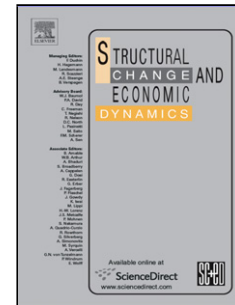


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The role of consumer networks in firms' multi-characteristics competition and market share inequality

Antonios Garas^a

^a *Chair of Systems Design ETH Zurich, WEV G 202.1 Weinbergstrasse 56/58, CH-8092 Zürich; agaras@ethz.ch;*

Athanasios Lapatinas^{1, b, c}

^b *European Commission, DG Joint Research Centre, Unit I.1. Modelling, Indicators and Impact Evaluation, Competence Centre on Microeconomic Evaluation, Via E. Fermi 2749, TP 361, Ispira (VA), I-21027, Italy; athanasios.lapatinas@ec.europa.eu*

^c *Department of Economics, University of Ioannina, Greece; alapatin@cc.uoi.gr*

¹ Corresponding author

Highlights

- The effect of consumers' social networks in the process of developing new products is studied
- An agent-based model is developed and implemented using the Monte Carlo simulation method
- Bounded rational consumers have an active role in the product-embodied innovation process
- The firms with the highly connected consumers' networks are roaming anywhere in the product- characteristics space
- The firms with weak underlying networks search for customers in the highest density location of consumers

Abstract

We develop a location analysis spatial model of firms' competition in multi-characteristics space, where consumers' opinions about the firms' products are distributed on multilayered networks. Firms do not compete on price but only on location upon the products' multi-characteristics space, and they aim to attract the

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