# Using Local Infrastructure Concentration to Increase Marketing Mix Effectiveness

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Acknowledgements:
The authors would like to thank Bernd Skiera, the participants of the University of Groningen, and the participants of the University of Melbourne Marketing research seminars for insightful comments on earlier versions of this project.

Cite as:
Dost Florian, Maier Erik, Schmidt Lennard (2025), Using Local Infrastructure Concentration to Increase Marketing Mix Effectiveness. *Proceedings of the European Marketing Academy*, 54th, (125288)

Paper from the 54th Annual EMAC Conference, Madrid, Spain, May 25-30, 2025

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## Abstract

Although location is crucial to performance, its impact on marketing effectiveness is underexplored. We propose a production-function framework to understand how physical location scales marketing mix effectiveness through compounding effects. Drawing on urban scaling, we operationalize this scaling factor as Local Infrastructure Concentration (LIC). Applying LIC to various studies (including field and lab experiments, and observational data models), we show that marketing mix effects vary significantly between low- and high-compounding locations. In high-compounding areas, retail promotions are 10–20% more effective, geotargeted promotion effects increase by 120%, and store size benefits improve by 60–110%, compared to low-compounding areas. Our approach opens the door to the understanding of how marketing and consumer activities depend on location.



*Keywords: location in marketing, marketing mix performance, urban scaling*

*Track: Marketing Strategy & Theory*