explained his vision for Dominus Estate to consumers, critics, and journalists: Neither distinctly Californian nor distinctly French, Dominus Estate is a unique combination of "Napa terroir and Bordeaux spirit."[7] In other words, Dominus Estate wine expresses Napa Valley terroir through uniquely French winemaking.

Moueix produced more vintages without changing his approach, and over time reactions to his wines changed. Eleven years after describing Dominus Estate as "more like a Pomerol

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[6]He favors farming without irrigation and harvests grapes early to produce less intensely fruity wines with lower alcohol. He pioneered the practice of thinning the crop, thereby increasing the intensity of flavors in the remaining grapes.

[7]This simple statement reflects the importance of terroir, coming first, followed by the unique approach to that terroir (http://www.napawineproject.com/dominus-estate/).

[from Bordeaux] than Napa Cabernet" (K&L Wine Merchants 2018a), Robert Parker wrote that with the 1995 vintage, "Christian Moueix and his talented winemaking team continue to rewrite the definition of a Napa Valley reference point wine"(K&L Wine Merchants 2018b). Parker found the 2001 Dominus Estate "A classic in the making, this is a flawless, seamless example of elegant, complex Napa Cabernet Sauvignon that possess a Bordeaux-like personality" (K&L Wine Merchants (2018c). Parker awarded 98 points. Twelve years later, *Decanter*, James Suckling, Robert Parker, and Vinuous Media awarded the 2013 Dominus Estate, its 30th vintage, a perfect 100, marking Dominus Estate as forever capable of greatness.

As winemakers gain status, they gain influence over critics. As one critic, Chris, said, "I've learned to accept and appreciate more by tasting with winemakers." From these experiences and others, critics articulate complex feelings and sensations and create benchmarks through numerical scores (Ali, Lecoq, and Visser 2008; Lehrer 2010; Maciel and Wallendorf 2017; Schatzki 1996). In this way, reviewers create a structure, and a language for the difficult-to-define sensations of consuming wine, and these standards help consumers develop preferences (Huberman, Loch, and Önçüler 2004; West, Brown, and Hoch 1996). Consumers, members of the trade, and others use these standards to learn about wine in the same way as medical students learn gross anatomy—by comparing the benchmark with experience (Becker 1961).

When the experience is highly ambiguous, consumers struggle to develop an independent and objective evaluation. Under these circumstances, social influence can prove decisive (Asch 1951; Becker 1953; Buehler and Griffin 1994; Coleman, Blake, and Mouton 1958; Maciel and Wallendorf 2017). For example, Becker (1953) finds that people derive pleasure from smoking marijuana only when they learn from others how to recognize its effects and how to describe and appreciate the sensation it produces. Political preferences (Wildavsky 1987), brand meaning (Nakamoto and Schultz 2010), and product experience (Maciel and Wallendorf 2017) are similarly shaped by social influence.

Our analysis suggests that preferences in the wine industry are likewise socially constructed. In contrast with politics or marijuana, however, wine producers influence this socialization process. By advancing their vision, wine producers influence critics, who in turn establish benchmarks, shape the categories and subcategories, create the language, and define the structure of the consensus that ultimately influences producers, retailers, consumers, and other critics. Previous work on market driving has emphasized the roles of revolutionary change and buzz marketing (Kumar, Scheer, and Kotler 2000). We find, however, that execution is critical, as market-driving firms build status over decades through shared experiences with critics and the press. Furthermore, while previous work has argued that shaping preferences plays a role in market driving (Jaworski, Kohli, and Sahay 2000), it has not detailed how this process unfolds. We find that social influence occurs subtly and indirectly over decades.

Magic Kingdoms and Retail Theater

Distributors and retailers are powerful in the wine industry, as they are in many industries. Most wine producers reach wine consumers in the United States through a system of distributors, retailers, and restaurants, subject to state and federal laws for alcohol. A small number sell directly to consumers through tasting rooms in their wineries or through mailing lists.[8] Thus, distributors and retailers play important logistical and sales functions. For some firms, the distribution system operates as a powerful gatekeeper. For market-driving firms, the winery, the retail store, and even the mailing list provide an opportunity to advance their vision and bring their magic to life.

Magic Kingdoms

At a winery, visitors experience the physical setting first. In Napa Valley, some firms create wineries that evoke European tradition and elegance. For example, the V. Satturi Winery built the Castle di Amorosa, inspired by a thirteenth-century Italian medieval castle, using bricks from a Hapsburg palace. Founded by Italian immigrants in 1885, the business resumed operations in 1976, having been closed since Prohibition, and the firm opened its 136,000-square-foot castle in 2007. In addition to a tasting room, visitors find a drawbridge, dungeon, torture chamber, and medieval church. Evoking the firm's Italian heritage and the Austro-Hungarian empire, the castle conveys an aura of wealth and elegance, even nobility. Sitting north of Silicon Valley, the winery expresses a balance of tradition and the modern world, reflecting the firm's vision for its wines.

For consumers, visiting a winery can be an occasion to taste unfamiliar wine or revisit a favorite. It can be an occasion to join others with similar interests, to feel part of a community of those passionate about wine, and to join other devoted fans of one wine. Knowing this, wineries invest in making visits special. They build tasting rooms, some of which are open to the public and some of which are used for private events. For some firms, the tasting room is the primary means for engaging consumers and, thus, the focus of substantial investments. As one executive, Rachel, described:

> We're spending a million bucks on renovating the tasting room, so that needs to pay off. And it will, because there's a lot of increased competition for cool places to visit in the Napa Valley over the past, you know, five, ten years. We're trying to give people an extraordinary experience.

In these tasting rooms, consumers visit, taste, and purchase wines and attend seminars and events. During these events, the winemaker takes center stage, typically shares his or her vision of the wines, offers a broader perspective on wine in general, and conducts a tasting. Discussing each wine he or she produces, the winemaker helps consumers, as well as the retail staff, understand how to enjoy the wine and how the wines achieve his or her vision. As one executive explained:

> When we have consumers here for events, we have learned by not doing it right—we've done cocktail party styles where everybody just mingles—but it's much better when the winemaker gets up and punctuates the moment. It elevates that experience for them. Like Mick Jagger mingling versus announcing himself. It's such a big, big difference. (Barbara)

[8]Less than 10% of wine produced in the United States is sold direct to consumers (Nowlin 2017).

During these tastings, members of the firm perform, complete with a stage and script. The winery offers a stage. The vision is the script and the winemaker the star. Some wineries offer tours and tastings of wines still aging in barrels. As wine-lover Debra explained, "Visiting the winery is always big for me, I think it's like barrel taste and where it's blended and so it kind of again goes back to that sort of exclusivity."

Some wineries only sell to consumers directly, releasing wines in limited quantities for limited times. Buying direct from the winery and securing a difficult-to-find bottle enhances a consumer's status and demonstrates access, sophistication, and expertise, largely because procuring wines in this way is challenging. After adding their name to a waiting list, consumers wait for years to actually receive wines. The most popular wines sell quickly at premium prices. Scarcity adds to a brand's status. As one consumer, Onathan, explained,

> I belong to all these Pinot clubs, one of them [has] like five to seven years' waiting list…. I just want to try them. The myth around those guys is amazing.... The wines sell out usually within 20 minutes … wines are relatively expensive … $80 to $100…. What I've learned to do now is I called them about two or three weeks before they release…. They're gone so quickly, you don't want to miss anything … they have more people on the list than wine.

As this comment indicates, the scarcity of wine, and the "myth" surrounding it, greatly enhances its value. Securing a bottle of a rare but highly sought-after wine gives the consumer access to a rare gem, demonstrating his or her good taste and devotion to fine wine. This elevates the consumer's standing among other wine lovers, especially those who have been denied the same pleasure. Onathan, for example, throws a yearly charity event at which his friends can select any bottle in his cellar to try.

When secured, however, wines lose some of their cachet, and so consumers continually search for obscure, well-regarded wines, creating an ethos of discovery, a sort of unending wine odyssey. For example, Debra noted, "People keep trying to find more obscure, interesting, small vineyards. I think there's some pride and ego in saying that you're exploring, you can't even find it in a wine shop, that you sought out a vineyard and you're getting it straight from the winemaker or something." Scarcity is central to the value of cultural capital (Bourdieu 1984, 2011). By discovering, sharing, and consuming these wines, consumers reinforce the socially constructed myth that helps make these elusive wines so appealing.

Retail Theater

For market-driven firms, a retailer is a powerful gatekeeper, but market-driving firms use retail stores in the same way as theater directors use the stage: as a platform on which they can advance their unique vision not only to retail staff but also to consumers, both those new to the brand and devoted to it. Alain, a wine executive, described his approach:

> Backstage we study in minute detail our sales in each of our key markets to focus and scale our marketing efforts in the most efficient manner, but on stage we look immune from marketing. We are the proud artisans of great wines, not a financial institution or a money machine.... Like a successful recording artist, an iconic wine needs to come to life in 3D once in a while to entertain its magic and stir the heart of its worshippers.

Alain's comments illustrate a tension between paradoxical firm goals. Backstage, Alain and his colleagues make strategic choices to enhance their commercial success. On stage, Alain and his colleagues *perform* for consumers, managing symbolic capital. Members of the firm play roles in the performance, acting as "proud artisans of great wines," rather than representatives of a commercially motivated "money machine." As part of the performance, members of the firm create "magic" in which the wine "come[s] to life." Buyers experiencing the performance include "worshippers" of the brand. Through such experiences, market-driving firms elevate the wine beyond a mere commercial product, conveying its status.

Winemakers frequently tour major markets, visit retailers, and host dinners featuring their wines. When they travel together with other members of the firm carrying cases of wine, they resemble a touring band. Touring events can be especially attractive for wineries that have no tasting rooms or as a way to reach consumers who do not visit the winery. At Angela's firm, for example, the winemaker has achieved global renown but remains aloof:

> There's a little bit of a mystique around [our wines]. Because we're closed to the public, because we have no tasting room or [direct-to-consumer] sales, the trade people that we do invite to the winery feel very privileged to be there. It helps them sell the wine but … it adds a little bit of a mystique.

With few events at the winery, the winemaker from Angela's winery, "loves going to London and doing tastings and he does things in Paris. I would say he does a dozen a year worldwide, maybe one a month. So, he's very comfortable doing it. You never know what he's going to say. However he feels that day, you never know. But you know he's going to charm everyone and keep them [in rapture]."

How do consumers respond? Angela was unambiguous: "People want to see [the winemaker]. People want to shake his hand. They want his autograph on their bottle of wine…. Women want to kiss him ... or sleep with him, and we're not kidding." At one such tasting, we watched consumers and staff approach the winemaker for his autograph on bottles of his wine and take photos with him, relishing the moment with laughter. Weeks after the event, the sales staff continued to share anecdotes with one another and consumers about the tasting, the winemaker, and his wine.

Symbolic Capital and Power

Within any distribution system, physical goods such as wine flow from producer to consumer, while information and resources flow throughout the system. Each actor exerts influence over flows and other actors through five sources of power: reward, coercive, expert, legitimate, and referent (Coughlan et al. 2001). The relative power of each actor across these five dimensions influences the functioning of the system. Most producers use the distribution system to reach consumers, resulting in considerable reward and coercive power for distributors and retailers. Lacking influence, low-status producers operate at the mercy of retailers (Coughlan et al. 2001). In terms of influencing consumer preferences, the situation favors retailers over low-status producers.

By contrast, high-status firms gain influence through the celebrity of their winemakers, the status of their firm, and the performance of firm members. Through that influence, they gain power over the distributors and retailers because retailers want to be associated with high-status brands. This association—or referent power—can reduce the power of distributors and retailers within the system relative to the producers.

Beyond referent power, market-driving producers exercise expert power. When a winemaker appears at a retailer, he or she plays the role of the expert. Winemakers possess enormous cultural capital, especially if they work for a successful firm. Distributors, retailers, and consumers with less cultural capital admire winemakers for their unique knowledge (Bourdieu 1984). In addition, when visiting the wineries, these groups confront an aura of wealth, sophistication, and generosity. This appreciation of the finer things and few material concerns generate further symbolic and cultural capital for the firm. As such, symbolic capital becomes a resource for gaining influence.

Prior studies have examined brand status and explored retail theater (e.g., Benjamin and Podolny 1999; Podolny 1993; Sherry et al. 2001; Dion and Borraz 2017). Our analysis suggests, however, that market-driving firms use the distribution system to enhance their symbolic capital and gain greater influence over those with less symbolic capital—distributors, retailers, and consumers—ultimately to advance their vision and influence the evolution of the market.

Winning and Maintaining Status

Through the process we have described, firms battle for recognition and influence. This rivalry differs significantly from competition among market-driven firms, for which consumers determine relative success, often based on some objective measure such as product quality. By contrast, social consensus determines winners and losers in a status game. Winners may produce wines that some consumers find unappealing but are regarded as excellent, even extraordinary. Losers may make fine, even excellent wines in the eyes of some consumers that are cast as inferior. A distinct logic separates winners and losers, one that is based on social rivalry rather than the market. In social rivalry, multiple outcomes are possible (Salganik, Dodds, and Watts 2006). For many winemakers, such unpredictability is frightening. They devote enormous effort to create extraordinary wines, but those efforts may have little or no impact on a wine's status. As winemaker Yves said, "What we do in the cellar, what we do in the vineyards, what we do is the best of all of us, but it's a demon on the market because we don't control it."

Status and Power

Winners and losers emerge from this battle for status. Losers labor in obscurity, and many struggle financially (Scott Morton and Podolny 2002). Winners thrive. Critics describe successful wines using the same terms as those describing great works of art. These wines command premium prices, their winemakers achieve celebrity, and their vineyards become forever capable of greatness.

Consider, for example, Château Latour. Producing wine since the fourteenth century, Château Latour was recognized in 1855 as one of the four first growth or top wines of Bordeaux. Its 2000 vintage received 98 points from Robert Parker, 99 points from *The Wine Spectator*, and 100 points from James Suckling. Suckling wrote, "Latour has made truly great wines in the past two decades—and this is one of the best.... Mind-blowing on the palate, it's an emotional and soulful red."[9] The price of a single bottle can top $1,000. The success of such a wine depends partly on status. As Chris, the critic, said:

> Status is critical for certain kinds of wine. You look at the first growths of Bordeaux which are not small production wines. The wines are beautiful, but are they really worth ten times the next level down? And the answer's really no, they're not.

Status confers benefits; high-status brands enjoy influence and power, reflected in the wine prices a high-status firm can command over its rivals. The price differences between high- and low-status wines can be substantial. In 2005, a single bottle of 2000 Château Haut Paulliac sold for $20, even though only 80 centimeters separate the vines of Château Haut Paulliac from Château Latour at some locations in the vineyard (Beverland 2005). Though unexplored in the context of market orientation, the connection between status and power has long been recognized. For example, according to Huberman, Loch, and Önçüler (2004, p. 104), "Status leads to power by increasing the value of a high-status individual's goods." When high-status agents sell to lower-status buyers, prices are higher than when the roles are reversed (Bell et al. 2001). Empirical analyses show a significant, positive impact of status on wine prices (Benjamin and Podolny 1999). Status leads to power, and power creates competitive advantage.

Enduring Advantage

When achieved, high status and the associated advantages have remarkable inertia. One source of that enduring advantage is historical legacy, dubbed the "Matthew effect," after a verse in the first book of the New Testament: "For unto everyone that hath shall be given, and he shall have abundance; but from he that hath not shall be taken away even what he hath." According to Merton (1968), resources accrue to those with the highest status, so high-status individuals gain disproportionately more resources than low-status individuals (see also Bothner, Podolny, and Smith 2011 and Podolny 1993). Low-status individuals are initially disadvantaged, have fewer opportunities, and thus suffer doubly. In a market setting, high-status brands have the opportunity to create more positive brand associations, reinforcing the brand's superior position. Lacking those same opportunities, low-status firms associate with other lower-status firms, reinforcing their inferior position. Thus, social distinction persists, independent of merit (Washington and Zajac 2005).

As the Matthew effect suggests, we find that high-status firms have access to opportunities that low-status firms do not. High-status brands are frequently reviewed by top critics, who ignore many other wines. Furthermore, wineries with superstar winemakers attract young winemaking talent, and some of those protégés move on to establish or operate rival firms. For example, winemaker David Ramey founded David Ramey Cellars in Sonoma Valley, Calif. Ramey posted a review of his wine by Robert Parker that read, "David Ramey has long had one of

[9]http://www.klwines.com/p/i?i=1003932.

the most impressive resumes for any California winemaker. He worked at Pétrus in Bordeaux and for Christian Moueix at Dominus."[10] Like professors or Michelin-star chefs, celebrity winemakers train the next generation of winemakers, which enhances their influence.

High-status wineries also share precious resources with their lower-status rivals. The experience of Avery offers one example. She was the CEO of a well-respected Napa Valley winery. A large corporation acquired the winery and loaned Avery a corporate jet to fly wine writers to visit the winery and experience the wines. Then, Avery did something unexpected:

> After I had flown in every wine writer I could think of, I still had plenty of time left, so up comes the idea of inviting some of the neighboring vintners on a road show. Nobody had ever done anything like that before. I put together a seven-city tour that nearly killed me, because with six vintners and seven cities, the potential of 42 different distributors to get in line was just really hard. It was the hardest part of the whole thing, but it was wildly successful.

Avery's generosity reflects pride in Napa Valley, her competitors, and the success of her winery. Those with the highest status are expected to be the most generous, reflecting a sense of *noblesse oblige* and a strong sense of community, while unambiguously demonstrating wealth, power, and success in a way their lower-status peers cannot. High-status firms enhance their standing by sharing with peers or lower-status firms (Mauss [1925] 2000). Sharing expands a firm's influence, as others implicitly recognize the firm's dominance and the legitimacy of the vision the firm advances. Thus, paradoxically, a firm enhances its advantage by sharing valuable resources with rivals.

Some low-status brands aim to imitate high-status wines in the hope of elevating their own status, but doing so is challenging. High-status firms own or have exclusive rights to fruit grown in particular vineyards, and some firms employ talented celebrity winemakers. Without access to a rare or special vineyard or a famous winemaker, imitating a high-status wine is difficult. The impact of terroir or the winemaker may be imperceptible to consumers, but as long as consumers perceive differences attributable to terroir or the winemaker, they may logically value them, regardless of their actual relevance (Brown and Carpenter 2000; Carpenter, Glazer, and Nakamoto 1994). As a result, low-status firms cannot generate the high margins necessary to challenge higher-status rivals, and their brands remain poorly regarded.

Even if a vintner duplicates the taste of a wine, reproducing its status is an enormous undertaking. Status depends partly on the scores awarded by critics, and the past success of a wine can influence future scores. According to one wine writer,

> Critics who I read profess to being completely impartial, which I think is a nonsensical thing for a critic to say. So, when you taste with friends at a winery, you—as a critic—have an emotional connection with that person and their idea of what a wine should be affects your idea of what a wine should be, as yours may affect theirs. (Chris)

Critics often know the producer of the wine they are tasting and have relationships with winemakers, creating the obvious opportunity for confirmation bias and halo effects (Brochet 2001; Thorndike 1920). For example, Brochet (2001) shows that judges described ordinary table wine using negative terms, but when the same judges tasted the same wine after hearing it described as a superior grand cru Bordeaux, they used positive terms. Even Robert Parker appears to be influenced by labels.[11] In addition, wine producers advertise in the publications that review wines, creating a conflict of interest and raising questions about bias in scores.

As a result of the Matthew effect, unique terroir, the talent of superstar winemakers, the perceived uniqueness of brands, and demonstrably greater resources, high-status brands enjoy remarkably enduring advantage over low-status brands. Indeed, the historical evidence shows that wine brands are among the oldest brands in existence (Beverland 2005). By this logic, gaining status can be more challenging than sustaining it. Baroness Philippine de Rothschild of first-growth Château Mouton Rothschild expressed this notion when she said to visitors, "Winemaking is really quite a simple business. Only the first 200 years are difficult" (*The Economist* 1999).

Discussion

Our analysis offers new insights into how firms drive a market through social influence. Next, we discuss market conditions that favor market-driving strategies, detail the contribution of this study to previous work on market driving, and discuss the approaches firms may take in light of our findings. We then explore managerial implications for new ways to drive markets.

Market Conditions

The systems perspective suggests that market driving can be successful in any system in which firms can influence the social structure and, thus, the flow of resources within the system. Particular market conditions can enhance or diminish a firm's influence, thereby allowing it to shape preferences and drive the market. Table 3 summarizes four conditions suggested by our analysis.

Ambiguity. Consumers derive subjective and objective value from a good or service. For some goods, they can determine objective elements, such as quality, through simple examination or experience. For other types of goods, such as professional services, quality is difficult, if not impossible, to observe, and consumers therefore depend on a firm's reputation (Dulleck and Kerschbamer 2006). Regardless of whether consumer learn about quality directly or indirectly, preferences for quality are unambiguous: consumers prefer higher quality to lower quality. In some cases, however, value is more ambiguous. Art, fashion, and music offer obvious examples for which the subjective dimension of value is greater than the objective

[10]http://www.rameywine.com/awards/robert-parker-1/.

[11]At one tasting, Parker discussed 15 wines that he had previously reviewed, rated, and personally selected for the event. Parker claims to remember every wine he has tasted and, within a few points, every score he has given. After tasting the 15 wines blind, however, he failed to correctly identify a single wine and, when asked to select his favorite of the evening, chose the wine he had previously rated least favorably among the 15 (www.drvino.com/2009/10/02/blind-tasting-bordeaux-2005-robert-parker).

TABLE 3
Conditions Favoring Market Driving Through Social Influence

Market Driven	Dimension	Market Driving
Low	Value ambiguity	High
Low	Value complexity	High
Effective	Consumer learning	Noisy
High	Consumer expertise	Limited

dimension. When value is subjective, experience with a product can be uninformative, opening consumers up to influence (Hoch and Ha 1986) and creating the opportunity for firms to shape preferences through social influence.

Complexity. For some products, value can be separated into a set of distinct attributes or features. For other products or experiences, features or attributes may be hopelessly combined and interdependent. In these cases, complexity is high. For example, what makes a Picasso so special? Why do people prefer one brand of coffee over another? Is enjoyment linked to a single attribute or a complex gestalt? As with ambiguity, complexity creates the opportunity for influence (e.g., Hoch and Deighton 1989), especially from a visionary or respected figure who can clarify an otherwise confusing situation for consumers. With an overwhelming number of interrelated attributes to consider, the complexity of products in the market means that consumers have trouble learning, and therefore firms have the opportunity to shape preferences through superior expertise or simply through social influence. Markets with an abundance of options merely add to the complexity that provides an environment conducive to market driving.

Learning. In some markets, consumers can learn easily and accurately. In many industries, however, consumers learning is noisy and imprecise (e.g., Carpenter and Nakamoto 1989). In the wine industry, for example, learning is challenging because of ambiguity and complexity. The vast array of products in the wine industry makes the challenge even greater. In some cases, the challenge is so great that learning requires a university-based course, as in the case of art, music, or investing. When learning is noisy and difficult, consumers are less able to form judgments independently (Hoch and Deighton 1989), creating an opportunity for market driving through social influence. Indeed, taking cues from experts and friends becomes part of the learning process (Salganik, Dodds, and Watts 2006).

Expertise. Consumers lack expertise in many markets such as health care, auto repair, and financial services. Given the ambiguity of preferences, the complexity of the product, and the difficulty in learning, choosing not to gain expertise is entirely understandable. Moreover, with thousands of options and continual changes with new products, sustaining expertise is time consuming. With the increasing sophistication of products, gaining and maintaining expertise is increasingly challenging. Limited expertise, however, makes consumers more vulnerable to influence (Buehler and Griffin 1994; Coleman, Blake, and Mouton 1958). The gap between consumer and producer knowledge gives the firm and others in the system an advantage when it comes to building status.

Our analysis suggests that when value is ambiguous, products are complex, learning is noisy, and expertise is limited, consumers are more open to influence, and therefore firms have greater opportunities to drive the market. They do so through a complex social process. Earlier work has explored the social construction of preferences and brand meaning (Becker 1953; Maciel and Wallendorf 2017; Nakamoto and Schultz 2010; Salganik, Dodds, and Watts 2006; Wildavsky 1987), and status has also received ample and continued interest (e.g., Benjamin and Podolny 1999; Dion and Borraz 2017; Washington and Zajac 2005; Üstüner and Thompson 2012). We show that social influence and status can be a powerful combination that constructs the social reality that consumers and competitors share.

Established Frameworks

Our findings suggest new ways that firms drive markets. Previous research has focused on three broad ways to drive the market, with significant attention focused on innovation. Our analysis focuses on market driving over time in the absence of technological disruption. The previous research and our findings suggest new avenues for market driving, as summarized in Table 4.

Internal change. Market-driving firms pursue a vision rather than employ market research. They are forward looking, develop revolutionary marketing practices, and offer customers a leap in value and breakthrough technology (Kumar, Scheer, and Kotler 2000). Our analysis of enduring market driving suggests an important role for long-term vision over short-term commercial interests for creating distinct value for consumers. In contrast with earlier work, however, we find that visionaries can have an impact far beyond the industry value chain. A visionary can define a school of thought or an approach, whether in fashion, food, medicine, or technology, that has repercussions throughout the system (e.g., Rao, Monin, and Durand 2003). A visionary can embody symbolic capital and exert enormous impact by helping consumers and critics understand the meaning of a brand. The role of visionaries in creating brand status over time has previously been overlooked.

Changing market structure. Much of the existing research has focused on using marketing strategy to change market structure (Jaworski, Kohli, and Sahay 2000; Kumar, Scheer, and Kotler 2000). Jaworski, Kohli, and Sahay (2000) describe how firms can change the constraints on which consumers or competitors make decisions as a means to influence the market structure. Reconfiguring the distribution system is an important source of structural change (Jaworski, Kohli and Sahay 2000). Kumar, Scheer, and Kotler (2000) also note the role of innovative price points as a means to create change. Our analysis focuses on an industry in which the structure has changed very little but firms still drive the market without changes in technology or the structure of the value chain.

Changing market behavior. Research has proposed many ways to change market behavior. Kumar, Scheer, and Kotler (2000) identify "buzz marketing" and overwhelming consumer expectations as a means to change consumer behavior. Jaworski, Kohli, and Sahay (2000) propose more generally

TABLE 4
Approaches for One-Time Disruption and Enduring Market Driving

	One-Time Innovation	Ongoing Market Driving
Internal Change		
Vision	■	■
Forward looking	■	■
Revolutionary marketing	■	
Leap in customer value	■	■
Breakthrough innovation	■	
Changing Market Structure		
Change customer constraints	■	
Change competitor constraints	■	
Reconfigure channel	■	
New price points	■	
Changing Market Behavior		
Educating customer	■	■
Buzz marketing	■	■
Overwhelm expectations	■	
Changing consumer preferences	■	■
Change competitor preferences	■	■
Changing Behavior with a Systems Approach		
Build relationships outside value chain		■
Educate/persuade influential actors		■
Create status within the system		■
Create symbolic value for consumers		■

changing consumer preferences, including creating new preferences, reversing established preferences, and changing competitor preferences as a means to change market behavior. The actions firms take to accomplish these complex changes, however, remain unclear from the existing literature. Our analysis reveals the power of social influence to shape preferences. We find that firms build meaningful relationships within the industry and with influencers outside the industry. Firms shape consumer and competitor preferences, as Jaworski, Kohli, and Sahay (2000) and Kumar, Scheer, and Kotler (2000) suggest, but we find that firms do so using status, not simply by changing constraints. In addition, we offer evidence of the mechanisms through which firms use status to affect the social construction of preferences. In doing so, we highlight the previously overlooked role of influencers, the role of status, and the importance of firm artistic vision taking precedence over goals of commercial gain.

Changing behavior with a systems approach. We expand the focus adopted by previous research to include influential actors outside the industry. Our analysis reveals four new approaches for shaping market behavior (see Figure 2). Firms attempt to create status by first developing a unique, forward-looking vision. They cultivate their vision within the organization, often with one prominent visionary, and then disseminate that vision by celebrating the winemaker, creating allies in the press and media, and using retail outlets as a stage on which members of the firm perform. Through this process, firms hope to gain recognition for their vision, while the market structure and other constraints remain essentially unchanged. Winners of the status game gain symbolic capital that confers influence to these firms that rivals simply do not have. High-status firms use that influence to shape the game to their advantage. Consumers prefer high-status wines, which increases demand, and in turn, this high demand gives brands access to influencers who can help shape consumer preferences. Producer behavior is shaped through these same mechanisms. Low-status brands try to imitate high-status brands while also paying deference to them. Success creates opportunities for high-status firms, reinforcing their superiority and enhancing the celebrity of their winemaker, relationships with the press and media, and the power of retail performances.

Furthermore, we find that firms create influence with consumers through collective action. The success of any one firm depends on the actions of many actors. For example, previous analyses have discussed customer education, but we find that customer education is a social process that involves a broader system of critics and retailers. Expert consumers can also play a role, as they shape the preferences of their peers during social gatherings and through knowledge sharing. Successful market-driving firms create symbolic value for consumers with their brands as a result of their status within the industry. In summary, we find that firms create ongoing competitive advantage through social influence by engaging in a subset of activities and by gaining status to influence that system. This finding both extends and adds richness to the established frameworks.

Managerial Implications

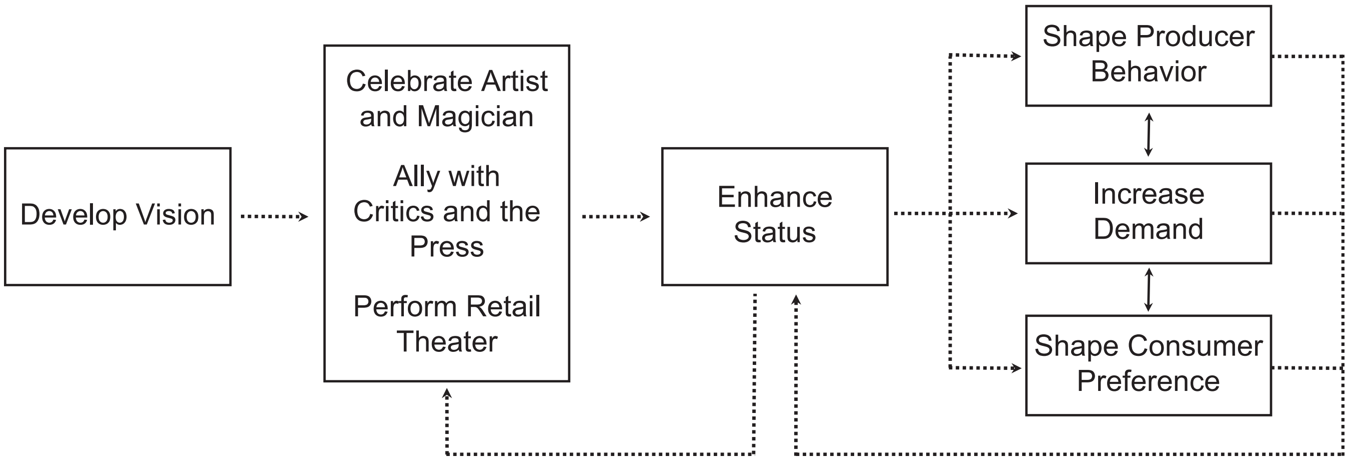
Our analysis offers new insights into market orientation. We identify the process of competition when firms drive markets. Based on that process, our analysis reveals new avenues for creating competitive advantage, including an unexplored role of brands.

Become a Teaching Organization

For market-driven firms, indeed for most firms, developing marketing strategy begins with identifying opportunities. For each opportunity, firms endeavor to understand consumers, share what they learn within the firm, and respond to consumers through their actions (e.g., Kohli and Jaworski 1990). Learning is critical, and influential firms such as IBM, Verizon, and Hilton Hotels & Resorts have devoted substantial effort to become effective learning organizations.[12] Learning firms develop strategy from the outside in—starting with consumers—and display values and behaviors associated with market-orientated firms,

[12]https://www.td.org/magazines/td-magazine/2014s-very-best-learning-organizations.

FIGURE 2
A Market-Driving Approach for Changing Customer and Producer Behavior Through Social Influence and Status



including empathy, collaboration, and respect for the customer (Gebhardt, Carpenter, and Sherry 2006).

Our analysis suggests that market-driving firms embrace a different orientation. Rather than starting with the consumer, these firms develop strategy from the inside out, beginning with a vision. From this perspective, firms *create* opportunity, guiding consumers, as illustrated by Starbucks, Chobani, DeBeers, and other firms. These firms build consensus for an innovative concept of value rather than analyzing and reacting to buyers. The market-driving approach suggests a radical shift in firm orientation from learning to teaching. With this different orientation, teaching organizations display few behaviors or cultural values associated with market orientation, as reported in previous research. Some market-driving firms even demonstrate disdain for consumers, but these firms nonetheless achieve remarkable success with these very same consumers, suggesting that a teaching orientation paradoxically helps a firm be more market oriented.

Competing for Influence Through Alliances

For most firms, competition is a well-understood process: firms advance their strategies, and consumers independently judge whether they succeed or fail. The consumer is king. Market-driving firms introduce new technologies to disrupt existing markets and redefine consumer tastes. After launching new technology and redefining the game, however, firms again battle to win consumers according to the well-understood process. Technological disruption may give a firm advantage for a time, but this advantage dissipates as the market returns to stasis. In a traditional game, firms pursue profit and advance competitive strategies, while customers determine winners and losers according to a market-based logic.

Our analysis suggests that market-driving firms competing through social influence play a very different competitive game. Firms and consumers are part of a system of interdependent actors. When consumers are open to influence, firms create a vision and engineer the system to shape consumer tastes. Resources flow through this system according to existing relationships, and firms create social consensus about value by building both formal and informal alliances with influential actors. Competition becomes a continual effort to build relationships, use those relationships to gain consensus, and shift the flow of resources to favor one firm over others. Doing so is a competitive but deeply cooperative effort. Cooperating with others can serve to both signify status and further enhance it through norms of reciprocity.

For some firms, this competitive game is unfamiliar, unclear, or poorly understood, so these firms continue to rely on a market-based logic, sometimes developing products on the basis of apparently objective criteria, such as product quality. Even those that play a status game with a market-driving strategy can be puzzled by the outcomes. For example, one executive told us, "Sometimes we all scratch our heads. We don't know. Well, why is it so popular? Is it the consumer? Is it a gatekeeper? Is it execution? What's really driving it? And we don't always know the answer." For these firms, understanding the critical relationship between actions and outcome is difficult, so achieving success is challenging. By embracing a market-driving view of competition, firms gain needed insight into the consequences of their actions, a basis for creating more effective strategies, and new avenues for creating competitive advantage.

New Sources of Advantage

The prevailing view of competitive advantage focuses on industry and firm characteristics. Firms gain advantage when potential entrants face entry barriers, reducing the threat of new competition. Within an industry, a firm gains advantage over existing rivals when it possesses unique resources (Besanko, Dranove, and Shanley 1996). The resource-based view of competitive advantage suggests that unique resources can yield competitive advantage when they are valuable, rare, imperfectly imitable, and nonsubstitutable. Competitive advantage thus arises from assets *within* the firm, such as patents or rare managerial talent. If a resource is widely available, it loses its unique value. Consequently, from this perspective, fiercely protecting a firm's unique resources sustains its superior performance.

Our analysis suggests that competitive advantage rests on the opinion of others within the industry. Firms gain influence over the flow of resources through status, which can only be earned from others; however, status can only be gained by pursuing nonfinancial ends, actions that are diametrically opposed to the logic suggested by the internal-resource-based view. For example, we find that firms can actually enhance their competitive advantage by *sharing* unique resources with rivals. Such displays of abundance reinforce the superiority of the cooperating firm, enhancing its advantage. For example, for years Mercedes-Benz has shared its safety technology with rivals, reinforcing its position as a leader. This perspective suggests new avenues for creating and sustaining superior performance.

An Overlooked Role for Brands

Our analysis suggests an important new role for brands in creating competitive advantage. Previous research has identified two roles for brands. First, a brand is a symbol identifying a set of product attributes from a particular producer. For example, Toyota is known for its high quality and low price. Second, brands have symbolic value (Holt 2004; Levy 1959). A Harley-Davidson motorcycle is both a collection of attributes or features and a symbol of community, freedom, and rebellion. With these roles, a brand is valuable to a firm because it is valuable to consumers (Keller 2012).

Our analysis suggests that brands play an additional role for market-driving firms. In addition to conveying information to consumers, a brand conveys information about reputation to other stakeholders. By reflecting a firm's reputation, a brand affects the firm's ability to attract talent and earn attention from critics, which allows it to define categories and set benchmarks. Brands operate through a symbolic logic that is separate from financial logic. Putting the firm's financial ambitions first threatens to undermine symbolic capital. By feigning disinterest in financial gain, a firm enhances the status of its brand, increasing its influence and paradoxically enhancing its ability to succeed financially. Thus, our analysis suggests that even a brand unknown to consumers can be valuable to a market-driving firm because it structures the market in other important ways. Consumers also have additional reasons to trust a brand built on substantive goals rather than the sole pursuit of financial gain.

Conclusion

The remarkable success of Apple, Starbucks, and DeBeers, among many other firms, underscores the power of the market-driving approach to produce enduring success. Although firms have used the concept for decades, research on the market-driving approach has remained conceptual. In a systems analysis of the U.S. wine market, we find that consumers lack well-established, stable preferences, which makes them susceptible to social influence. Rejecting consumer input, firms develop a vision, build relationships, and seek recognition for their vision. Firms gain recognition through a status game, and winners emerge with greater influence than losers. High-status firms define product categories, set benchmarks, and shape consumer preferences to reflect the firms' visions, earning significant price premiums and enjoying financial success as a result. When achieved, high status is difficult to imitate, creating an advantage that can last for years, decades, and even centuries.

Our analysis suggests that market-driving firms enjoy remarkable success with consumers despite displaying none of the values or behaviors associated with market orientation identified in previous research. In some cases, firm behavior fundamentally contradicts market-oriented values. The status game among market-driving firms differs from competition among market-driven firms. Our analysis reveals that firms compete to gain influence and power rather than to satisfy consumers. In addition, our findings show that brands can be powerful competitive weapons in the battle for influence even without consumer awareness. Further exploration of the roles of status and social influence in driving markets would therefore be a fruitful avenue for further research.

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