

Complementarity Networks and Service Disruption

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Abstract

The introduction of new services can disrupt incumbents. This study isolates complementarity as a potential feature of a service that can disrupt. We then examine how a given service's complementarity with other service categories can disrupt incumbent service providers. Depending on two types of inter-category complementarity links that are created by market basket lift and confidence measures, we identify three different category-level centrality measures within two inter-category complementarity networks: non-directional centrality, in-degree centrality, out-degree centrality. Results reveal that the non-directional centrality of a focal service with other service categories has a significant and positive effect on disruption. In addition, the out-degree centrality of a focal service with other service categories can better predict disruption than the in-degree centrality of a focal service with other service categories.

Keywords: *service; disruption; complementarity*

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