

MISQ Archivist

How Do Adopters Transition Between New and Incumbent Channels?

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Abstract

There is substantial knowledge about how individuals and organizations—which we refer to collectively as entities—adopt and use new channels. However, less is known about how this relates to their use of the incumbent channel that the new channel may replace. To address this gap, we examine how entities transition between incumbent and new channels over time, with a particular focus on two temporal factors: when an entity adopts the new channel and how long an entity has used the channels, which we refer to as the entity’s channel history. Our results show that entities that adopt at similar times often follow dramatically different patterns of new and incumbent channel use. This allows us to expand upon the traditional adopter categories of innovators, early adopters, early majority, late majority, and laggards. We also find that an entity’s channel history influences how it transitions between the incumbent and new channels, and we document other factors that influence these transitions. Our results contribute to theory about the adoption/diffusion of new channels, and they contribute to practice by giving managers tools to understand and predict how entities’ use of new and incumbent channels evolves over time.

Keywords: New channel, incumbent channel, diffusion, adoption, adopter categorization, channel history, heterogeneity, dynamics, automotive, pro-innovation bias