The effects of app adoption and adoption timing on customers' cross-buying behavior

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Abstract

This paper investigates the impact of app adoption on customers' cross-buying depth and the extent to which this effect is moderated by basket compositions (i.e., type of products purchased). The paper also aims to shed light into the effects of adoption timing on individuals' cross-buying and their changes over time. Using data from an online retailer and a combination of propensity score weighting with difference-in-differences method, the results show (1) that app adoption positively influences cross-buying depth, (2) that this effect becomes stronger for customers purchasing hedonic-only or high risk-only products, (3) that customers adopting the app earlier have a higher cross-buying depth than later adopters, and (4) that adoption timing's negative effect decreases over time. These results offer novel insights into the behavioral consequences of app adoption and offer managers useful recommendations for improving the effectiveness of their mobile app investments.

Keywords: *App adoption and adoption timing; Cross-buying; Basket composition*

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