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The Impact of the Adoption of Electric Vehicles in Public Transportation Markets on Their Diffusion in Consumer Markets

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Abstract: Green innovative products usually diffuse in both the organizational and consumer markets at the same time. It is important to carefully consider how the diffusion in these different markets may interact with each other. This article focuses on how the large-scale adoption of electric vehicles in public transportation markets affects individuals' perceptions and preferences in consumer markets. Experiment 1 demonstrates that in the separate evaluation mode, consumers are more inclined to purchase vehicles from a company that sells electric buses, taxis, or online booking cars in addition to personal cars, compared to a company that solely focuses on selling electric vehicles to individual consumers. Furthermore, the large-scale adoption of electric vehicles in public transportation markets enhances consumers' perception of the functional and expressive value of these products. However, experiment 2 reveals that in the joint evaluation mode, the product preferences are reversed. When consumers have the opportunity to compare and choose between a company that specializes in selling personal cars and one that offers both personal cars and public vehicles, they express a preference for purchasing a car from the former, believing that it has higher functional and expressive value compared to the latter. This paper highlights that the change in evaluation mode leads

to differences in consumers' interpretation of signals sent by companies. In the separate evaluation mode, consumers are more likely to perceive positive signals related to products, while in the joint evaluation mode, they are more likely to perceive negative signals related to products, leading to a reversal of product preference. This article promotes an understanding of the subsequent influence of companies entering the organizational market.

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