

# Being Bad in Order to Do Well: Deviance Admiration in the Rap/Hip-Hop Music Industry

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## ABSTRACT

*Reputation has emerged as an intangible asset that is vital to performance because of its inimitable qualities and the information it conveys. While much of the literature emphasizes the need for reputation to be positive and guarded, certain stakeholders may value behavior that differs from mainstream expectations. In essence some stakeholders place value on, or admire, nonconformity. Reinforcing the fact that reputation is part of the market information regime, we suggest that deviance admiration helps us to understand how nonconforming behaviors become the 'normative expectations' of key constituents. Using longitudinal data from the rap/hip-hop industry, we find support for the idea that nonconforming behavior leads to better sales performance in this context. We conclude that reputation is both contextual and dynamic.*

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**KEYWORDS:** corporate reputation; market information regime; music industry; signaling

## INTRODUCTION

Significant debate has occurred in the strategy field surrounding which resources are best suited to provide rent-generating capabilities. Intangible assets have proven to be ideal candidates providing rent-generating capability (Barney, 1991; Miller and Shamsie, 1996; Peteraf, 1993; Wernerfelt, 1984) because they can be more difficult to imitate and therefore remain scarce. While other firms may eventually acquire intangible resources, how these resources combine with other assets may not result in the same success. Bottom line, the inimitability of such a reinforcing set of resources and capabilities increases the firm's rent-generating abilities (Teece *et al.*, 1997).

One intangible resource that has attracted increased attention is reputation. Reputation has been defined as the 'perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to its key constituents' (Fombrun, 1996: 72). It is based on the opinion of stakeholders about the ability of a firm to

meet expectations and may be assessed through either direct contact or information from various intermediaries (Rindova, 1997). Every stakeholder group develops their expectations based on information gathered and assessed and through interactions with other constituents. Therefore, one can argue that reputation is dependent upon one's vantage point. For example, some groups may select and evaluate information about a firm in a negative light, while other constituencies might view the same information positively (Post *et al.*, 1997). This clearly implies that 'reputations', rather than some unified reputation, exist for firms and these depend on who is doing the assessing. An organization may or may not care if certain groups view them positively or negatively, depending on how important they believe the group to be. Moreover, reputation is not a static construct. While some organizations might be very satisfied with how they are perceived by their valued stakeholders, others will be in the midst of finding ways to alter and enhance their reputations. This is particularly the case with new entrants, who have no reputation when they first start. Merely imitating and conforming to the practices of the market leader, for instance, will likely do little to gain them recognition. Recognition and developing reputation will often depend on differences more than similarities (Lant and Mezias, 1992). While it sounds paradoxical, there are times where it makes sense that a firm has 'to be bad in order to do well'.

One general context where this phenomenon may be observed is in the 'cultural industries' (Anand and Peterson, 2000; Hirsch, 1972; Huygens *et al.*, 2001), which includes areas such as music, art, film, and literature. The author and artist in Western culture, if they are to be taken seriously, may position themselves as unique in their field, resisting the influences of the masses. They find their own voice and build a reputation by being different in a way that is

recognized and appreciated by certain groups. To acquire a reputation as an authentic artist, they must break the mold. A similar insight was discovered doing research on celebrity firms (Rindova *et al.*, 2006), and highlights the way 'bad' (as in nonconforming, deviant) can be 'good'. In their typology of deviance, Heckert and Heckert (2002) note that social reaction to behavior may be positive or negative. Whereas the deviance literature typically focuses on negative reactions to behavior, reputation focuses on 'appeal' to key constituents (Post *et al.*, 1997; Rindova, 1997). This appeal to key constituents can then be characterized along the dimension of expectations, which can range from 'nonconforming' to 'overconforming'. Looking at the two ends of the scale, we have behavior that is below normative expectations and we have behavior that exceeds normative expectations. Whether above or below expectations, it is possible for the behavior to generate positive social reaction.

In the rap/hip-hop segment of the music industry, this contrast of interpreting 'bad as good' is very pronounced. Because of this, researching the behavior of the rap/hip-hop marketplace will help us develop more insight into the way reputations are developed, transformed and maintained. We can learn why not meeting normative expectations may receive positive social reactions from some constituencies, even as it draws strident condemnation from others. Because rap emerged from the urban underclass in the United States as innovative street art, it remains a counter-cultural resource. Owing to its nonconformance with broader societal values, one would think it had little hope to become a commercial and mainstream success.

Despite these perceptions, rap/hip-hop has emerged as a member of the mainstream musical genres. The genre has persisted to the point of becoming a major income generator for artists and recording

industry giants. This is reflected not only in its general acceptance by a subset of society but also its ability to generate significant returns for participants in that industry subset. A \$1 to \$1.8bn industry over each of the last ten years, the rap/hip-hop segment falls just below rock as the largest music segment (Recording Industry Association of America, 2010).

The rap/hip-hop industry presents but one example where the non-static nature of images has yielded positive results for industry participants. Originating with a *negative* image, rap/hip-hop is now *admired* in many circles resulting in significant rents being generated for the industry. Consequently, in this paper, we use deviance and stakeholder theories to suggest that significant differences within an industry are based on the social evaluation of products, services and/or behavior. Furthermore, nonconforming behavior may become more acceptable over time. To better understand how reputations are built and influence performance differences in this industry segment, we examine deviance admiration, in order to understand the extent to which 'being bad does well'.

## CONCEPTUAL BACKGROUND

Deviance refers to behavior that is seen as nonconforming by a particular constituency/stakeholder. The nonconforming behavior violates societal norms and therefore it is socially unacceptable and should elicit strong condemnation (Heckert and Heckert, 2004; Tittle and Paternoster, 2000). Such was the case with the strong public outcry following the 1992 release of the song *Cop Killers*, which advocated the killing of policemen. The outraged stakeholders, acting as institutional intermediaries (Rindova, 1997), gathered and assessed specific information in an attempt to influence the reputation of the group, song and the message. Despite the protests reported in the mainstream media, or perhaps because of the attention

and recognition that the protests brought, the song became well known and catapulted the lead singer and lyricist Ice-T into the spotlight, helping ensure his future commercial success. His reputation grew only after widespread outrage. This case illustrates several important issues.

A critical aspect of the deviance framework is acknowledgment that key constituents/stakeholders may have either a negative or a positive reaction to what they perceive as nonconformity (Miller and Shamsie, 1996; Tittle and Paternoster, 2000). Deviant behavior may be looked upon favorably or unfavorably depending on the constituent/stakeholder.

Another important issue is the non-static nature of deviance where negative behavior may subsequently become acceptable. As with reputation, deviance exists in 'the eyes of the beholder' (Heckert and Heckert, 2002; Rindova *et al.*, 2006). So, while there are broad societal norms of acceptable behavior, society and the values it holds are not universal or fixed over time. What may be considered deviant by one group may be considered acceptable by another. In other instances, what may initially be considered negative may, over time, become either accepted or even admired (Marziliano, 1997). Whether it becomes admired or not depends on its appeal to its key constituents and their willingness to embrace such behaviors. In effect, there is a 'sticky' element to the evaluation of behavior that is determined by the relative power of constituencies in the social audience. Therefore, the longer deviant behavior can survive criticism, the greater is the potential for it to become accepted by a wider audience (Heckert and Heckert, 2002).

One aspect of business activity that deviance may help to explain is the emergence and survival of new industry participants. New entrants may choose to adopt conforming behaviors and embrace industry standards or pursue nonconforming behaviors.



They can also adopt certain industry standards while attempting selected nonconforming behaviors. Those engaging in nonconforming behaviors are typically frowned upon by existing players (societal group) with every effort made to exclude them (Lucas and Ogilvie, 2005). Some have referred to these social groups as gatekeepers whose responsibility is to maintain control and standards previously established within the larger institutional environment (Post *et al.*, 1997; Rindova, 1997; Rindova and Kotha, 2001). As such, they focus on acquisition, assessment and dissemination of information deemed critical to maintaining these standards, while supporting efforts to exclude those that do not conform. New players that survive this process are eventually accepted. In effect, through their actions, gatekeepers facilitate the development of reputations of those being evaluated. Some have referred to this as the 'two curve' problem where firms must simultaneously address issues that reinforce existing reputations, while attending to other issues that both contradict existing reputations and are critical to emerging trends that may enhance future reputations (Morrison, 1996).

The essence of our arguments here is that reputations are strongly influenced by different stakeholders and the perspectives from which they are coming. What some constituencies may view as deviant may be seen as appropriate by others. For those stakeholders whose primary focus is on maintaining order and the status quo, much of the information communicated will be geared towards excluding deviant behavior (Anand and Watson, 2004; Post *et al.*, 1997). For those seeking to redefine the larger institutional environment, deviant behavior is viewed differently and much effort is devoted towards showing it as a valid contribution to the industry's advancement. By persisting in deviant behaviors, it is thought that there is some market advantage to be gained from doing so (Lant and Mezias,

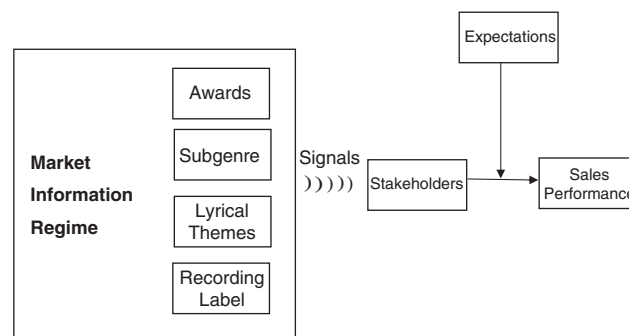
1992; Rindova and Kotha, 2001). In the end, firms expect that vital information that can alter the larger institutional environment will be communicated to the marketplace leading to positive results. In effect, this persistent deviant behavior helps the firm to build and enhance its image within the marketplace.

## **DEVIANCE ADMIRATION IN THE RAP/HIP HOP MUSIC INDUSTRY**

### **Market Information Regimes**

Deciding to purchase a new album, especially before the ability to preview songs over the Internet became possible, is often risky. For instance, consumers may buy an entire album and find that there are only one or two 'good' songs. With experience goods, such as music, specific product attributes are hard to evaluate before purchasing. In many cases, the attributes of the product are ascertained indirectly through market information proxies, rather than an abundance of direct experience with or knowledge of the specific product itself (Anand and Peterson, 2000).

Trade associations, media and gossip regarding items such as new music releases, awards, promotional tours, the personal lives of artists, etc form the music industry's market information regime from which expectations are constructed. Similar to the way in which college rankings are followed closely, this market information regime is followed for signals regarding whether or not expectations about a specific album meets the expectations of those interested in that music genre (Anand and Peterson, 2000; Fligstein, 1996). Relevant proxies may include information about the artist, themes as manifested by the lyrics, stylistic characteristics representative of the genre, or buzz generated by recording label promotions. Customers use images from the resulting market information to reduce uncertainty surrounding the release of new



**Figure 1:** *The influence of reputation in the rap/hip-hop industry*

albums and make sense of these markets. Therefore, music sales will likely be closely linked to the information available and the images created by interested constituencies. When that information reinforces expectations of the relevant stakeholders (ie, potential consumers), it is likely to yield positive results. This leads to the model shown in Figure 1, which is described in the following paragraphs.

### Awards

Awards are one source of market information that may produce an image of commercial success. As albums are released and sold, they become eligible for various music-related awards from different award granting bodies. In the case of rap and hip-hop, these would include the MTV Video Music Awards, the Grammy Awards, and awards and recognition dispensed by magazines and newspapers. These awards are viewed by the industry and interested societal groups as a source of recognition, through which one's talents and abilities are acknowledged by critics, key industry players and audiences as manifested in the 'people's choice' awards. Prior research has shown that awards played a significant role in determining the future success of artists (cf Elsbach and Kramer, 1996).

Awards serve two very important purposes in market information regimes: they

draw attention to nominees and winners, and they help consumers make sense of activities occurring within the market (Anand and Peterson, 2000). Awards are also a source of legitimacy. This is particularly the case when awards serve as the basis for establishing the viability of artists and developing their identity. As a result, awards orient and focus consumer awareness toward the award nominees and especially the winners. Awards also facilitate the consumer search process by reducing the amount of time and effort expended on purchase decisions. An award certifies an album or artist and signals to consumers 'best in field' quality.

Although the number and categories of awards won offer a measure of success, the source of awards may play a more important role in conferring legitimacy. Rap and hip-hop's commercial value depends to a large extent on nonconforming behavior that is often openly hostile to establishment practices and institutions (Krim, 2000). Even with the growing commercial success, as an art form rap and hip-hop were slow to gain recognition from the traditional music establishment. In particular, The National Academy of Recording Arts and Sciences (NARAS), the organizational body that administers the Grammy Awards, included a category for best rap performance in 1989, but failed to telecast it to the

nation (Anand and Watson, 2004). This omission rankled rappers, industry insiders, music journalists and fans. Moreover, the award was bestowed on The Fresh Prince and D.J. Jazzy Jeff, a humorous, non-threatening tongue-in-cheek act. The slight against the more meaty and hardcore forms of rap that had defined it as a genre led to protests and boycotts of the Grammys. In the following years, rappers called for more representation during the show to match the prominent role rap was playing in the culture and its popularity in the marketplace (Anand and Watson, 2004). In 1984, MTV had launched their own awards show known as the Video Music Awards (VMAs). In true MTV fashion, the VMAs were set squarely against the traditional, stuffy atmosphere of the Grammys and were irreverent and edgy (Lopes, 1992). A year after the Grammys first offered their lone rap award, MTV was quick to add a host of best rap awards that soon recognized the contribution of the full spectrum of rap and hip-hop.

The behavior associated with rap/hip-hop needed an outlet through which it could inform the marketplace. As a consequence, alternative award shows and journalistic outlets emerged and helped legitimize the field of rap by drawing attention to its top performers, well in advance of rap's becoming a recognized genre in the eyes of the traditional musical establishment. In particular, MTV played an important role in serving as a part of the market information regime by mainstreaming rap. In addition, it became a key venue to reward accomplishment in rap and hip-hop and assist the process of moving the genre from negative behavior that is frowned upon by society to become a form of behavior that is increasingly admired by some societal groups.

This suggests that the source of an award should have a differential impact on the sales of albums. Because entities such as MTV are more aligned with nonconformity and the edgy ethos of rap, we expect highly

visible awards granted by these alternative sources to translate into greater sales performance when compared to the awards conferred by the established music organizations. Therefore, we hypothesize that:

**H1:** *The source of a rap industry award will have a differential effect on performance. In particular, MTV awards, as a nonconforming establishment, will have a stronger effect on sales than will Grammy Awards, which are more representative of the conforming establishment.*

### Subgenre

A genre is a category or type. Thus, musical genres are useful as a means to categorize artists and albums under a general style or more specific substyle, that is subgenre. Genres and subgenres help classify artistic production and so facilitate marketing efforts, critical evaluation, and consumer identification and understanding. They help all field members make better sense of the plethora of music and serve as an important means of signaling the type of music an album contains.

New genres are seldom accepted within the mainstream (Anand and Watson, 2004; Lant and Mezas, 1992; Lopes, 1992). They are frowned upon and considered in less than flattering terms, their nonconformity often being seen by established groups as something to be banned or marginalized. For example, movements were started in an effort to have music by such artists and groups as Elvis Presley and The Beatles outlawed. Dominant societal groups considered such music as representing deviant forms of entertainment that were negative and did not meet society's standards. However, through persistence over time, the use of alternative market information regimes, and the growth of societal groups interested in this musical form, the performers and their music became accepted (Rindova and Kotha, 2001). In essence, musical genres initially frowned upon as deviant and unacceptable



gain acceptance and admiration through persistence, eventually being seen as a valid form of musical entertainment.

While there are a number of broad ‘meta genres’ that encompass a variety of loosely related stylistic tendencies, such as R&B, country, rock-and-roll, etc, these usually are not fine-grained enough to provide specific information about the type of music of an artist or album. For instance, the Rhythm and Blues genre ranges from Doo Wop to New Orleans R&B to Motown. Similarly, rap includes many subgenres, which are constantly revised, refined and created, that help map the evolution of the field and provide more detailed information about where an artist or album fits in a complex terrain of categorization and taste.

An album may span several subgenres, and this is expected in the rap genre, where ‘sampling’ and ‘mixing’ are important parts of the heritage and mode of operation.<sup>1</sup> Rap often appropriates and recontextualizes a diverse number of styles and songs in its production. Thus, subgenres can prove especially important in that they carry important information that helps direct attention and set consumer expectations.

Within rap we expect that, the most commercially successful subgenres will be associated with albums that express aggressive stylization, hostility, negativity, violence and sexuality (Krims, 2000). This is particularly the case when the artist is seeking to make a name for himself/herself. As one industry publicist noted, Run DMC was:

the first group that came on stage as if they had just come off the street corner. But unlike the first generation of rappers, they were solidly middle class. Both of Run DMC’s parents were college-educated. DMC was a good Catholic schoolkid, a mama’s boy. Neither of them was deprived and neither of them ever ran with a gang, but on stage they became the biggest, baddest,

streetest guys in the world. (Samuels, 1991: 3)

Therefore, we would expect that subgenre classifications most associated with cultivating and expressing a counter-cultural image and style will prove to be the most commercially successful. Thus, we hypothesize:

**H2:** *The most commercially successful subgenres of rap will be counter-cultural in nature.*

### Lyrical Themes

Rap/hip-hop music has two distinct traditions: one that has a lyrical history of violence, conflict and behavior that is generally considered negative by mainstream society; another with a history of social commentary that examines the value of knowledge, the effects of societal inequalities, criticizes the ‘negativity’ of other rap music and promotes artistic traditions such as toasting an artist’s skills (Krims, 2000).

As artists faced with a liability of newness seek to be recognized, they are likely to engage more in nonconforming behaviors than in conforming behaviors (Krims, 2000; Lant and Mezias, 1992). Nonconforming behaviors are the preferred approaches because experience has shown that negative deviance gains recognition because of the ‘shock effect’. These artists present themselves as deviant outsiders from mainstream society as a means to distinguish themselves from other artists and the general industry population (Lant and Mezias, 1992). For instance, with the artist Fifty Cent, much was made of his biographical details, especially the number of times he had been shot and his prior work dealing drugs on the mean streets of inner city America. His aggressive and bombastic debut album exhibited these common themes of the perils and grittiness of street life, and contributed significantly to the album’s sales performance. Therefore, we hypothesize that:

**H3a:** *Albums whose lyrical themes represent nonconforming behavior will be more*



*successful than those albums whose themes are branded with conforming behavior.*

In time, a transgression, deviance, or even a stylistic innovation can become commonplace and acceptable. A new standard is set, but in setting it, new attempts to successfully depart from it will emerge as a means to draw attention and distinguish one artistic product from another. This is the case among both new and established artists. Both groups have come to recognize the value in 'shocking the audience', and conclude that this is what drives the marketplace. As a consequence, more outlandish lyrics are promoted because being recognized and valued for one's nonconformity appears to be the currency of the day. The jockeying for attention will put in place a field structure that continually ups the ante. This game of one-upmanship will intensify if the stakes are high and there are many competitors.

Given the ever-changing boundaries of deviant behavior, what is considered nonconforming with mainstream expectations today will likely escalate and evolve into something even more outrageous and rule breaking in the future as new artists enter the market and seek recognition. As artists compete in a cluttered and highly competitive environment, the themes and lyrics of their albums will likely diverge from present standards of acceptability and push the envelope. This, of course, is nothing new in the world of art, where the avant-garde gains its identity and develops its sensibility in direct opposition and contrast to the current norms and standards of the establishment (Krimms, 2000; Lopes, 1992). In the case of rap (which is founded upon an anti-establishment ethos), themes of rebellion appear to continually escalate. This has happened to such an extent that the anger sometimes surpasses the boundaries of the artistic product itself and spills over into real-life battles between feuding groups and rap artists.

If nonconformity is an important dimension in gaining attention and establishing a marketable brand identity, then we expect that the field in general will evolve further in this direction. To stand out and be nonconforming means that one has to find a way to be more outrageous than one's competitors. From this, we hypothesize:

**H3b:** *Lyrical themes will become progressively more nonconforming over time.*

### Recording Label

Although the recent trend toward digitization of information and cultural material decreases recording and distribution costs in the industry, a few large companies, and their labels, still dominate sales in the recording industry. This is largely a result of the economics associated with musical production, including the cost of recording, producing and marketing music on a mass scale. The recording label can be especially important for new and unknown artists, providing important signals to consumers when there is little else to go on, as well as providing the necessary resources to record and distribute albums to particular audiences. The two main types of labels are called 'majors' and 'independents', which describes their relative size but also their attitude and general artistic ethos toward what music is and should be. Major labels have a clear financial and commercial imperative while independents are freer, in a sense, to pursue art for art's sake. Independent labels have often been important sources of creativity, sometimes launching whole new genres such as 'alternative' music, which eventually become mainstream and mass marketed.

While seemingly antagonistic, majors and independents also have a symbiotic relationship. Independent artists and their labels often aspire to major label status, and usually depend on the majors for wider distribution of their products. At the same time, majors often look to independents to



discover new, innovative artists that will help fuel future growth and keep their industry fresh and vibrant. Independents become an artistic incubator that can potentially hatch the next big artist or style. Thus, we hypothesize that:

**H4a:** *Independent labels will have lower sales performance than major labels.*

In order to contribute favorably to corporate profits, major labels face a dilemma when their success depends on further escalating the nonconforming image of their artists and albums. Although there appears to be some acceptance, there is still some concern about the impact of being too closely associated with something that is considered unacceptable. For example, the uproar and subsequent response to the association between Ice-T's Cop Killers album and its promotion by a major record label lends credence to the notion that there must be balance between the morality the firm represents and the product it markets. If there is a disconnect between these two, then a problem develops in the public's perception of what the firm represents. As this disconnect continues, performance declines. Thus, the major labels will likely be constrained to some extent.

Independent labels, on the other hand, are in position to experiment in ways that majors are reluctant to do. In making the decisions regarding which artists to promote through their labels, indies focus on mimicking success and borrowing what has worked while finding new ways of creating something new and unique (Fleming and Sorenson, 2004; McKendrick and Carroll, 2001). They are not constrained by the societal limitations placed upon major industry players who are seen as 'pinnacles of society', supposedly representing all that is within established moral bounds. Independent labels that remain isolated from corporate ownership can take more risks artistically

and be more musically innovative. These 'indies' have few mainstream constituents to answer to and so can develop and respond to emerging idiosyncratic and local tastes. Moreover, independent labels are not constrained by financial requirements of reaching a mass audience or the threat of corporate interference.

Independents also need to draw attention to themselves in the absence of conventional channels of gaining exposure (radio airplay, advertising, etc). This means that independent labels and artists will often lead the way in redefining the field of rap and its associated themes. If nonconformity is an important aspect of a label's reputation in rap and hip-hop, this will be reflected in the independent label artists and albums that serve as harbingers of innovations in the field. Thus we would expect and hypothesize:

**H4b:** *Independent labels will have a higher proportion of nonconforming themes on their bestselling albums than do the major labels.*

## METHODS

### Data Collection

Using point-of-sale data collection, Nielson's Soundscan compiles unit sales data by album. These data are the basis for Billboard charts and are used by industry participants to monitor industry performance. Data covering the first ten years of Nielson's rap/hip hop data coverage, that is 1993 through 2002, were obtained for the top 100 Rap Hip/Hop albums (based on unit sales) for each year of the ten-year period. This yielded a potential sample of 1,000 album-years. The data included artist, album title, label, distribution company, release date and unit sales.

After excluding albums that could not be tied to a particular artist or artistic group, such as soundtracks and other musical compilations (100 observations), albums missing

lyrical theme or subgenre from allmusic.com (137 observations), and albums released in the last quarter of the year, which produces a positive skew on units sold per day since sales are generally highest immediately following an album's release (132 observations), 631 observations remained in the sample. The final sample represented 221 artists and 463 albums with a range of 57 (1995 and 1998) to 71 (1994) observations per year.

### **Dependent Variable**

Performance was calculated using the number of units sold for each album in a given year. Since albums may not have the same opportunity for sales due to differences in the release date, units sold per day was used. A log transformation was applied to correct for the non-normality of sales data.

### **Independent Variables**

#### *Awards*

Information on Grammy Award winners and MTV Video Music Award winners was gathered for the period 1992–2001 providing a one-year lag between award and sales performance. Indicator variables were used to code the existence of Grammy and MTV awards for each album.

#### *Subgenre*

Founded in 1991, the All Music Guide 'help(s) consumers navigate the increasingly complex world of recorded music' ([www.allmusic.com](http://www.allmusic.com)). The firm licenses data to retailers, websites and various companies in the entertainment industry. Editorial staff, as well as expert contributors, provide catalog meta data that includes basic information on albums and artists along with descriptive content that includes classification by genre, subgenre and lyrical content.

For the rap genre, All Music provides 29 different subgenres (referred to as styles) ranging from Gangsta rap to Christian rap.

Several styles were not observed in this data set of top-selling albums (eg, Christian Rap and Comedy Rap) while other styles were observed infrequently (eg, British Rap and Old School Rap). Since different tracks may represent different subgenres, multiple subgenres could be observed for a single album. Furthermore, albums can contain tracks that are representative of a different meta genre, such as Contemporary R&B. Ninety-nine percent of the albums in this sample were represented by the following 21 subgenres: Alternative Rap, Bass Music, Club/Dance, Contemporary R&B, Dirty Rap, Dirty South, East Coast, G-funk, Gangsta, Golden Age, Hardcore, Hip Hop, Jazz Rap, Latin Rap, Party Rap, Political Rap, Pop Rap, Southern Rap, Underground, Urban, West Coast (see Appendix A for descriptions). An 'other' category was used to represent the remaining subgenres. Based on their emphasis on sex, violence and aggression, the following eight subgenres were categorized as having a nonconforming reputation: Dirty Rap, Dirty South, G-funk, Gangsta, Hardcore, Southern Rap, Underground and West Coast. Each of the 22 subgenres were coded as 1 to indicate that a particular album was representative of the subgenre and coded as 0 otherwise. On average, the albums represented 2.9 different subgenres.

#### *Lyrical themes*

All Music also provides information on an album's 'moods', which represent the lyrical theme of the tracks found on an album. Since different tracks may contain different themes, multiple themes may be observed for a single album. In this data set, the albums were described using 134 different lyrical themes with an average of 9.7 different themes per album. Lyrical themes ranged from 'angry' (88 observations) to 'calm/peaceful' (9 observations) and 'street-smart' (405 observations; the most frequent theme in the data set) to 'cerebral' (18 observations). To more parsimoniously

describe the lyrical themes, a binary factor analysis of 110 themes (ie, all themes with more than three observations in the data set) was conducted. Varimax and Promax rotations produced the ten factors as shown in Appendix B. The resulting 10 themes were coded as 1 to indicate that a particular album was representative of the lyrical theme and coded as 0 otherwise. There was an average of 3.9 reduced themes per album.

### *Label*

Label information was provided by Nielson's Soundscan. One hundred eight albums within the sample were produced under independent labels.

### **Control Variables**

Since sales in the rap industry increased over this ten-year period, indicator variables for each year were included as controls. This also provides some protection for potential contemporaneous correlation (Certo and Semadeni, 2006). Also included as a control was the number of years available on the market.

### **DATA ANALYSIS AND RESULTS**

The data provide an unbalanced panel with a hierarchical structure where albums are nested within artists. However, tests indicate that autocorrelation ( $p > DW = 0.13$ ) and the variance associated with albums within artists ( $p = 0.07$ ) are not significant. With almost half of the artists having only one top-selling album (98 out of 221 artists) and the vast majority of albums appearing on the chart only one year (363 out of 463 albums), the non-significance of albums within artists and the lack of autocorrelation is likely due to the limited amount of nesting observed in this time period. Even so, Table 1 reports multi-level results where albums are nested within artists and the error components are not assumed to be homogeneous or autocorrelated. Time indicator variables were used to control for

potential contemporaneous correlation (Certo and Semadeni, 2006).

Hypotheses 3b and 4b, regarding the proportion of lyrical themes over time and the proportion of themes associated with independent versus major labels, were tested using non-parametric tests.

Hypothesis 1 asserted that MTV awards would have a stronger effect on sales performance than would Grammy Awards. This hypothesis was partially supported with a significant, positive estimate for MTV awards ( $p < 0.001$ ) but a non-significant effect for Grammy Awards ( $p = 0.35$ ).

Hypothesis 2 posited that nonconforming subgenres would be the most successful. The results indicate that, all else considered, only G-funk ( $p = 0.05$ ), Gangsta ( $p = 0.02$ ), Underground ( $p = 0.06$ ) and West Coast ( $p = 0.03$ ) significantly impact sales. G-funk's positive effect ( $b = 0.26$ ) provides partial support for the hypothesis. However, the negative effects of Gangsta ( $b = -0.23$ ), Underground ( $b = -0.39$ ) and West Coast ( $b = -0.26$ ) seem to contradict the hypothesis. In addition, we expected to see positive effects, rather than non-significant effects, for Dirty rap, Dirty South, Hardcore and Southern rap.

As expected, we found non-significant effects for Alternative, Bass Music, Club/Dance, Contemporary R&B, East Coast, Golden Age, Hip-hop, Jazz rap, Latin rap, Party rap, Political rap, Pop rap and Urban music. Each of these subgenres is either closely associated with a genre outside of the rap segment or is characterized by a focus on the rhythm rather than expression of aggressive stylization.

Hypotheses 3a and 3b suggested that nonconforming lyrical themes would be the most successful and that the proportion of nonconforming themes would increase over time. The positive and significant effect for angry/rebellious themes ( $b = 0.39$ ,  $p < 0.001$ ) supports Hypothesis 3a. Playful/quirky/witty lyrics ( $b = 0.18$   $p = 0.06$ ) and laid-back/reflective lyrics ( $b = 0.20$   $p = 0.08$ )

**Table 1: Results for Album Sales**

	<i>Model 1</i>		<i>Model 2</i>	
	<i>Estimate</i>	<i>p-value</i>	<i>Estimate</i>	<i>p-value</i>
Years available	− 0.21	< 0.001	− 0.27	< 0.001
Indy label			− 0.33	0.02
<i>Awards</i>				
MTV			0.95	< 0.001
Grammy			− 0.16	0.35
<i>'Conforming' subgenre</i>				
Alternative			− 0.14	0.28
Bass music			0.10	0.73
Club dance			0.04	0.85
Contemporary R&B			0.03	0.89
East coast			0.14	0.21
Golden age			0.18	0.30
Hip hop			− 0.03	0.74
Jazz rap			− 0.26	0.32
Latin			− 0.05	0.85
Party			− 0.01	0.97
Political			− 0.40	0.22
Pop rap			0.02	0.87
Urban			− 0.03	0.86
Other			− 0.27	0.13
<i>'Nonconforming' subgenre</i>				
Dirty			− 0.21	0.39
Dirty south			0.04	0.80
G-funk			0.26	0.05
Gangsta			− 0.23	0.02
Hardcore			− 0.07	0.46
Southern rap			− 0.14	0.29
Underground			− 0.39	0.06
West coast			− 0.26	0.03
<i>'Conforming' lyrical themes</i>				
Exciting, gutsy			− 0.02	0.82
Literate, cerebral			− 0.15	0.28
Romantic, sensual			0.12	0.19
Rousing, lively			0.06	0.49
Laid-back, reflective			0.20	0.08
Ominous, trippy			− 0.09	0.33
Playful, quirky, witty			0.18	0.06

**Table 1: Continued**

	<i>Model 1</i>		<i>Model 2</i>	
	<i>Estimate</i>	<i>p-value</i>	<i>Estimate</i>	<i>p-value</i>
<i>'Nonconforming' lyrical themes</i>				
Aggressive, volatile			0.12	0.29
Angry, rebellious			0.39	< 0.001
Bravado, swaggering			−0.02	0.75
<i>Covariance parameters</i>				
Artist	0.03	0.07	0.02	0.17
Residual	0.77	< 0.0001	0.67	< 0.0001
− 2ll	1,651.4		1,556.2	
AIC	1,677.4		1,652.2	

Notes:  $n=631$ ; Estimates for time indicator variables are not shown

also had positive effects on sales. A separate Cochran–Armitage trend test provides support for Hypothesis 3b in that angry/rebellious themes are increasing over time ( $z=2.54$ ,  $p=0.01$ ), while literate/cerebral ( $z=2.65$ ,  $p=0.01$ ), ominous/trippy ( $z=2.37$ ,  $p=0.02$ ) and playful/quirky ( $z=2.37$ ,  $p=0.02$ ) are decreasing over time.

Hypotheses 4a and 4b predicted effects related to independent labels. The significant and negative effect for 'indy' labels ( $b=-0.33$ ,  $p=0.02$ ) supports Hypothesis 4a. The higher proportion of bravado/swaggering themes for indies (50.9 percent versus 41.1 percent for majors;  $p=0.04$ ) provides partial support for Hypothesis 4b. Majors exhibit more of: exciting/gutsy (29.6 percent versus 17.6 percent;  $p=0.01$ ), literate/cerebral (10.9 percent versus 1.9 percent;  $p=0.001$ ), romantic/sensual (65.6 percent versus 48.2 percent;  $p=0.001$ ), rousing/lively (28.1 percent versus 17.6 percent;  $p=0.01$ ), ominous/trippy (26.8 percent versus 17.6 percent;  $p=0.03$ ) and playful/quirky themes (42.5 percent versus 32.4 percent;  $p=0.03$ ) when compared to independent labels. There was no significant difference between

independent and major labels for aggressive/volatile, angry/rebellious and reflective/laid-back themes.

The results of all hypotheses are summarized in Table 2.

## DISCUSSION

Although rap/hip-hop is a global cultural and commercial force, previous research on this music segment has primarily focused on the sociological and psychological aspects of the genre (Krim, 2000). To our knowledge, there is little research that analyzes key factors impacting sales performance in this industry segment. Because rap and hip-hop established itself as a means of giving voice to the disenfranchised and marginalized (Osumare, 2001), this genre is often premised on rebellion and nonconformity with mainstream society. To those constituents/stakeholders that consider themselves to be 'gatekeepers', this genre connotes a 'bad' reputation and everything that should be avoided by a well-established industry. To those constituents/stakeholders seeking to establish a voice in the industry, this genre connotes a 'good' reputation and a way of



**Table 2: Results of Hypothesis Tests for Sales Performance in Rap/Hip Hop Industry**

<i>Hypothesis number</i>	<i>Hypothesized relationship</i>	<i>Conclusion</i>
1	Differential effects based on source of award; MTV stronger than Grammy	Supported; positive effect for MTV; no effect for Grammy
2	'Bad' subgenres will be the most successful	Partial support; positive effect for G-funk negative effect for Gangsta, Underground and West Coast
3a	'Bad' lyrical themes will be the most successful	Supported; positive effect for Angry/Rebellious
3b	Lyrical themes will become progressively more 'bad'	Supported; Increasing over time: angry/rebellious Decreasing over time: literate/cerebral, ominous/trippy, playful/quirky
4a	Independent labels will be less successful	Supported
4b	Independent labels will have more 'bad' lyrical themes	Partial support Indies have higher proportion of bravado/swaggering No association between label and aggressive/volatile, angry/rebellious, reflective/laid-back Majors exhibit more of: exciting/gutsy, literate/cerebral, romantic/sensual, rousing/lively, ominous/trippy, playful/quirky

(1) shocking the industry into reality, and (2) forcing gatekeepers to acknowledge their presence and embrace them, even if this occurs grudgingly and gradually.

This embrace of a bad reputation *vis-à-vis* conventional norms has culminated in a legitimate music form that is now in the mainstream of popular music and culture. The results of this study support this broad and counterintuitive notion that 'bad is good' in the context of rap and hip-hop. From a reputational perspective, what we see here is that possessing a reputation congruent with the expectations of stakeholder customers has positive implications for competitive

advantage even when the projected image is one of nonconformity with mainstream stakeholders. So, established actors seem to be following a dual track approach in which activities are undertaken to protect existing reputation, while also recognizing environmental changes and finding ways to incorporate these changes without damaging their reputations (Morrison, 1996; Rindova *et al.*, 2005).

As expected, we found that a Grammy Award does not influence sales performance, while an MTV Music Award conferred to an artist or album does. Unlike the Grammy, winning an MTV Music Award enhances

an artist's reputation. MTV's nonconforming behavior appears to match rap and hip-hop's ethos and the relationship between the network and art form has been highly symbiotic. Being 'bad' has been 'good' for both of them in this particular case. More important, the results show that alternative measures of success may be created when gatekeepers are reluctant to embrace change. As these alternative measures of success survive, they gain legitimacy, inform gatekeepers of their presence, and force them to adjust their views. Here, opportunities for enhancing organizational success are being ignored if these changes are not embraced. This will likely be reflected in performance that falls significantly below expectations.

Further evidence for the way in which 'bad' can result in positive performance in the context of rap and hip-hop is found in the subgenres of the bestselling albums. Out of the 21 possible subgenre classifications that could be assigned albums, the most popular subgenre classification for the bestselling albums over a decade's time were Gangsta, Hardcore, East Coast, West Coast, Hip Hop, Southern and Dirty South. Although the subgenre categories are general in their descriptions, it is clear that an overwhelming number of bestselling albums have subgenre classifications that carry nonconforming connotations. Interestingly, however, our analysis reveals something we did not fully expect. While the subgenre G-funk, which is described as a more laid back and mellow form of Gangsta, displayed a positive effect on sales performance, the traditionally grittier subgenres of Gangsta, Underground and West Coast exhibited a negative effect.

Although only partially supporting Hypothesis 2, the result suggests an interesting effect. While bad is good, being too bad can have a dampening effect on sales. The album still becomes a Top 100 bestseller, but the 'baddest of the bad' will have a harder time becoming one of the very top bestsellers.

Aligning with these more virulent subgenres lowers the probability of chart-topping success. This likely occurs because the most edgy rap and hip-hop will find it difficult to be included on radio and video play lists (Lopes, 1992). As young listeners make up a sizable portion of any modern music marketplace, parent stakeholders and other gatekeepers may also play a role in limiting the more offensive and outlandish subgenres of rap and hip-hop. G-funk, on the other hand, retains an edge but is softened up enough to find more acceptance (Rindova and Kotha, 2001; Rindova *et al.*, 2005).

An interesting aspect to this finding is that there are limits to which dissent will be encouraged. While those with a 'bad' reputation may eventually become accepted by gatekeepers, there are limits to such acceptance. In order for the industry to continue surviving and maintain some sense of decorum, certain standards MUST be maintained. Absent some basic level of standards, control is lost, mayhem reigns and the industry loses all sense of legitimacy (Post *et al.*, 1997). So, attitudes by gatekeepers towards those with a 'bad' reputation will be adjusted, provided that no harm is done to the basic foundation upon which the industry stands. In effect, the gap between stakeholder expectations and the firm's actual performance has not widened.

Another interesting aspect to be considered is the role of intermediaries in facilitating a change in attitudes among gatekeepers. Although gatekeepers and their constituents may seek to impose a specific perspective on the firm, the influx of information from multiple sources limits their ability to impose their will (Rindova, 1997). In addition, management may use intermediaries to acquire and evaluate multiple sources of information with a view to offering an alternative perspective. As a consequence, managers can use this alternative perspective to persuade gatekeepers and their constituents to 'crack

the door open', and allow others to enter. This effort is likely to be successful because those allowed to enter are not perceived to threaten the reputation of incumbents (Marziliano, 1997; Post *et al.*, 1997). Furthermore, those allowed to enter have already demonstrated their marketability and capacity to generate profits. So, the noise is 'accommodated' because it (1) positively contributes to overall success, and (2) cannot do major damage to the overall reputation.

Further reinforcement of this point is seen in efforts to ensure that the financial gains (success) accruing to this genre of music are balanced against the interests of existing stakeholders. Accordingly, we find that it is good to be bad, but being too bad can dampen sales. This suggests a possible curvilinear relationship, where the arc of nonconformity can only be pushed so far and then it becomes a liability on sales performance. In effect, being bad can be acceptable and enhance performance, but peripheral stakeholders place limits on the nonconformity and being too bad becomes a disincentive to success (Rindova *et al.*, 2005). At this stage, firms must undertake corrective measures to separate themselves from those that contribute to decreasing returns.

Another important and strong verification of our core supposition that focusing on stakeholders that value a bad image is beneficial in the context of rap and hip-hop is found in our analysis of lyrical themes for the bestselling albums. The advantage of looking at lyrical themes compared to sub-genre classifications is that they are more descriptive of an album's content. Lyrical themes that were angry/rebellious, playful/quirky/witty and laid-back/reflective exhibited a significant positive impact on sales performance. This points to the same complexity surrounding attitudes toward nonconformity that was suggested in the discussion of subgenres. There are different levels of badness as well as different forms

of being bad for different potential constituents. Different audiences can embrace a more playful and irreverent form of rap, while the success of rap and hip-hop in general is fueled by its nonconformity.

Yet there are market considerations that dampen the extremeness or alter the form of this nonconformity. At times this logic goes so far that sometimes to be 'bad', or nonconforming in this context, actually means to be 'good' or overconforming. Rappers such as Will Smith make it a point to use no foul language and rap only positive messages. This draws attention as he is praised by some and lambasted by others while being commercially successful. These are the exceptions created by the rule that bad is good – where sometimes being good is a way to be bad.

Again, this reinforces the importance of selective imaging and its impact on the development of reputation (Rindova, 1997; Rindova *et al.*, 2005). Information will come from a number of sources and be filtered over time. Although the gatekeepers are confronted with a wealth of information about artists, their focus on maintaining the firm's reputation will cause them to be highly selective about what information is retained, both favorable and unfavorable (Post *et al.*, 1997; Rindova, 1997). Any information that reinforces an image that is in keeping with the reputation established and protected by gatekeepers will be highlighted as well as that which contradicts their expectations. Both favorable and unfavorable information will be used to reinforce their positions. The greater their vested interest in protecting the reputation of the firm, the greater is their effort to seek out and analyze information (Post *et al.*, 1997; Rindova *et al.*, 2005).

Exaggerated forms of behavior, whether they are overconforming or nonconforming, will likely also increase in a highly competitive atmosphere where cutting through the clutter is hard. With a steady stream

of new artist album launches, establishing a reputation of any sort in this field can be difficult, and may require fairly drastic measures to draw notice, including outlandish, controversial content. An album label can be an important factor in signaling either potential or prior success of an artist and play an important role in signaling reputation.

As we expected, independent labels were less successful than the majors in our study. Independent labels however can be and often are more experimental in nature. They can take more risks stylistically and thematically and at times must do so in order to gain any sort of attention. Our study revealed that independent labels have a higher proportion of bravado/swaggering in their lyrical themes compared to their major label counterparts. Yet there was no difference between majors and independents concerning the proportion of aggressive/volatile or angry/rebellious lyrical themes. This is likely the result of the fact that anger and rebellion sells regardless of label association. The independents may exhibit more bravado when showcasing their anger, but our study is limited in its ability to measure degrees of anger and rebellion. Yet major labels did exhibit more of a tendency to have exciting/gutsy, literate/cerebral and playful/quirky lyrical themes than the independents. This helps confirm our insight that major labels may have a wider audience in mind that may not always be able to swallow the most violent or sexual versions of rap.

This has major reputational implications for both established firms and newcomers. For the established firms, there is already a reputation to protect. There are gatekeepers in place who carefully and aggressively acquire and evaluate information to ensure that the existing reputation is not tarnished (Miller and Shamsie, 1996; Post *et al.*, 1997). As a consequence, the rap-hip-hop music that will be incorporated into the stable of an established label is the kind that fits into its existing reputation. Therefore, one can see

an established label accepting the music of Will Smith while shunning the music of Tupac and Ice-T from being sold under their established label.

From the perspective of independent labels, they have nothing to lose and will do whatever is needed to be recognized. In this instance, any and all kinds of lyrics will be considered acceptable (Lant and Mezas, 1992) and the best will rise to the top. Those that rise to the top are recognized. However, this success is likely to attract the attention of the established labels and they will look for ways to incorporate these artists into their own labels (Marziliano, 1997; Morrison, 1996). Incorporation into the established labels will result in an eventual 'moderation' of content to ensure that, while it may push the boundaries of acceptability, there is no significant damage to the 'good' reputation already enjoyed by the established labels. In effect, success draws attention but continued success requires some degree of cooptation.

It is important to note that when it comes to reputation, societal attitudes toward behavior could also be understood as residing in the 'eye of the beholder'. That is, how reputations are viewed depends on the perspective held by a specific group/constituency. For the most part, rap/hip-hop arose as a means of nonconforming to mainstream society and its values. Its value and worth to stakeholders resides in whether or not those stakeholders look favorably on nonconforming behavior (Rindova *et al.*, 2005). For those stakeholders who look favorably on nonconforming behavior, the behavior is seen in a positive light while those with less favorable views see it negatively. The case of rap/hip-hop clearly shows that this counterintuitive idea holds. More specifically, it suggests that the greater issue to be addressed is one of reputational alignment. That is, reputation must coincide with market expectations as demonstrated through the actions

of the various stakeholders, which are reflected in overall performance (Rindova *et al.*, 2006). Absent reputational alignment, one can expect to find poor performance.

The fact that various constituents/stakeholders must be satisfied further complicates how we understand reputation. For instance, in order to grow rap to certain market segments, some of the music's edge has to be toned down. As we saw, major labels, which are part of a much bigger media company, are the most commercially successful. These media giants have a whole other set of constituents to please and likely must play to a more traditional reputation and conform to mainstream expectations. As a consequence, the music produced by artists under their labels are encouraged to reduce the harshness of their lyrics and bring it more in line with societal expectations. In effect, make a difference but not one that is drastic enough to have our key constituents question our values (Rindova *et al.*, 2005).

Moreover, awareness of multiple stakeholders and their various roles has led some firms to find unique ways of protecting their corporate reputation, while benefitting from the financial success of this music genre. In the case of rap and hip-hop we see the proliferation of album labels by major companies serving two purposes. First, the use of labels helps to disguise an attachment to a giant media company, which can turn off audiences who relish the countercultural ethos of rap and hip-hop (Lopes, 1992; Binder, 1993). Labels also allow media giants to project images of being a well-behaved company even as their growth depends on selling a product that opposes these values and norms. Again, what we see emerging here is firms finding a way to protect their existing reputation while paying attention to environmental trends that are likely to affect future success, but which may be at odds with their current reputations.

## CONCLUSIONS

This study incorporates and reveals a somewhat nontraditional perspective on reputation by offering empirical evidence that reputation is a contextual and dynamic construct. Whereas reputation is often viewed through a positive frame, it appears that in certain instances having a 'bad' reputation can result in good business. In the rap/hip-hop industry, 'street' credibility is an important factor in generating audience interest and album sales. As our study shows, there is an intricate information regime that defines the reputation of an album, which in turn affects sales performance. The way 'bad' is 'good' in rap and hip-hop provides evidence that inverts our traditional understanding of reputation based on 'overconforming' to a positive normative expectation. Moreover, we found that reputation in this industry continually progresses and so never stands still. In general, successful reputations in this industry become more nonconforming.

In summary, several key insights emerge from this study and enhance our understanding of reputation. The first major contribution involves rethinking reputation. We found reputation to be a contextual construct that depends on the expectations of relevant stakeholders. Our study suggests that the way we typically think of reputation should be expanded. Within most of the existing literature, reputation is defined by overconforming behavior (cf Heckert and Heckert, 2002; Rindova *et al.*, 2006), which we demonstrate may not be the case. Reputation depends more on the 'eye of the beholder' or, perhaps more accurately the 'eyes of the beholders'.

Second, we found that reputations are not static. The normative expectation for evaluating positive behavior in the stakeholder evaluation of reputation is not fixed but dynamic. Nonconforming or overconforming behaviors, whichever tactic enhances reputation in a given context, ultimately serve to eventually raise the normative expectation. A new



level of expectation is set that must be exceeded for an artist or company to stand out and gain attention from key constituents. We saw this process at work as the offerings of rap and hip-hop that continued to get 'badder' with time.

This study also serves as a further extension of the ongoing discussion surrounding the contribution of intangible assets to performance (Miller and Shamsie, 1996; Teece *et al.*, 1997). Here, we provide further empirical support that intangible assets such as reputation have significant economic value through their signaling effect. Yet we found that these intangible assets are various and work in concert together to build and enhance reputation. We deconstructed reputation to show how various components of an information regime can impact performance. This only reinforces the contextual, complex and dynamic nature of reputation.

Our model also may have more general applicability, depending on the context and stakeholder expectations. While the 'overconforming' view of reputation dominates the literature, our 'nonconforming' model can be extended to other industry settings. For instance, it fits quite appropriately in such settings as stage and movies, news media, most artistic endeavors and culture industries, athletic performances with a violent twist, illicit trading and alternative lifestyles where consumer preferences differ from 'mainstream' values.

By examining nonconforming behavior, we acknowledge the importance of examining reputation based on key stakeholder expectations thus integrating the resource-based view of the firm with stakeholder theory (Rindova *et al.*, 2005; Rindova and Kotha, 2001). From a practical standpoint, the article provides insight into the delicate issue of balancing corporate reputation against market demands that run counter to 'mainstream' societal values. Beyond the few large corporate firms that promote and distribute music, many brands, companies and

politicians are building and enhancing their reputations through their association with rap and hip-hop. Companies as diverse as Heineken, The Gap, Coca-Cola, Reebok and Cover Girl are using rap/hip-hop artists in their promotions. Sean 'Puffy' Combs goes so far as to say, kids' 'heroes are rappers. In five years if Master P and I endorse a presidential candidate, we could turn an election. Hip-hop is that deep' (Thigpen, 1999). And ten years later, Combs says they did just that. 'I think we are probably responsible for Obama being in office, yes. If nobody else is gonna say it, then I'm gonna say it. The confidence, the swagger we instilled in our communities made that possible' (Combs in Hall, 2010). Managing reputation in the modern marketplace is becoming a balancing act. On the one hand, the counterculture is becoming *the* culture in many ways and relies on nonconformity. On the other, traditional notions of being good corporate citizens still apply in many contexts and this is built by overconforming to a normative expectation. The tension between these two indicates the need for careful management of the complex, contextual, dynamic and stakeholder-specific nature of reputation.

The research discussed here has major implications for business organizations and their efforts to enhance their reputations. In particular, firms should recognize that stakeholder groups may form different images of the firm thereby defining multiple reputations. This research suggests that firms should protect existing reputations while either recognizing, or actively seeking market changes that may signal the need for dynamic reputations. Organizations with sound reputations may also choose to react to market challenges by gaining entry through investments in other firms. Over time, as these new entrants gain legitimacy and become accepted players in the industry, they can be absorbed into the mainstream. Established firms that embraced these changes by creating



peripheral organizations will find themselves at an advantage over those that ignore market or stakeholder transformations and assume that they will survive on their current status. This is similar to the 'dual clocks' notion advanced in strategy research which advises that established firms may exploit new opportunities by investing in start-up firms while maintaining an 'arms length' relationship, eventually absorbing these start-up firms after the threat from association have been ameliorated (Mitchell, 1991).

Another implication that firms need to consider is the evolving nature of reputation. Like so many other resources and capabilities, reputation is likely to change not only due to environmental changes but also the change in a firm's status within the industry. Firms need to recognize that the costs of experimentation may have implications for their reputations, particularly if those experiments prove to be costly and unprofitable. If firms chose to focus on maintaining their current reputations in the face of significant external challenges to their industry status, they may fail to recognize both the need for adjustment and the new opportunities that will allow them to not only enhance their reputations but also regain their competitive superiority. Anecdotal evidence suggests that US automobile manufacturers' failure to recognize the challenges from Japanese imports have contributed significantly to the demise of the traditional Big Three in the US automobile industry. In effect, firms that assume that their current reputations can overcome external threats to their dominant industry positions might soon find themselves replaced as dominant players and their reputations tarnished.

Finally, firms need to recognize the critical role of dominant stakeholders in the evolution of reputations. These stakeholders are likely to be firmly entrenched within the environment and may be tied to existing perceptions of the firms. These dominant stakeholders hold that existing reputations

must be protected at all costs. Any efforts to engage in actions that may call into question the existing reputations are frowned upon. Yet, a failure to address the concerns of both the market and less dominant stakeholders may prevent the firms from exploiting new and profitable opportunities. While dominant stakeholders may wish to address challenges to existing reputations, doing so may prevent the firms from doing what is necessary to maintain a dominant position moving forward. Less dominant stakeholders may recognize trends in the industry that are important to future profitability but their exploitation may require a redefinition of reputations. Hence, firms must recognize that addressing the reputational concerns of stakeholders is a balancing act in which the concerns of all stakeholders must be addressed to varying degrees. In effect, firms must find ways to address the concerns of all stakeholder groups without limiting the opportunities for future success.

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### NOTE

- 1 Sampling is the practice of extracting previously recorded work and repurposing it in new work, such as using it as a background for new vocals. Mixing often entails combining elements from other existing songs and arrangements and melding them together in new ways.

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## APPENDIX A

### Summary of Rap Subgenres\*

*Alternative Rap* refers to hip-hop groups that refuse to conform to any of the traditional stereotypes of rap, such as gangsta, funk, bass, hardcore and party rap. Instead, they blur genres, drawing equally from funk and pop/rock, as well as jazz, soul, reggae and even folk.

Springing from the fertile dance scenes in Miami (freestyle) and Detroit (electro) during the mid-1980s, *Bass Music* brought the funky-breaks aesthetic of the 1970s into the digital age with drum-machine frequencies capable of pulverizing the vast majority of unsuspecting car or club speakers.

*Club/Dance* music comes in many different forms, from disco to hip-hop. All of the genres were collected under the catch-all term 'dance', though there were distinct differences between dance-pop, hip-hop, house, and techno, among other subgenres. What tied them all together was their emphasis on rhythm – in each dance subgenre, the beat remains all-important.

*Contemporary R&B* developed after years of urban R&B. Like urban, contemporary R&B is slickly produced, but many of the musicians are obsessed with bringing the grit, spirit and ambitiousness of classic soul back to contemporary soul and R&B.

*Dirty Rap* is hip-hop that is focused solely on sex. The fathers of the genre, 2 Live Crew, were one of the leading groups of the groove-heavy Miami bass sound, and that bass-driven groove remained at the foundation of dirty rap. Most dirty rap was simply blue party rap, designed to keep the party rolling, and it rarely had much musical or lyrical depth.

*Dirty South* popped up in the latter half of the 1990s, after gangsta rap became the standard currency of hip-hop. Dirty South

is a stoned, violent, sex-obsessed and (naturally) profane brand of modern hip-hop.

At the dawn of the hip-hop era, all rap was *East Coast rap*. All of rap's most important early artists were based in the New York City area. Although the sound of East Coast rap wasn't completely uniform, from the mid- to late 1980s it tended to gravitate to more aggressive beats and sample collages, and many MCs prided themselves on their technical dexterity in crafting lyrics. In other words, with some exceptions East Coast rap became a music intended more for intense listening than for the dancefloor, helping develop the genre into a respected art form as it grew more elaborate and complex.

*G-funk* is the laid-back, Parliament/Funkadelic-inspired variation of gangsta rap developed by Dr Dre in the early 1990s. Distinguished by its whiny, cheap synthesizers, slow grooves, deep bass and, occasionally, faceless female backing vocals, G-funk became the most popular genre of hip-hop in the early 1990s.

*Gangsta* rap developed in the late 1980s. Evolving out of hardcore rap, gangsta rap had an edgy, noisy sound. Lyrically, it was just as abrasive, as the rappers spun profane, gritty tales about urban crime. Sometimes the lyrics were an accurate reflection of reality; other times, they were exaggerated comic book stories.

Overwhelmingly based in New York City, *Golden Age* rap is characterized by skeletal beats, samples cribbed from hard rock or soul tracks, and tough dis raps. The basis for the complex wordplay and lyrical kung-fu of later hip-hop.

While the term can refer to several different musical sensibilities, *Hardcore Rap* is marked by confrontation and aggression, whether in the lyrical subject matter, the hard, driving beats, the noisy sampling and production, or any combination thereof. Hardcore rap is tough, streetwise, intense, and often menacing (although the latter isn't

always the case; there is room for humor and exuberance as well). Gangsta rap is the style most commonly associated with hardcore rap, but not all hardcore rap revolves around gangsta themes, even though there is a great deal of overlap. Its subject matter is now a mix of party anthems, gangsta's money/sex/violence obsessions and occasional social commentary.

In the terminology of rap music, *Hip-Hop* usually refers to the culture – graffiti-spraying, breakdancing and turntablism in addition to rapping itself – surrounding the music. As a style however, hip-hop refers to music created with those values in mind.

*Jazz-Rap* was an attempt to fuse African-American music of the past with a newly dominant form of the present, paying tribute to and reinvigorating the former while expanding the horizons of the latter. While the rhythms of jazz-rap came entirely from hip-hop, the samples and sonic textures were drawn mainly from cool jazz, soul-jazz and hard bop. It was cooler and more cerebral than other styles of hip-hop, and many of its artists displayed an Afrocentric political consciousness, complementing the style's historical awareness. Given its more intellectual bent, it's not surprising that jazz-rap never really caught on as a street favorite, but then it wasn't meant to.

*Latin Rap* refers to hip-hop and rap performed by Latino performers. They may rap in either English or Spanish, and the music often demonstrates the influence of percolating Latin rhythms.

*Party Rap* is bass-driven, block-rockin' hip-hop that only has one thing on its mind – to keep the groove going. The lyrics are all inconsequential, with none of the political overtones of hardcore rap and only a fraction of the cleverness of old school rap. Instead, it's all about the music, with the bass and drums taking precedence. It's closely related

to Miami bass music, but there is usually one vocal hook that makes the record memorable.

Looking to move on from the block-party atmosphere of old school rap and eager to vent their frustrations with the 1980s version of the inner-city blues, a select few hip-hop groups merged deft rhymes with *Political* philosophy to create a new style of rap. The style was characterized by twisted rhymes while taking to task the government, the culture of white America and all sorts of specific sociopolitical issues. What looked to be a fertile new ground for exploration, however, proved remarkably short-lived. The commercial explosion of a new hip-hop sound – gangsta rap or G-funk – made record labels less adventurous about non-establishment messages.

*Pop-Rap* is a marriage of hip-hop beats and raps with strong melodic hooks, which are usually featured as part of the chorus section in a standard pop-song structure. Pop-rap tends to be less aggressive and lyrically complex than most street-level hip-hop, although during the mid- to late 1990s, some artists infused the style with a more hardcore attitude in an attempt to defuse backlash over their accessibility.

Long a third wheel to the East Coast and West Coast hip-hop scenes, *Southern Rap* emerged in the 1990s as a fertile scene unto itself, particularly in Miami, New Orleans and Atlanta. In the late 1980s, Southern rap was primarily associated with Miami bass music, also popularly known as 'booty rap' both for its rump-shaking grooves and the central preoccupation of its lyrics.

*Underground Rap* falls into two categories. It is either hardcore hip-hop that pushes musical boundaries and has lyrics that are more inventive than gangsta clichés, or it is hardcore gangsta rap that wallows in all of the musical and lyrical clichés of the genre. What the two styles have in common is that





they have little regard for mainstream conventions, and they celebrate their independent status. Underground rap also tends to be produced for less money than hip-hop on major labels, and it often sounds like it.

Also known as urban contemporary, *Urban* was the term given to the R&B/soul music of the 1980s and 1990s. Urban was very smooth and polished, but while its romantic ballads fit well into quiet storm radio formats, urban also had room for up tempo, funky dance tracks, which usually boasted the same high-tech, radio-ready production and controlled yet soulful vocals. That's why, in spite of its name, urban didn't usually have the

earthy grit associated with the term 'soul music', preferring to tone down the raw emotion in favor of a slick refinement.

Although California's rap scene was a great deal more diverse, G-funk defined the *West Coast* sound and style for many. West Coast rap became as eclectic and difficult to pigeonhole as East Coast rap. However, N. W.A.'s 1989 gangsta-rap landmark *Straight Outta Compton* set the stage for a more identifiable West Coast style – its sound was hard-hitting and minimalistic, its lyrics alternating between violent hedonism and righteously angry social commentary.

Source: ★Adapted from [www.allmusic.com](http://www.allmusic.com)

## APPENDIX B

**Table B1: Factor Structure for Lyrical Themes<sup>a</sup>**

	<i>Factor 1</i>	<i>Factor 2</i>	<i>Factor 3</i>	<i>Factor 4</i>	<i>Factor 5</i>
	exciting gutsy fierce sentimental relaxed campy unsettling rollicking reverent sprawling bitter hypnotic dramatic melancholy complex refined/mannered spiritual outraged urgent plaintive angst-ridden earnest gritty elegant ambitious somber cheerful exuberant paranoid acerbic	aggressive volatile intense raucous cynical/sarcastic enigmatic rowdy confrontational visceral freewheeling tense/anxious manic reckless brash	literate cerebral uncompromising	stylish romantic sensual smooth sexual passionate sexy intimate carefree confident party/ celebratory	rousing lively fun energetic
No. of items	30	14	3	11	4
Var explained	19.0%	10.8%	7.7%	4.6%	4.0%
Max loading	0.735	0.807	0.925	0.823	0.657
Min loading	0.332	0.326	0.725	0.407	0.578
Avg loading	0.585	0.577	0.822	0.644	0.620
	<i>Factor 6</i>	<i>Factor 7</i>	<i>Factor 8</i>	<i>Factor 9</i>	<i>Factor 10</i>
	nihilistic malevolent angry hostile rebellious menacing silly fiery harsh theatrical bleak	reflective laid-back/mellow soothing poignant gentle searching wistful summery calm/peaceful earthy autumnal organic	bravado swaggering hedonistic provocative outrageous wry sophisticated slick boisterous	nocturnal ominous trippy druggy eerie detached brooding	playful quirky witty humorous whimsical amiable/good-natured irreverent gleeful rambunctious
No. of items	11	12	9	7	9
Var explained	3.7%	3.6%	3.1%	2.9%	2.7%
Max loading	0.804	0.836	0.675	0.835	0.788
Min loading	0.452	0.457	0.354	0.356	0.316
Avg loading	0.643	0.634	0.534	0.559	0.598

<sup>a</sup>Items shown from high to low loading within each factor;  $n=763$  (observations where the album was released in the last quarter of the year were included in this analysis)