

Diffusion of Innovations: A Theory of Reverse Diffusion

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The authors review about 200 publications on diffusion of innovations over 50 years. The major findings are the following. First, most publications (70%) analyze functional B2C products (predominantly consumer durables) while only a few focus on cultural products (i.e., music, street fashion, or dance) (16%) or functional B2B products (14%). These numbers indicate a data availability bias in favor of B2C functional products and question the generalizability of existing theory or findings. Second, price and identity relevance distinguish functional products from cultural products. Third, functional products follow a classic diffusion process from upper socio-economic segments to lower socio-economic segments, while cultural products follow a reverse diffusion process. Fourth, demographics play a fundamental role in the spread of reverse diffusion from lower to upper socio-economic classes. The authors develop an integrated theory of reverse diffusion to explain the diffusion of cultural products; key drivers are self-identity formation and rebelliousness among adolescents and the wish to signal youth and vitality among mainstream consumers. Fifth, functional B2C products follow a classic diffusion process from upper to lower socio-economic classes; key drivers are the price of the product and the affordability to adopters.