

The dynamic nature of survival determinants in e-commerce

Ralitza Nikolaeva

Graduate School of Business

Abstract

The dynamic effects of survival determinants in e-commerce are tested using longitudinal data on 460 e-tailers. This is achieved through the incorporation of both time-varying covariates and coefficients in a discrete hazard rate model. The model includes elements of competitive strategy, industry structure, firm and product characteristics, and the macro environment. The study demonstrates the changing effect over time of factors affecting survival. For example, order of entry advantages are observed, but they are short-lived. This finding shows that e-tailers cannot rely on early entry as a strategic move in the long run. E-tailers with more media presence seem to survive longer. Being publicly traded and selling products with digital characteristics present advantages for e-tailers only in the beginning years, but they are not sustainable over long time periods. Survival chances decrease with higher competitive density, market growth rate, and equity market level at the time of entry. Conversely, economic growth tends to increase survival chances. The study also finds an inverted-U relationship between the hazard of exit and firm age. The conclusion section discusses the implications of the timevarying nature of survival determinants.

| | |
|--------------------------|---|
| Original language | English |
| Pages (from-to) | 560-571 |
| Number of pages | 12 |
| Journal | Journal of the Academy of Marketing Science |
| Volume | 35 |
| Issue number | 4 |
| State | Published - Dec 1 2007 |

Nikolaeva, R. (2007). *The dynamic nature of survival determinants in e-commerce*. *Journal of the Academy of Marketing Science*, 35(4), 560-571. DOI: [10.1007/s11747-007-0018-4](https://doi.org/10.1007/s11747-007-0018-4)