

Friends in Low Places: The Impact of Shared Location on Diffusing Digital Products

Hans Risselada

University of Groningen

Fabian Eggers

Menlo College, Department of Marketing

Thomas Niemand

Clausthal University of Technology, Institute of Management and Economics,
Department of Market Research

Sebastian Robledo

Universidad Católica Luis Amigó, Faculty of Management Science, Program of
Management

Cite as:

Risselada Hans, Eggers Fabian, Niemand Thomas, Robledo Sebastian (2019), Friends in Low Places: The Impact of Shared Location on Diffusing Digital Products.

Proceedings of the European Marketing Academy, 48th, (8756)

Paper presented at the 48th Annual EMAC Conference, Hamburg, May 24-27, 2019.



Friends in Low Places: The Impact of Shared Location on Diffusing Digital Products

Abstract

The potential market size for digital products is seemingly infinite due to low distribution costs. However, most digital product introductions fail. Existing work shows the importance of network position and structure in diffusion and referral processes. In this paper, we assess whether sharing a location impacts the adoption of digital products and to what extent dyad characteristics compensate for the absence of a good network position of the referrer. We show that the impact of network position of the referrer and the importance of dyad characteristics depends on whether referrer and referee share a location. Specifically, referrer and referee sharing a location and having a strong tie compensates for the referrer not being in a good network position. We contribute to this stream of research by going beyond network position as a seed selection criterion. We provide suggestions for managers on how to benefit from the majority of consumers that is not very well-positioned.

Keywords: *customer referral; digital products; qualitative comparative analysis*

Track: Digital Marketing & Social Media