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**Competitive Cross-Channel Effects Due to the Introduction of a New Online Channel  
Abstract**

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The introduction of new, multiple channels on online platforms makes the retail environment increasingly competitive. Customers switch among multiple channels offered by different firms in the same industry, so their multichannel shopping behavior with one firm depends on the channels offered by its competitors. This study investigates the impacts of competitors' channel offerings on the channel choice for a focal firm, and the effects of online channel adoption on firm competition, using eight years of customer panel data related to purchases from 10 multichannel home décor retailers. The model tests reveal that customers' use of competitors' online channels drive them to switch from an existing catalog channel to a newly introduced online channel offered by the focal firm. Those who purchased from competitors' catalogs previously are more likely to use the new online channel. Moreover, customer adoption and use of the new online channel increase revenues for both the focal firm and the industry but reduce purchase frequency with competitors. Over time, customers engage in more purchases throughout the industry after the new online channel introduction.

**Keywords:** *Multi-Channel Retailing, E-Commerce, Channel Migration, Competition, Channel Adoption*