

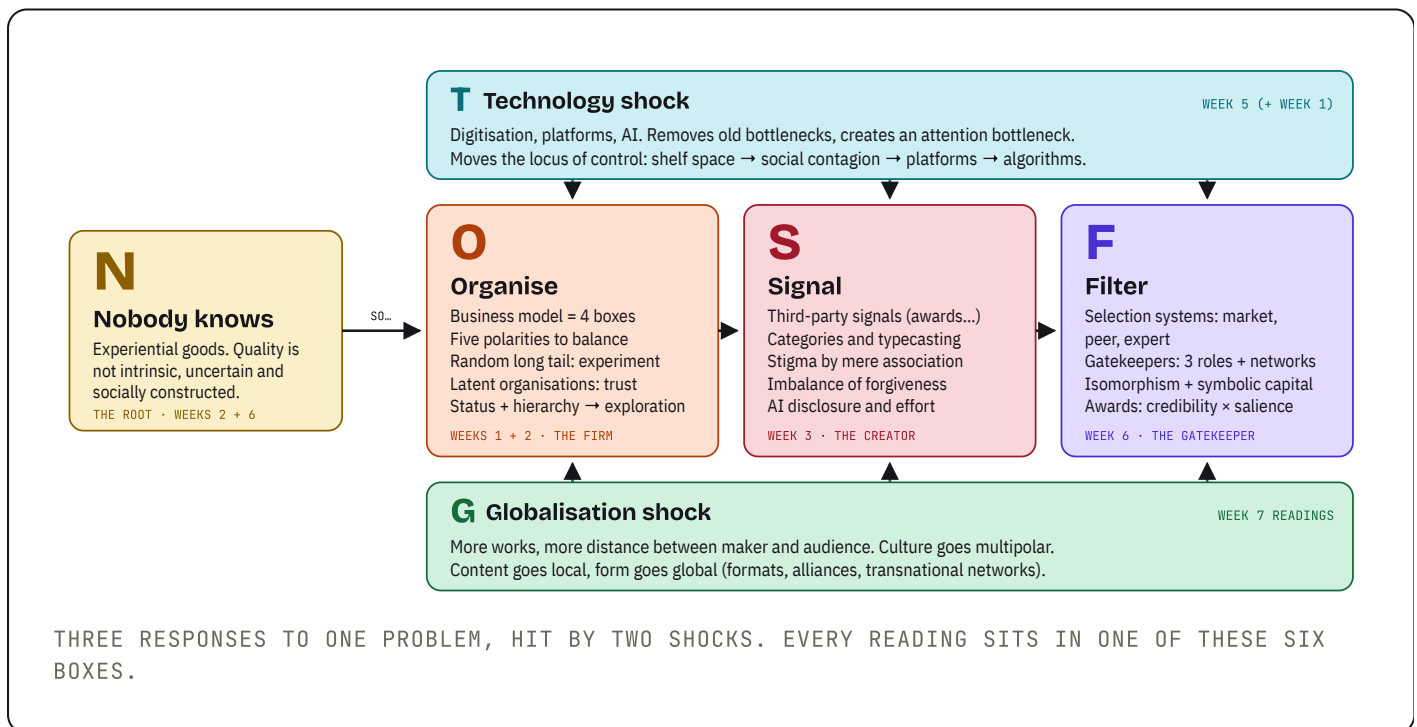
Connecting frameworks

The whole course as one chain of ideas, then each link opened up: the framework, the studies, a memory hook, and how to use it in an answer. Built only from the five lecture decks and 26 readings in your zip.

START HERE

The course in one sentence

Because **nobody knows** what will succeed, everybody looks for someone who does. Firms organise around the uncertainty, creators send signals through it, gatekeepers filter it, and technology and globalisation only change *who* the gatekeepers are.



"No One Sees Future Tastes Globally"

Nobody knows → **O**rganise → **S**ignal → **F**ilter → **T**echnology → **G**lobalisation. The sentence is itself the root idea, so it is hard to forget.

HOW THE WEEKS MAP

W1 Business models, turmoil, platform era → **O + T**

W2 Organisational design → **N + O**

W3 Marketing → **S**

W4 no lecture

W5 Technological change → **T**

W6 Competitive processes → **N + F**

W7 International business → **G**

THREE LINES THE LECTURERS REPEAT

"A great product or technology is useless without a business model that envelops it." (W1)

"Quality is unobservable. We buy signals." (W3)

"The power did not go to the creator; it went to the platform." (W1) · "Success belongs to those who understand who actually controls the boundaries." (W5)

HOW TO USE THIS PAGE

1. Learn the chain above until you can redraw it.
2. For each block, read the framework, then the study cards.
3. Cover the cards and run the self-test.
4. Print the cheat sheet; watch the video the night before.

What is and is not in your zip. Lectures: weeks 1, 2, 3, 5 and 6. There is no week 7 deck, so block G is built from the five international readings only. Two studies appear only on slides, not as papers (Elberse 2008, Negro et al. 2021), so their numbers come from the slides. Mnemonics and the "MEDAL" answer recipe are my own study aids; everything else is from the material.



Nobody knows

Why can nobody, not even the producer, say in advance what is good or what will sell?

Framework 1 • Two kinds of value

Utilitarian value

Objective · measurable · stable. Quality standards are explicit product attributes (durability, reliability, precision, efficiency).



Experiential value

Subjective · emotional · unpredictable. Value comes from manipulating perception and emotion; standards are abstract ideals.

Cultural goods are “non-material goods ... serving an aesthetic or expressive rather than a clearly utilitarian function” (Hirsch 1972, in Lampel et al.).

Consequences for managers: **demand is highly unpredictable** and **production (creativity) is hard to monitor and control**. Data exist but allow contradictory interpretations = **ambiguity**. Consumers want novelty they can still understand: familiar + novel.

Framework 2 • The seven claims about quality (W6), as What · Who · When

WHAT IS QUALITY?

- 1. Not intrinsic.** Technical quality ≠ cultural/aesthetic quality. A technically perfect film can be artistically mediocre; a badly recorded punk album can be culturally important. Value is *symbolic*: interpretation, meaning, originality, identity, reputation, social context.
- 2. Uncertain.** Caves' economic property #1: **nobody knows**. Demand is uncertain; it is **symmetrical ignorance, not asymmetrical information**.
- 3. Socially constructed.** Produced and recognised through networks of artists, producers, critics, distributors, institutions, audiences. Tied to taste, distinction, cultural capital, fields.

WHO DECIDES?

- 4. Gatekeepers certify.** Audiences cannot assess beforehand, so critics, editors, curators, juries, publishers, labels, broadcasters, museums and award committees perform **selection, evaluation, legitimation**. Quality becomes partly a matter of *certification*.
- 5. Popularity is not necessarily quality.** Six quality regimes, each with its own judge (table below).

WHEN IS IT DECIDED?

- 6. Conventions.** Fields share expectations of competent work, yet creativity violates them. Radically innovative work can look low quality *precisely because it is innovative* (Impression, Sunrise 1874; The Starry Night 1889).
- 7. A process, not a characteristic.** Creation → selection → gatekeeping → signalling → reception → evaluation → legitimation → canonisation. Quality develops through a work's cultural life, not only at creation.

QUALITY REGIME	CENTRAL CRITERION	WHO EVALUATES?	QUALITY REGIME	CENTRAL CRITERION	WHO EVALUATES?
Technical	Execution / craft	Professionals	Institutional	Recognition / legitimacy	Gatekeepers
Aesthetic	Artistic achievement	Critics / peers	Popular	Audience appreciation	Public
Commercial	Market performance	Consumers	Cultural	Lasting significance	Society over time

Slide example: Barbie (IMDb 6.8, \$1.45bn worldwide) versus Oppenheimer (IMDb 8.3, \$0.98bn). Quality vs popularity vs commercial success vs cultural importance are four different questions.

MEMORY HOOK

Regimes: **The Art Critic Is Pretty Cultured** → Technical, Aesthetic, Commercial, Institutional, Popular, Cultural. Process chain: think of a work climbing eight stairs from **creation** to **canonisation**; gatekeepers stand on stairs 2–3, audiences on 5, history on 8.

Framework 3 • Experience goods and herds

Experience goods

You must experience the good to have information about it and judge its quality; enjoyment increases with experience; you buy it for the experience. Evaluation criteria are usually **non-utilitarian** and **hedonic**, which gives consumers a strong impetus to look for **credible and salient signals**.

Herd behaviour

Strong social interaction among consumers: decisions are highly influenced by the opinions and actions of others, which creates **inequality and unpredictability of market shares** (Salganik & Watts 2009, block T).

→ O: how to invest when nobody knows

→ S: signals replace measurement

→ F: gatekeepers certify

→ T: social influence amplifies the noise

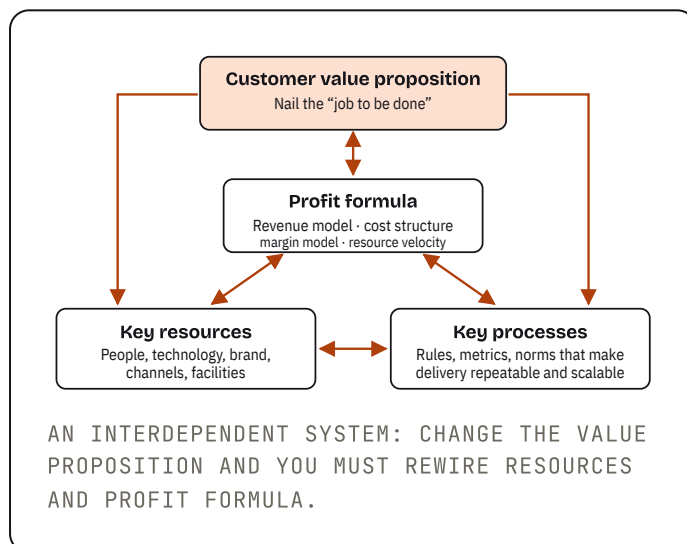
Organise



How do you design a business, a structure and an investment strategy when demand cannot be predicted?

Read this block as three zoom levels. **Model** (how value is created and captured), **Structure** (which tensions the firm must balance and what form it takes), **Team** (who gets hired and who dares to explore).

O1 • Model: the business model blueprint Johnson, Christensen & Kagermann 2008



THE LECTURE'S CASE

Rio (1998) and Cabo failed, iPod (2003) won. Apple was not first; it wrapped a good technology in a great model. **Reverse razor-and-blades:** give away the "blades" (iTunes music: low margin, high volume) to lock in the "razor" (iPod: high margin, high lock-in). The innovation was a structural profit formula, not a slick device.

FROM THE ARTICLE

CVP precision matters most: it nails one job and nothing else. Four barriers to a job: **wealth, access, skill, time** (Tata Nano breaks wealth; Hilti sells tool *use*, not tools; Dow Corning's Xiameter needed a separate unit with its own rules).

New model needed when all four boxes must change; five triggers: serve shut-out customers, wrap a new technology, bring a job focus, fend off low-end disruptors, respond to a shifting basis of competition.

Be **patient for growth, impatient for profit.**

O2 • Model in the arts: the creative pivot Poisson-de Haro & Montpetit 2012

TRADITIONAL CORPORATE		PERFORMING ARTS
Economic engine	Profit formula: scale, resource velocity, margin expansion	Financial balance ("non-profit") formula: structurally blends box office, government subsidies and philanthropy; what counts is not producing a loss
Core assets	Generic, highly scalable physical / IP assets	Hyper-reliance on reputational and human resources: artistic novelty and creative pedigree
Five resource types	Human · physical · organisational · financial · reputational. Dynamic capabilities = the ability to reconfigure them. Artistry dictates survival: when novelty erodes, reputation collapses and the financial balance breaks.	

TURMOIL = SIGNIFICANT CHANGE, GRADUAL OR SUDDEN, INTERNAL OR EXTERNAL

Théâtre Les Deux Mondes (TDM), Montreal touring company (growth 1970s–80s → success 1990s → troubled maturity 2000s).

Internal: lack of artistic renewal (gradual, 2005–09); declining portfolio performance (sudden). BCG matrix on productions: *Tale of Teeka* cash cow (540 performances), *Leitmotiv* and *Living Memory* stars, *2191 Nights* dog, *Travelogs* question mark (14 performances).

External: rising competition (gradual); federal touring grant cuts in 2008 (sudden); declining sales.

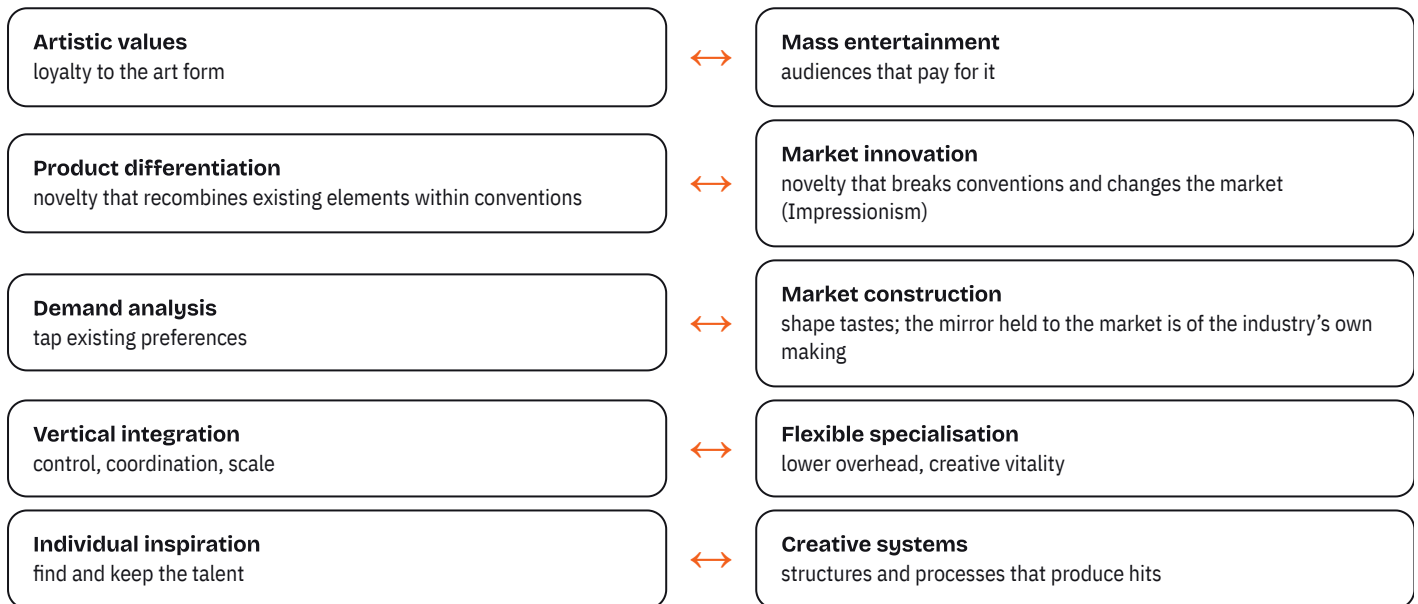
CORPORATE TRAP VS CREATIVE PIVOT

Death spiral: slash artistic/human resources to save money → reputation erodes → value proposition degrades → future grants and box office fall.

Creative pivot: fiercely protect intangible reputational and human resources. TDM formed the **Central Theatres alliance** with younger companies, sharing its venue and administrative resources to cut costs while raising production volume and artistic novelty; directors started working separately to break old habits.

03 · Structure: the five polarities Lampel, Lant & Shamsie 2000

You do not solve these tensions; successful cultural organisations engineer structures that keep balancing them.



MEMORY HOOK

Five questions in order: **What** do we make (art/entertainment) · **How new** (differentiate/innovate) · **Whose taste** (read/construct) · **Who makes it** (integrate/specialise) · **Where does value come from** (individual/system).

O4 · Investment: conventional vs random long tail

Waldfoegel 2022 · Aguiar & Waldfoegel 2018

	CONVENTIONAL LONG TAIL	RANDOM LONG TAIL
Bottleneck removed	Distribution (shelf space)	Production (capital needed to create)
Mechanism	Infinite display for existing niches	Cheaper entrepreneurial experimentation → explosion of new products
Assumes quality is	Perfectly predictable (new entry = lower quality)	“Nobody knows”: new entry can land anywhere, including hits
Gain	ΔC : small, diminishing	ΔR : large, because some ex-ante losers become blockbusters

The unpredictability multiplier ($\Delta R / \Delta C$)

Harder to predict (lower out-of-sample R^2) → bigger windfall from digitisation

Movies
 R^2 0.57

3.83×

Books
 R^2 0.21

8.62×

Television
 R^2 0.11

12.89×

Products that would exist without digitisation: about 250 films, 1,500 bestsellers, 100 TV shows a year.

Evidence that it happens: by 2012 about 10% of the weekly top-150 bestsellers were self-published; up to 40% in romance. Spotify added nearly 1 million tracks in 2017 alone.

O5 · Labour: two paradoxes and the long tail in labour

Waldfoegel 2022

PARADOX I

The work has not vanished; it migrated outside the firm. Establishment data look like decline: book publishing employment 97k → 75k (2002–17), sound recording revenue \$20.9bn → \$13.5bn. Tax data show an explosion: independent artists, writers and performers (Schedule C) from 425,000 to over 850,000.

PARADOX II

Aggregate earnings up, average down. Total independent earnings \$16bn (1997) → \$24bn (2016), yet real average earnings per creator fell from about \$30,000 to about \$24,000.

RESOLUTION: A COMPOSITIONAL EFFECT

The 90th and 50th percentiles show no decline; the **10th percentile collapses**. Full-time professionals are stable; millions of new hobbyists join the denominator. Falling averages are a **statistical illusion caused by an exploding denominator**.

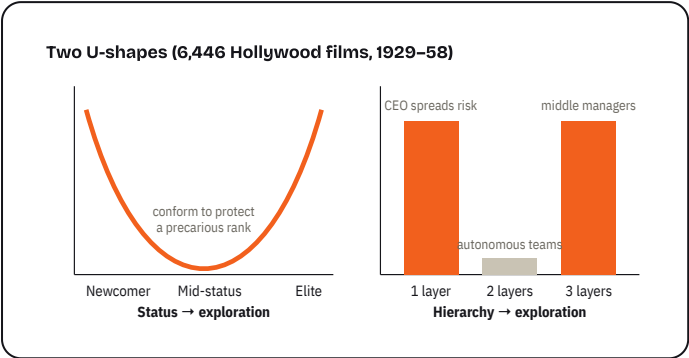
O6 · Organisational form: hierarchy, market, or latent organisation

Starkey, Barnatt & Tempest 2000

	THE STUDIO (HIERARCHY)	THE GIG ECONOMY (PURE MARKET)	LATENT ORGANISATION (THE NETWORK)
Staffing costs	High	Low	Low
Quality control	High control	High risk	Guaranteed via trust
Knowledge base	Institutional	Individual and transitory	Shared among members
Relationship duration	Permanent	Fleeting	Enduring but dormant

A latent organisation is a constant configuration of the same members that persists through time but is only intermittently made **manifest**. It lives as a **mental map in the mind of a broker** (commissioning editor, producer) who reactivates the trusted coalition at short notice, reusing a shared learning curve. Setting: UK television after the 1990 Broadcasting Act (BBC and ITV must source 25% from independents) and the rise of the publisher-broadcaster. Currencies: **knowledge and trust**.

07 • Team: who dares to explore (Perretti & Negro 2006 • March 1991)



THE CHAIN OF LOGIC

O-ring constraint: every member must perform above a threshold or the whole project fails → brokers keep recombining old-timers (exploitation) → output stagnates without newcomers and new combinations (exploration).

Middle-status conformity: elites (secure) and newcomers (ignorant of the risk) embrace true exploration; mid-status members conform to safe choices.

Autonomy paradox: two-layer structures with fully autonomous project managers retreat into safe exploitation. Middle-manager liaisons in three-layer structures absorb risk and coordinate interdependencies, freeing teams to explore.

W2 SYNTHESIS: THE ARCHITECTURE OF EXTREME AMBIGUITY

Fuel (micro): 3-layer hierarchies and elite-status brokers that absorb risk and override conformity → **Vessel (meso):** latent organisations, dormant trust networks mobilised fast → **Output (macro):** the random long tail, high-volume experimentation that unearths unpredictable blockbusters.

Starkey, Barnatt & Tempest 2000		UK TELEVISION • FIELD + ARCHIVAL	
M	MYTH	Disaggregate fully into flexible, transactional market networks.	
E	EVIDENCE	After the 25% independent quota, broadcasters commission from the same proven teams (e.g. Hat Trick, Bazal).	
D	DYNAMIC	Pure markets cannot guarantee quality, tacit knowledge or learning-curve efficiencies; knowledge + trust accumulate in repeat teams.	
A	APPLICATION	Cultivate a latent organisation and the broker relationships that reanimate it.	
L	LIMIT	Costs some flexibility; matters most for complex, high-budget work such as drama.	

Perretti & Negro 2006		6,446 FILMS • 1929–58	
M	MYTH	Give teams total autonomy and they will innovate.	
E	EVIDENCE	Newcomers and new combinations are most likely with high- or low-status members and in 1- or 3-layer structures; least with mid-status and 2 layers.	
D	DYNAMIC	Middle-status conformity; unshielded project managers avoid risk.	
A	APPLICATION	Engineer structural overrides: elite brokers, middle-manager liaisons.	
L	LIMIT	Holds for sequential team production, uncertain demand and multiple external audiences; performance was not measured.	

→ N: all of this exists because nobody knows → T: platforms, middle tail, monetisation cliff
→ F: brokers are gatekeepers too → S: status is a signal



Signal

Quality is unobservable. We buy signals. So which signals work, on whom, and why?

The framework · the architecture of social valuation

One table holds the whole lecture. Learn it row by row: **signal** → **receiver** → **core mechanism** → **consequence**.

#	LECTURE LABEL	THE SIGNAL	THE RECEIVER	THE CORE MECHANISM	THE CONSEQUENCE	STUDY
1	The expert's dilemma	Award / gallery / review	Corporate expert buyers	Defensive justification	Long-term survival	Kackovic et al. 2020
2	The generalist's trap	Genre specialisation	Casting directors	Crude skill heuristic	Career lock-in	Zuckerman et al. 2003
3	Contagion of mere association	Mere association	Hollywood employers	Defensive conformity	Permanent exile	Pontikes, Negro & Rao 2010
4	The imbalance of forgiveness	Fading stigma	Modern hirers	Implicit bias	Associate penalty	Negro et al. 2021
5	The post-human signal	AIGC tag	TikTok audiences	Perceived effort	Parasocial severance	Carney, Riveros & Tully 2026

MEMORY HOOK + THE CONNECTING INSIGHT

Every **Good Creator** **Fears Perception** → **Expert's dilemma**, **Generalist's trap**, **Contagion**, **Forgiveness**, **Post-human signal**.

In all five the evaluator is **not measuring quality**. They are protecting themselves (rows 1 and 3), saving effort with shortcuts (2 and 4), or rewarding visible human effort (5). Signals work because of the receiver's position, not because they reveal the truth.

1 · Kackovic et al. 2020

PRIMARY VISUAL ART
MARKET · IJRM

- M** MYTH
Trained experts rely on their own “eye” and ignore mainstream signals.
- E** EVIDENCE
22-year panel (1990–2012), 471 Rijksakademie alumni, 22 corporate collections. Reviews, awards and gallery affiliations all raise sales. **Gallery affiliation > 3× a review; award > 2× a review.** Effects decay about 20% a year; **half-life 3.1 years.**
- D** DYNAMIC
Defensive justification: under agency risk, expert-agents lean on the accumulated stock of past signals to justify choices to their employer.
- A** APPLICATION
Expertise does not make third-party signals irrelevant. Cultivate credible endorsements over multiple years; think in probability of sale, not single sales.
- L** LIMIT
Top segment only (alumni of an elite programme); signals almost always positive, so valence is untested.

2 · Zuckerman, Kim, Ukanwa & von Rittmann 2003

FEATURE-FILM
ACTORS · AJS

- M** MYTH
Build a diverse portfolio to prove maximum talent (“robust action”, complex identity).
- E** EVIDENCE
IMDb 1992–97, 32,141 actors, plus 13 casting-director interviews. Specialisation raises a **novice’s** chance of work (16.4% → 21.3%); it lowers a **veteran’s** when crossing genres (38.4% → 33.5%).
- D** DYNAMIC
Two-stage hiring: stage 1 selection for casting = conformity to a category; stage 2 selection for the role = differentiation. Diffuse résumés are excluded before anyone evaluates range. The “categorical imperative”.
- A** APPLICATION
A focused identity is a door-opener early and a constraint later. Get typecast to get in.
- L** LIMIT
Not just skills (the effect reverses for veterans) and not just networks (director-concentration control). External labour markets are more structured than they seem.

3 · Pontikes, Negro & Rao 2010

HOLLYWOOD RED SCORE
1945–60 · ASR

- M** MYTH
Punishment in a moral panic hits only the few who are targeted.
- E** EVIDENCE
31,781 film artists, 5,712 films; HUAC hearings and *Red Channels*. **One associate who is later blacklisted cuts employment odds by 13%;** one exposure is enough. Actor-to-writer tie: 20% penalty. Top box-office stars: 16% vs 11% for non-stars.
- D** DYNAMIC
Four mechanisms: **defensive conformity** (employers fear boycotts), **automatic cognition** (negativity bias), **heterophilous spillover** (across roles), **broadcast effect** (stars are salient).
- A** APPLICATION
Mere association produces many false positives; moral entrepreneurs lose control over whom the campaign harms. Employers matter because they control access to work.
- L** LIMIT
Most plausible for hidden, voluntary forms of deviance.

4 · Negro et al. 2021

SLIDES ONLY · ARCHIVE +
EXPERIMENT

- M** MYTH
When society realises a stigma was wrong, everyone’s career recovers equally.
- E** EVIDENCE
412,393 artist-years (1945–61), destigmatisation after 1958; 2×2 experiment with 292 US adults on a physical-disability hiring scenario. **Direct targets rebound to baseline; mere associates’ penalties worsen.**
- D** DYNAMIC
Dual-process iceberg: norm shifts make people deliberately suppress explicit bias; automatic, implicit bias persists uncorrected.
- A** APPLICATION
Monitor discrimination against associates, not only formally protected targets; interventions must reach implicit prejudice.
- L** LIMIT
The imbalance should be weaker when associations are meaningful and consciously evaluated.

5 • Carney, Riveros & Tully 2026

TIKTOK + 8
EXPERIMENTS •
JCR

- M** MYTH
Transparently signalling AI use builds audience trust.
- E** EVIDENCE
1,135,817 TikTok posts, 8,650 creators (2023–24); 8 preregistered experiments (N = 3,396). Disclosure cuts likes/engagement by **7–8%** across influencer tiers.
- D** DYNAMIC
Disclosure signals **lower human effort** → weaker **parasocial connection** → less engagement. Ruled out: general AI aversion, low quality, wariness of fake media.
- A** APPLICATION
Effort is the currency. Disclose specific, effortful tools (“Made with Photoshop Neural Filters”) rather than a generic AIGC tag; the penalty then disappears.
- L** LIMIT
Creators gain an incentive to hide AI use, which undermines the transparency the policy wants; many viewers do not even notice the label.

CONCEPT PAIRS TO KEEP STRAIGHT

Simple identity: facilitates valuation, attracts employers; but restricts future identities, sticks you to a category.

Complex identity: flexibility and broad skills; but confuses the audience and can read as failure or lack of skill.

Point signal vs stock of signals: the accumulated stock matters more than the latest signal (smoothing coefficient 0.80).

Direct stigma vs stigma by association: the second is uncontrollable, cheap to acquire, and stickier.

Explicit vs implicit bias: above and below the waterline.

→ F: awards as signals, credibility × salience

→ T: Benegal: AI and reputation

← O: status drives exploration

Filter

F

Who chooses, on what grounds, and how do they cope with too much supply and no objective standard?

F1 · Selection system theory + attribution theory (Gemser, Leenders & Wijnberg 2008)

MARKET SELECTION

Consumers select

The selectors are the end consumers.
Awards: MTV Movie Awards, People's Choice.

PEER SELECTION

Producers select each other

Selectors and selected belong to the same group. Awards: Academy Awards (Oscars), guild awards.

EXPERT SELECTION

Experts select

Neither producers nor consumers: critics, juries. Awards: Golden Globes, critics' circles.

Competition in selection-system terms: the **selected** are producers of cultural products; the **selectors** evaluate quality and thereby **determine value**.

Attribution theory: consumers do not accept a signal at face value, they assess its source. Two levers: **source credibility** (trustworthiness + expertise) and **salience** (prominence, level of activation in memory).

SEGMENT	HYPOTHESIS	RESULT (BOX OFFICE + SCREENS, 2 AND 4 WEEKS AFTER THE AWARD; FILMS 1997-2002)	WHY
Mainstream films	Awards from a jury of end consumers work best	Not supported. Market awards have no stronger effect than peer awards (not even the Oscars beat them)	Mainstream films rely on other signals: advertising, number of screens, box office
Independent films	Awards from a jury of experts work best	Supported. Expert awards have the greatest effect	Limited marketing budgets raise the importance of winning awards

F2 · Gatekeepers: three roles, never alone (Foster, Borgatti & Jones 2011)

ROLE 1

Co-producer

Shepherds artists and products through production; shapes content, almost an artist (Peterson & Berger 1971).

ROLE 2

Selector

Selectively grants outsiders access to production (Gould & Fernandez 1989).

ROLE 3

Tastemaker

Evaluates output and promotes specific products to audiences (Hirsch 1972).

Gatekeepers are **brokers** who mediate between artists and audiences through networks of information sharing and exchange. Search and selection strategies do not reside in one individual; they depend on social context. A network = **nodes** (actors) joined by **ties** (collaboration, friendship).

	STRONG TIES	WEAK TIES
Are	Frequent, emotionally close, reciprocal	Infrequent, low closeness, one-way
Give	Trust and support; deep communication; shared norms	New information; broader reach; bridges between communities; autonomy
Cost	Redundant information; groupthink; limited reach	Lower trust; less willingness to help; shallow communication

BOSTON NIGHTCLUB TALENT BUYERS	TIES WITH COMPETING CLUBS	TIES WITH BANDS
Original music niche novel, uncertain	Strong: dense information- and band-sharing networks	Weak: arm's length, many different bands
Cover / familiar niche predictable	Weak: arm's length	Strong: close relations with a few bands

Read it as a rule: the more uncertain the product, the more buyers pool information with each other (network governance); the more predictable, the more they lock in suppliers (relational governance). Sample: 22 talent buyers representing 29 clubs, about 80% of Boston's live-rock clubs.

F3 · How editors decide: two lenses on one catalogue Franssen & Kuipers 2013

PROBLEMS → COPING MECHANISMS (DUTCH ACQUISITION EDITORS, TRANSLATION RIGHTS)

Oversupply of producers and products (abundance) → **decentralised networks** (agents, scouts, friends in the industry)
Uncertainty about quality → **trust** in transnational networks
No objective quality standards → own **expertise**
Extreme competition (strife) → **accumulating symbolic capital**

Gatekeepers hold a **boundary-spanning** position: they **mediate** producers and consumers, **bridge** the creative and managerial branches, and **link** national and transnational literary fields. Gatekeeping has multiple stages and no single logic; editors are the centres of **gatekeeping networks**, not bouncers at a door.

	NEO-INSTITUTIONALISM	FIELD THEORY (BOURDIEU)
Sees	Organisational practices; networks of gatekeepers; power distributed across actors	Conflict and status dynamics between competitors
Actors want to	Control uncertainty through routines and innovations	Maintain or increase symbolic and cultural capital
Key word	Isomorphism	Symbolic capital
The catalogue is	A way to find foreign peers "with the same taste"; books are positioned by pointing to publishers abroad with similar catalogues	A presentation of self; reflects the house's taste and its position in the field; used to assess and classify each other

BOURDIEU'S FOUR FORMS OF CAPITAL

Economic (financial, tangible) · **Cultural** (knowledge, tastes, dispositions) · **Social** (family, networks, relationships) · **Symbolic** (qualifications, honours, reputation)

WEEK 6 IN ONE LINE (THE LECTURE'S TAKE-HOME)

In a nutshell, editors select titles published by successful foreign publishers that are **similar to them** and titles that **look like the books they already publish**. Take-home: (1) with no objective quality, awards may signal it, depending on credibility and salience; (2) gatekeepers play three roles and use their social network; (3) gatekeepers select on **isomorphism** and **symbolic capital**.

← N: gatekeepers certify quality

← S: awards are third-party signals

→ T: platforms and algorithms as new gatekeepers

→ G: transnational networks, isomorphism across countries

← O: the broker of a latent organisation



Technology

Digital was supposed to remove the gatekeepers and democratise culture. What actually happened?

T1 • The backbone: from friction to filters W1 grand synthesis

BEFORE Traditional distribution friction Few record deals, a few hundred theatrical films a year, limited shelf space. Human gatekeepers: critics, publishers, labels.	THE INTERNET ERA Infinite content Costs of production, distribution and promotion collapse. Removing the distribution bottleneck creates the ultimate attention bottleneck.	NOW Platform hegemony Consumers demand new filters. Human, qualitative gatekeepers are replaced by algorithmic, quantitative ones. The power went to the platform.
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T2 • Three digital illusions Khaire 2017, "New World, Old Rules"

ILLUSION 1 • THE CACOPHONY PARADOX Myth: disintermediation liberates the creator (Kindle Direct Publishing). Reality: self-distributed work is lost in a cacophony of infinite stimuli. Successful digital creators <i>crave</i> intermediaries who handle marketing and discovery so they can create (Amanda Hocking signed with a major publisher).	ILLUSION 2 • CROWDSOURCED TASTE, THE YELP PARADOX Myth: star ratings democratise taste and remove elitist gatekeepers. Reality: gamification (paid fake reviews), the lowest common denominator (shallow lay reviews), and the continuing necessity of independent expert critics.	ILLUSION 3 • THE SHOWROOM PARADOX Myth: physical stores are an inefficiency. Reality: the pure-play trap. Symbolic goods need tangible, atmospheric markers of value, so digital-first brands build physical touchpoints (Net-a-Porter's packaging and print magazine; Warby Parker and Bonobos showrooms).
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Khaire's cast: creators, producers, intermediaries, consumers. Intermediaries perform **introduction, instruction, inclusion**, and need **independence and expertise**. They are more necessary than ever because of (1) the properties of cultural goods, (2) more creators and producers, (3) global goods that need explication. "Commerce needs commentary." Cultural distance is harder to bridge than physical distance. Online art sales work in the secondary market (Paddle8's pivot to auctions) but struggle in the primary market, which needs trust and education.

T3 · The architecture of platform power

Aguiar, Reimers & Waldfogel 2023

PASSIVE PLATFORMS (THE AGGREGATORS)		CURATED PLATFORMS (THE GATEKEEPERS)
Examples	Spotify, Amazon Books, YouTube	Netflix, HBO
Logic	Infinite shelf space; algorithms and crowd ratings direct discovery; global distribution for almost anyone	Strict editorial selection; platform is investor, gatekeeper and distributor; like pre-digital theatrical distribution at a monopolistic global scale
Two discovery mechanisms	Information aggregation (crowd ratings: Amazon stars raise consumer surplus over 10× more than New York Times reviews in aggregate, but fake reviews threaten them) and curation / recommendation (lists, playlists, personalisation).	
Kingmaking	The Spotify effect: inclusion on a major platform-controlled playlist causes roughly a third of a hit's total streams. Monopoly risk: self-preferencing when the platform is both marketplace and producer. (Measured bias on New Music Friday ran in favour of indie labels and women.)	
New stratification	Middle tail: curated subscription platforms serve dispersed audiences, so modest-budget niche products become viable. Monetisation cliff: works the curated platform does not license earn zero. Reject = fall off a cliff, not “earn less”.	

T4 · The signal in the noise: the week 5 synthesis matrix

	DEMAND ELBERSE 2008	SUCCESS SALGANIK & WATTS 2009	BOUNDARIES SHI 2023	SUPPLY BENNER & WALDFOGEL 2020	REPUTATION BENEGAL ET AL. 2026
Pre-digital myth	Niche is profitable	Quality dictates success	Consumers want boundaries	The middle is dead	Status protects experimentation
Technological reality	Hits still dominate	Social influence breeds chaos	Gatekeepers force boundaries	The middle tail thrives	Status amplifies AI backlash
Strategic implication	Protect blockbuster capital	Optimise for social signals	Blur genres for reach	Invest in digital-first	Hide or heavily curate AI use

MEMORY HOOK

D-S-B-S-R: “Digital Still Breeds Super-Rich hits” → Demand, Success, Boundaries, Supply, Reputation. Each column is one myth flipped.

Demand · Elberse 2008

SLIDES + POOLE'S REVIEW
OF "BLOCKBUSTERS"

- M** MYTH
Anderson's long tail: with infinite shelf space consumers scatter to niches and hits lose dominance.
- E** EVIDENCE
Rhapsody (32m streams, 1m tracks) and Quickflix (322,000 DVD rentals, 16,000 titles). The tail is long, flat and unprofitable. Even bottom-decile "obscure" shoppers pick **34%** of titles from top-decile hits. Review: 74% of MP3s sold in 2011 sold under 10 copies.
- D** DYNAMIC
McPhee's 1963 theory of exposure. Natural monopoly: light users, most customers, stick to popular products. **Double jeopardy:** obscure products are consumed by fewer people who also appreciate them less.
- A** APPLICATION
Do not abandon blockbuster strategy; keep niche costs low; in digital channels market your most popular products.
- L** LIMIT
Lecture critique: single-catalogue, generalist assumption (User A on Netflix), niche as "overflow" rather than niche-first (User B on Crunchyroll), relative share versus absolute volume.

Success · Salganik & Watts 2009

MUSIC LAB,
MULTIPLE-WORLDS
EXPERIMENT

- M** MYTH
Success directly reflects inherent quality and stable preferences.
- E** EVIDENCE
48 unknown songs; an independent world versus social-influence worlds showing download counts. Gini rose from 0.28–0.42 (Exp. 1, unsorted) to 0.45–0.56 (Exp. 2, sorted by popularity). The same song could be a hit in one world and flop in another.
- D** DYNAMIC
Cumulative advantage: early random downloads lock in. Popularity is read as a signal of quality, and consuming like others builds community.
- A** APPLICATION
Quality is a prerequisite, not a guarantee. It is easier to predict failure than success. Optimise early social signals.
- L** LIMIT
The paradox of social signals: rankings help individuals navigate choice but raise inequality and unpredictability for the market. An artificial market with limited interaction.

Boundaries · Shi 2023

2012 BILLBOARD NATURAL
EXPERIMENT · ASQ

- M** MYTH
Producers stick to genres because mass consumers punish crossovers.
- E** EVIDENCE
Billboard moved hit-making power from genre radio stations to streaming consumers. Difference-in-differences, country versus pop: crossover production rose after democratisation, driven by **generalist** labels and aimed at popular genres.
- D** DYNAMIC
Specialised intermediaries know and value boundaries more than consumers do. Mechanism test: **reorientation** (larger markets, stable trend, generalists) fits; **experimentation** (large and small, variable trend, specialists) does not.
- A** APPLICATION
When mediation democratises, blur genres for reach; do not take an intermediary's influence for granted.
- L** LIMIT
Scope condition: intermediaries must be specialised; some consumers are purists too.

Supply · Benner & Waldfoegel 2020

51,097 US MOVIES
1980–2016 · SMJ

- M** MYTH
Digitisation bifurcates the market: a long tail of cheap indies plus a few mega-hits, hollowing out the middle.
- E** EVIDENCE
Both extremes grow: under-\$100k films from near zero (2000) to over 660 (2016), mostly never commercially distributed; \$150m+ blockbusters up while majors retreat from \$50–150m. In between, a thriving **middle tail of \$100k–\$10m**.
- D** DYNAMIC
Direct-to-digital bypasses theatrical fixed costs (about \$5,000 a week per screen) and reaches dispersed niches. Middle-tail films are mostly R-rated or unrated; 85.5% of blockbusters are G/PG/PG-13.
- A** APPLICATION
Invest digital-first. The middle tail is exploited by **newcomers** (firms under 5 years old), not incumbents: major-studio inertia.
- L** LIMIT
Movies only; the picture changes with the measure (counts of titles versus dollars invested).

Reputation · Benegal, Vincent & Carnevale 2026

TWO
EXPERIMENTS
· AMD

M MYTH
Established creators have “earned” the right to experiment with AI; newcomers get punished for using a crutch.

E EVIDENCE
Study 1: 383 US participants, the same video-game composition attributed to a prestigious studio or a first-year student, AI disclosed or not. Study 2: 424 participants, advertising slogans, four conditions (creative AI use, administrative AI use, explicit avoidance, no information). AI users are rated lower on **reputational prestige, creative competence and workplace creativity**.

D DYNAMIC
Perceived authenticity fully mediates the damage. Observers hold an **anthropocentric prototype of creativity**: real creativity needs human effort, emotion and agency.

A APPLICATION
Hide or heavily curate AI use. Declaring that you avoid AI gives **no extra benefit** over staying silent (asymmetric non-use disclosure).

L LIMIT
Vignette experiments; using AI for non-creative tasks reduces but does not remove the penalty.

Careful with this one. The paper’s finding is **no buffer**: the penalty hits established and emerging creators alike. The lecture frames it more strongly: “a strong reputation is a liability, not a shield” because high-status creators are *expected* to have genuine human talent (the expectation gap). In an answer, state the no-buffer result first, then the expectation-gap interpretation.

T5 · THE TRUE NATURE OF TECHNOLOGICAL CHANGE

Technology does not inherently democratise creative outcomes. It constantly shifts the **locus of control**:

1. Physical shelf space (the blockbuster era) → **2. Social contagion** (the network era) → **3. Platform gatekeepers** (the streaming era) → **4. Algorithmic and authentic attribution** (the AI era).

The signal remains the same: in every era, success belongs to those who understand who actually controls the boundaries.

THE CONSUMER’S SIDE · GUARDIAN 2022

“There’s endless choice, but you’re not listening.” Listeners quitting Spotify describe streaming as passive, utilitarian “using” of music and return to MP3s, CDs, Bandcamp, record shops and friends’ recommendations (the “human algorithm”). Abundance without curation or effort erodes the experience itself.

← O: random long tail, long tail in labour

← F: gatekeepers evolved, not evaporated

← S: AIGC disclosure and effort

→ G: platforms make local content travel

Globalisation



Does a global market flatten culture into one monoculture, and how does culture actually cross borders?

The framework • three questions, one rule

Q1 • DOES CULTURE HOMOGENISE?

Cowen 2002: it depends which diversity you mean. **Within** a society diversity rises (more choice), **across** societies it falls (places grow alike). Both happen together: *creative destruction*.

Economist 2022: the monoculture never came; pop culture went **multipolar**.

Q2 • WHO DECODES IT, AND HOW?

Kuipers & de Kloet 2009: for a global blockbuster, nationality barely structures reception. What matters is viewing position and distance from the cultural centre. **Banal cosmopolitanism**; goodbye to methodological nationalism.

Q3 • HOW DOES IT TRAVEL?

Moran 2008: as **formats**, a recipe remade locally.

Pathania-Jain 2001: through **alliances** between global parents and local partners.

Franssen & Kuipers 2013 (block F): through **transnational gatekeeping networks**.

THE RULE THAT TIES THE FIVE READINGS TOGETHER (MY SYNTHESIS)

Content goes local, form goes global.

What converges is the *infrastructure*: formats and their “bibles”, production and marketing practices, catalogues, platforms. What stays or becomes diverse is the *content*: local remakes, local hits, local languages. Moran quotes it directly for Australia: “the Australian is the content, the flavour, the accent ... the international provides the underlying form”. Pathania-Jain: programming looks more culturally proximate while **modes of production homogenise**.

Cowen 2002 · “The Fate of Culture”

ESSAY FROM
“CREATIVE
DESTRUCTION”

M MYTH
Globalisation homogenises culture into a “McWorld” (Barber; Jameson’s “standardisation of world culture”).

E EVIDENCE
Domestic music holds 96% of the market in India, 81% in Egypt, 73% in Brazil. Third World arts blossomed through Western demand and materials (Inuit soapstone carving from 1948; Ndebele beads imported from Europe). Action travels; comedy and drama need local accents.

D DYNAMIC
Four diversity concepts: **across vs within** societies (they move in opposite directions), diversity **over time**, **objective vs operative** diversity. Homogenisation and heterogenisation operate in tandem; larger markets fund niches. Cultures are hybrids: synthesis is the norm.

A APPLICATION
Judge trade by the menu of choice it gives individuals (freedom from “the tyranny of place”), not by how different countries look.

L LIMIT
Real losers: small, isolated cultures lose their **ethos** (Polynesia, Tahitian tapa; Bhutan as hold-out). Exchange is rarely on equal terms.

The Economist 2022 · “How pop culture went multipolar”

TRADE,
SPOTIFY AND
NETFLIX DATA

M MYTH
Western, mostly American, cultural dominance keeps growing.

E EVIDENCE
US share of OECD audiovisual imports: almost 40% → **25%** (2010–2020); US cultural imports up almost six-fold. English share of the Spotify top 100 in India, Indonesia and South Korea: 52% → 31%; Spain and Latin America 25% → 14%. Netflix: North American titles are 80–85% of the most watched in the US, UK and Australia, about half in Argentina, Brazil and Colombia, under 35% in Japan and South Korea.

D DYNAMIC
Two drivers: **economic growth** in formerly poor countries (money → artists → self-confidence) and **the internet** (no scheduling limits, global platforms, social media, recommendation systems replacing talent scouts).

A APPLICATION
“Think about your business ... as wherever culture is and wherever the audience is.” Pop culture is **soft power** (K-pop, Parasite, Squid Game).

L LIMIT
English still holds 47 of the 50 most-streamed songs; rich English-speaking markets remain American-dominated.

Kuipers & de Kloet 2009

LORD OF THE RINGS
SURVEY · N = 24,747

- M** MYTH
National culture explains how audiences receive media; compare countries.
- E** EVIDENCE
Online survey on *The Return of the King* across many countries: great variation in interpretation but **no national patterns**. Two clusters: an involved one that follows the preferred “epic” reading (more Anglophone), and a more diverse one further from the centre, geographically and demographically (gender, age).
- D** DYNAMIC
For global media texts, national “repertoires of evaluation” are superseded by **transnational repertoires**, more available to viewers closer to the cultural and geographic centre.
- A** APPLICATION
Question **methodological nationalism** (Beck). Segment global audiences by involvement and distance from the centre, not by passport. **Banal cosmopolitanism**: globality embedded in everyday life.
- L** LIMIT
Self-selected sample of fans and internet-savvy cosmopolitans; locally oriented viewers could look more national.

Moran 2008 · “Makeover on the move”

GLOBAL TV
FORMATS

- M** MYTH
Television globalises by exporting finished (“canned”) programmes from Hollywood.
- E** EVIDENCE
Since the late 1990s (Who Wants to Be a Millionaire?, Survivor, Big Brother; later Pop Idol, Yo soy Betty la fea) the **format** trade became a pillar of global TV. London, Amsterdam and Berlin rise as centres. FRAPA founded in 2000.
- D** DYNAMIC
Audiences prefer programmes that look and sound like their own. A format is a **recipe**: a package of know-how (the “bible”: scripts, set designs, ratings data, consultancy) licensed for local remaking. It sells the likelihood that past success repeats, which reduces uncertainty.
- A** APPLICATION
Lotman’s five stages of adaptation: **strangeness** → **indigenisation** → **national-internationalism** → **in-between** → **commendation** (the receiver becomes a sender).
- L** LIMIT
The stages are not sequential in practice; plagiarism and piracy are common; licence fees alone are not lucrative.

Pathania-Jain 2001

GLOBAL MEDIA FIRMS ENTERING
INDIA · VALUE CHAIN

- M** MYTH
Foreign ownership means foreign content and cultural domination.
- E** EVIDENCE
After satellite TV arrived in 1991 (STAR TV), global firms entered through **collaborative alliances** with Indian companies; analysed with Porter’s value chain.
- D** DYNAMIC
Local partner = the cultural, unstandardisable contribution (local programming, market knowledge: the “tour guide”). **Global parent** = the economic contribution (finance, technology, library, marketing and distribution, reputation: the “trophy parent”). “Tight-loose” networks.
- A** APPLICATION
Alliances are the fastest, least risky way to go global. Decentralise creative production; standardise the rest.
- L** LIMIT
Expertise flows one way. Content localises but **modes of production homogenise**, integrating Indian TV into the world system.

GLOBALISATION ELSEWHERE IN THE COURSE

Khair 2017 (W1): digitalisation and globalisation reinforce each other. Globalisation mainly creates openings for *pioneer* entrepreneurs: taking a country’s products abroad (K-pop) or importing conventions of value that make local products newly valuable (modern Indian art via Saffronart).

Franssen & Kuipers 2013 (W6): abundance is a consequence of globalisation; editors cope through transnational networks, which makes national literary fields more alike (isomorphism), even between similarly positioned publishers who cooperate across borders.

Aguiar et al. 2023 (W1): Netflix lets producers from smaller countries reach larger audiences than theatrical distribution did.

← T: platforms carry local hits worldwide

← F: gatekeeping networks, isomorphism

← N: unfamiliar codes raise uncertainty

Cross-cutting frameworks

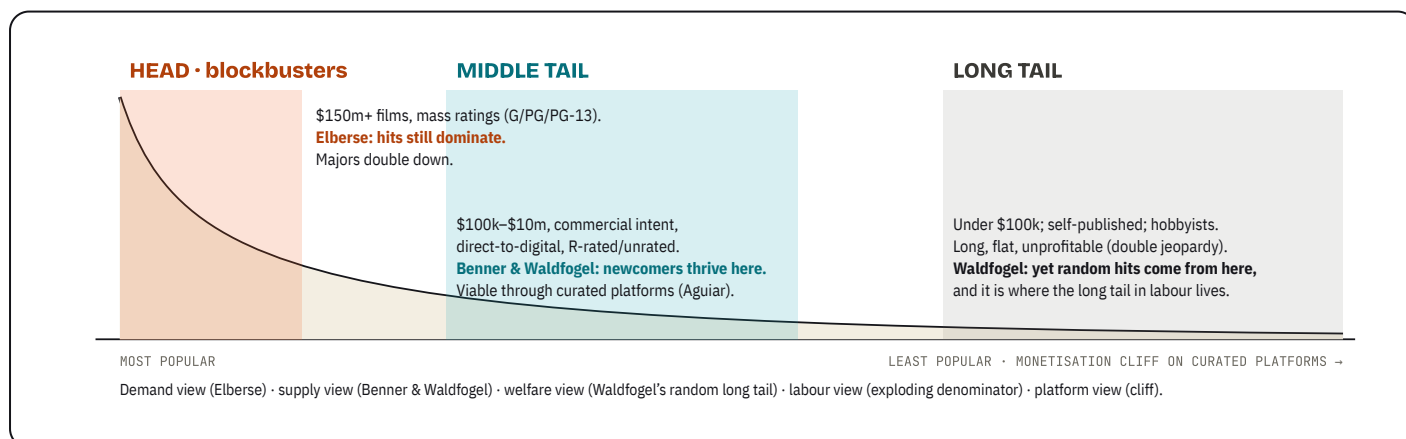
Exam questions rarely stay inside one week. These five threads run through several blocks; use them to connect readings in one answer.

X1 • The gatekeeper never disappears, it changes shape

ERA / LOCUS OF CONTROL	WHO FILTERS	WHAT GETS THROUGH	EVIDENCE IN THE COURSE
Physical shelf space blockbuster era	Studios, labels, publishers, broadcasters (hierarchies); critics	A few hundred films, a few record deals; big bets	O vertical integration, studio as hierarchy · T Aguiar: pre-digital bottlenecks
Specialised intermediaries	Genre radio, editors, curators, talent buyers, award juries	What fits a category, a catalogue, a network	F Gemser, Foster, Franssen · S Zuckerman's casting directors · T Shi's radio stations
Social contagion network era	The crowd: charts, ratings, download counts	Whatever got early momentum (cumulative advantage)	T Salganik & Watts; Khaire's Yelp paradox; Aguiar's star ratings
Platform gatekeepers streaming era	Spotify playlists, Netflix commissioning, recommendation systems	The playlisted and the licensed; middle tail in, the rest over the monetisation cliff	T Aguiar et al.; Benner & Waldfogel
Algorithmic and authentic attribution AI era	Algorithms plus audiences judging human effort and authenticity	Work that reads as genuinely human	S Carney et al. · T Benegal et al.

Why it never disappears: N. Cultural goods are numerous, experiential and symbolic, so someone must introduce, instruct and include (Khaire). Remove one filter and attention becomes the bottleneck, which calls a new filter into being.

X2 • One map of the tails



X3 • Explore versus exploit, everywhere

WHERE	EXPLOIT (SAFE, KNOWN)	EXPLORE (NEW, RISKY)	WHAT TIPS THE BALANCE
O Polarities	Product differentiation within conventions	Market innovation that breaks them	Lampel et al.: balance, never resolve
O Investment	Back predictable projects	Many cheap experiments (random long tail)	Falling cost of creation; unpredictability
O Teams	Recombine old-timers (O-ring logic, latent organisation)	Newcomers, new combinations	Status (U-shape), hierarchy (U-shape)
O Arts	Milk the cash cows (touring repertoire)	Artistic renewal	TDM: lack of renewal is internal turmoil
F Gatekeepers	Cover clubs: few trusted bands; editors buy what fits the catalogue	Original clubs: many bands, shared information	Uncertainty of the niche
T Genres	Stay inside the genre	Crossover	Who mediates: specialised radio or consumers (Shi)
N Quality	Work that meets conventions	Innovation that first looks like low quality	Time and legitimation

X4 • The paradox deck

Twelve named paradoxes. If you can explain each in one sentence, you can answer most “explain why...” questions.

CACOPHONY PARADOX

Removing distribution bottlenecks creates an attention bottleneck; freed creators want intermediaries back.

YELP PARADOX

Crowd ratings promise democracy, deliver gaming and the lowest common denominator.

SHOWROOM PARADOX

Digital-first brands end up building physical stores, because ambience constructs value.

LABOUR PARADOX I

Industry data show decline while tax data show an explosion: the work left the firm.

LABOUR PARADOX II

Total earnings rise while the average falls: an exploding denominator.

AUTONOMY PARADOX

Total team autonomy destroys exploration; a middle layer restores it.

EXPERT'S DILEMMA

Those hired for their own judgement depend most on other people's signals.

GENERALIST'S TRAP

Showing all your talent gets you rejected; being typecast gets you hired, then caged.

IMBALANCE OF FORGIVENESS

The stigmatised recover; their innocent associates do not.

TRANSPARENCY PENALTY

Honest AI disclosure costs engagement and reputation; silence is safer than virtue.

PARADOX OF SOCIAL SIGNALS

Rankings help each individual choose and make the whole market more unequal and unpredictable.

DIVERSITY PARADOX

Trade makes each society more diverse inside and societies more alike to each other.

X5 · Theory toolbox: what to cite when

IF THE QUESTION IS ABOUT...	REACH FOR	ONE-LINE DEFINITION	SOURCE
How a firm creates and captures value	Business model (4 boxes)	Interlocking CVP, profit formula, key resources, key processes	Johnson et al. 2008
Surviving a crisis in the arts	Resource categories + dynamic capabilities	Reconfigure human, physical, organisational, financial, reputational resources; protect the intangible	Poisson-de Haro & Montpetit 2012
Tensions in creative firms	Five polarities	Opposing imperatives to be balanced, not solved	Lampel et al. 2000
Value of digitisation	Random long tail	Cheaper creation + unpredictability = hits from ex-ante losers	Waldfogel 2022
Project-based production	Latent organisation; broker	Dormant trusted team made manifest per project	Starkey et al. 2000
Innovation in teams	Exploration/exploitation; middle-status conformity; O-ring	Status and hierarchy relate to exploration in U-shapes	Perretti & Negro 2006
Why signals persuade	Source credibility, salience (attribution theory); defensive justification	Receivers assess the source; agents need defensible choices	Gemser et al. 2008; Kackovic et al. 2020
Careers and categories	Typecasting; categorical imperative; two-stage selection	Fit a category first, be compared second	Zuckerman et al. 2003
Reputational harm	Stigma by mere association; dual-process (explicit/implicit)	Stigma spreads through casual ties and lingers implicitly	Pontikes et al. 2010; Negro et al. 2021
AI and creators	Perceived effort → parasocial connection; authenticity; anthropocentric creativity	Audiences punish missing human effort	Carney et al. 2026; Benegal et al. 2026
Who decides value	Selection system theory	Market, peer or expert selection	Gemser et al. 2008
Gatekeeper behaviour	Three roles; tie strength; network vs relational governance	Brokers embedded in networks	Foster et al. 2011
Why organisations look alike / compete for status	Neo-institutionalism (isomorphism); field theory (capitals)	Routines against uncertainty; struggle over symbolic capital	Franssen & Kuipers 2013
Hits and niches	McPhee's exposure theory; cumulative advantage; middle tail	Natural monopoly, double jeopardy; rich-get-richer; \$100k–\$10m	Elberse 2008; Salganik & Watts 2009; Benner & Waldfogel 2020
Genre boundaries	Democratisation of market mediation	Intermediaries, not consumers, enforce boundaries	Shi 2023
Platforms	Passive vs curated; aggregation vs curation; self-preferencing	Platforms make markets and can bias them	Aguiar et al. 2023
Globalisation	Creative destruction; banal cosmopolitanism; formats; value-chain alliances	Within/across diversity; transnational repertoires; local remake of a global recipe	Cowen; Kuipers & de Kloet; Moran; Pathania-Jain

Apply it: the MEDAL answer

My recipe, modelled on how the lecturers present every paper (assumption → how it was answered → finding → mechanism → implication). Five moves, in this order.

M Myth What do people assume? Name the intuitive view the study attacks.	E Evidence Author, setting, method, one number.	D Dynamic The mechanism: why does it happen?	A Application What should a creator, firm, gatekeeper or platform do?	L Limit Boundary condition or critique. This is where the marks above a pass are.
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Worked examples (the lecturers' own discussion questions)

→ W2: "If the random long tail is a golden age of content, why are independent creators sounding the alarm on a crisis for their livelihoods?"

M More content must mean creators are worse off. **E** Waldfogel: total independent earnings rose from \$16bn to \$24bn (1997–2016) while the real average fell from about \$30,000 to about \$24,000. **D** A compositional effect: digital distribution costs nothing, so casual creators flood in; the 90th and 50th percentiles are stable and only the 10th collapses. A "long tail in labour". **A** Judge the health of a creative labour market by percentiles, not averages; the professional middle is intact. **L** Waldfogel notes it is not clear how much of the decline is purely compositional; and attention is still a bottleneck (Khair), so individual new entrants struggle to be found.

→ W2: "You must redo a group project on a tight deadline. Skilled strangers with better CVs, or your previous group?"

M Hire the best individuals on the market. **E** Starkey et al. on UK television: broadcasters keep commissioning from the same proven teams. **D** Pure market networks cannot guarantee quality or tacit knowledge; a latent organisation has already climbed a shared learning curve and runs on knowledge and trust. **A** Reassemble the old group. **L** Constant reuse of old-timers means exploitation; without some newcomers output stagnates (O-ring logic versus exploration, Perretti & Negro).

→ W2: "High-budget film, experimental crew, radically new camera style. Lead actor: (A) multi-Oscar superstar, (B) reliable mid-tier actor fighting to stay relevant, (C) untested newcomer?"

M The reliable mid-tier actor is the safe pair of hands. **E** Perretti & Negro, 6,446 Hollywood films: exploration (newcomers, new combinations) is U-shaped in status. **D** Middle-status conformity: B protects a precarious rank and pushes towards safe choices; elites (secure) and newcomers (ignorant of the risk) accept exploration. **A** Choose A or C, not B. A additionally works as a signal to audiences. **L** The O-ring constraint still applies: every member must clear a quality threshold, so shield the team with a middle-management layer that absorbs the risk.

→ W3: “Launching a career as actor, musician or influencer: one specialised niche, or a broad style that shows all your talents?”

M Versatility proves talent. **E** Zuckerman et al.: among 32,141 actors, genre concentration lifts a novice’s chance of work from 16.4% to 21.3%. **D** Two-stage selection: gatekeepers first screen on category fit, then compare; a diffuse résumé is cut before stage two. **A** Start focused. **L** The same identity later locks you in (veterans 38.4% → 33.5% when crossing), so plan the escape once you have standing.

→ W3: “Why did you recommend a film to a friend using its award or review rather than your own words?”

M Our own judgement should be enough. **E** Kackovic et al.: even professional curators’ purchases track third-party signals for years. **D** Quality is unobservable, and a third-party signal is a judgement you can defend (defensive justification); credibility and salience of the source make it persuasive (attribution theory, Gemser et al.). **A** Producers should cultivate credible endorsements over several years. **L** Which signal works depends on the audience: expert awards for independent films, not for mainstream ones.

→ W5: “User A watches 50 films a year on Netflix: the top 5 blockbusters plus 5 obscure indies. User B subscribes to a niche platform and watches 5 obscure films, no blockbusters. Which user is Elberse measuring, and what does she assume?”

She measures **User A**: a heavy user inside one general catalogue. Three assumptions follow. (1) **Single-catalogue / generalist**: everyone shops in the same store. (2) Niche as **overflow**: obscure titles are what heavy users add on top of hits, rather than a **niche-first** entry into the market (User B). (3) **Relative share versus absolute volume**: the tail can be a small share of a platform and still a viable business elsewhere. This is exactly the opening Benner & Waldfogel’s middle tail fills.

→ W5: “What happens to creative products when technology strips away specialised gatekeepers and hands ranking power to general consumers?”

M Nothing: consumers were the ones demanding clear genres. **E** Shi: after Billboard’s 2012 chart change, country labels produced more crossovers. **D** Specialised intermediaries value boundaries more than consumers do; freed from them, generalist labels *reorient* to broader audiences. **A** Blur genres for reach when mediation democratises. **L** Consumer-driven rankings also add noise: Salganik & Watts show social influence raises inequality and unpredictability, so the market gets wider and less predictable at once.

→ **W1: “If physical arts organisations are so vulnerable, why not go entirely digital? And if stores and print media are collapsing, who will be our new filter?”**

Going fully digital runs into Khaire’s three illusions: cacophony (attention becomes the bottleneck), crowdsourced taste (ratings can be gamed and flatten judgement), and the showroom paradox (ambience and tactile experience construct value for symbolic goods). The new filter is the **platform**: passive aggregators steer attention through algorithms and playlists, curated platforms decide what gets financed at all. Gatekeepers evolved, they did not evaporate.

CHECK YOURSELF

Self-test

Cover the answers. Twenty-four questions, four per block.

→ **What does Caves mean by “symmetrical ignorance”?**

Not that sellers know more than buyers (asymmetric information): neither producer nor consumer knows in advance whether a creative product will succeed.

→ **Name the three selection systems with an award for each.**

Market (MTV Movie Awards, People’s Choice), peer (Academy Awards, guild awards), expert (Golden Globes, critics’ circles).

→ **Name the six quality regimes and who judges each.**

Technical (professionals), aesthetic (critics/peers), commercial (consumers), institutional (gatekeepers), popular (public), cultural (society over time).

→ **What did Gemser et al. find for mainstream versus independent films?**

Independent: expert awards have the greatest effect. Mainstream: market awards are not more effective than peer awards; such films lean on advertising, screens and box office.

→ **Why can radical innovation look like low quality?**

Quality is judged against existing conventions, and creativity often violates them. Recognition comes later through legitimation and canonisation.

→ **How do ties differ between original and cover clubs?**

Original: strong ties with competitors (dense information sharing), weak ties with many bands. Cover: weak ties with competitors, strong ties with a few bands.

→ **What three functions do gatekeepers perform (W6)? And intermediaries (Khaire)?**

W6: selection, evaluation, legitimation.
Khaire: introduction, instruction, inclusion.

→ List the four elements of a business model and the profit formula's four parts.

CVP, profit formula, key resources, key processes. Profit formula: revenue model, cost structure, margin model, resource velocity.

→ What is the “corporate trap” for an arts organisation in turmoil?

Cutting artistic and human resources to save money, which erodes reputation, degrades the value proposition and loses future grants and box office: a death spiral.

→ How does the random long tail differ from the conventional one?

It removes the production bottleneck, not the distribution one; under “nobody knows”, cheap new products can land anywhere in the distribution, so the gain (ΔR) is far larger than the niche gain (ΔC): 3.83× movies, 8.62× books, 12.89× TV.

→ Which structures and statuses explore most, and why?

One- and three-layer hierarchies; elites and newcomers. Two-layer autonomy leaves project managers unshielded from risk; mid-status members conform to protect a precarious rank.

→ What do isomorphism and symbolic capital each explain about a publisher's catalogue?

Isomorphism: editors seek foreign peers with the same taste and position books by pointing to similar catalogues, so fields converge. Symbolic capital: the catalogue presents the house's taste and its position in the field.

→ State McPhee's two regularities.

Natural monopoly: light users, a large share of customers, concentrate on popular products. Double jeopardy: obscure products have fewer consumers, who also like them less.

→ What two outcomes did social influence raise in the Music Lab?

Inequality (Gini) and unpredictability (cross-world variance for the same song).

→ Define the middle tail and say who exploits it.

Films budgeted \$100,000–\$10 million with commercial intent, distributed direct-to-digital, mostly R-rated or unrated. Exploited by newcomer production companies under five years old, not by major studios.

→ Passive versus curated platforms: one example and one consequence each.

Passive (Spotify): anyone gets distribution, but playlist placement decides attention. Curated (Netflix): niche mid-budget work becomes viable, but unlicensed work earns nothing (monetisation cliff).

→ Cowen's two directions of diversity?

Diversity within a society rises; diversity across societies falls.

→ Give the five rows of the architecture of social valuation.

Award/gallery → corporate experts → defensive justification → long-term survival.
Genre specialisation → casting directors → crude skill heuristic → career lock-in. Mere association → Hollywood employers → defensive conformity → permanent exile.
Fading stigma → modern hirers → implicit bias → associate penalty. AIGC tag → TikTok audiences → perceived effort → parasocial severance.

→ Rank review, award and gallery affiliation by effect, and give the half-life.

Gallery affiliation (more than $3\times$ a review) > award (more than $2\times$) > review. Half-life 3.1 years; 20% annual decay.

→ What are the four mechanisms behind stigma by mere association?

Defensive conformity, automatic cognition, heterophilous spillover, broadcast effect.

→ Why does an AIGC label reduce engagement, and what removes the penalty?

It signals lower human effort, which weakens the parasocial connection. Disclosing a specific, effortful tool removes it.

→ What explained differences in how Lord of the Rings was received?

Not nationality but viewing position: an involved cluster following the “epic” reading, closer to the Anglophone centre, and a more diverse cluster further from it.

→ What is a TV format and why do buyers pay for one?

A package of know-how for remaking a programme locally. Buyers pay for local fit plus the likelihood that past success repeats.

→ In a global–local media alliance, who brings what?

Local partner: the cultural, unstandardisable part (programming, market knowledge).
Global parent: finance, technology, marketing and distribution, reputation.

Numbers worth carrying

ORGANISE

1998 / 2003 Rio vs iPod
2008 TDM touring grants cut
3.83 · 8.62 · 12.89 $\Delta R/\Delta C$ movies, books, TV
0.57 · 0.21 · 0.11 predictability R^2
\$16bn → **\$24bn** total creator earnings;
\$30k → **\$24k** average
425k → **850k+** independent creators
25% UK independent quota (1990 Act)
6,446 films, 1929–58

SIGNAL

471 artists, **22** collections, **22** years
>3× / **>2×** gallery / award vs review
3.1 years half-life, 20% decay
32,141 actors; **16.4** → **21.3%** novice;
38.4 → **33.5%** veteran
31,781 artists, **5,712** films; **–13%** per
associate; **20%** actor–writer; **16% vs**
11% stars
412,393 artist-years; **292** adults
1,135,817 posts, **8,650** creators; **–7 to**
–8%; $N = 3,396$

TECHNOLOGY, FILTER, GLOBALISATION

34% of obscure shoppers' picks are top-
decile hits
48 songs; Gini **0.28–0.42** → **0.45–0.56**
2012 Billboard chart change
51,097 films; middle tail **\$100k–\$10m**;
\$150m+ blockbusters; **85.5%** G/PG/PG-
13
383 + 424 participants (AI and
reputation)
~ $\frac{1}{3}$ of a hit's streams from a major
playlist; **10×** stars vs NYT reviews
1997–2002 award study window
24,747 LotR respondents; **40%** → **25%**
US share of OECD AV imports; **96 / 81 /**
73% domestic music India / Egypt /
Brazil

Built from: Lecture_CI_2026 weeks 1, 2, 3, 5 and 6, and the 26 readings in the course zip. Mnemonics, the “MEDAL” recipe, the “content local, form global” rule and the paradox deck are study aids added on top; where a slide and a paper differ, both are shown. Companion files: the animated video, the concept map and the two-page cheat sheet.