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***Is A Paying Customer Always Better? The Importance Of Customer
Orientation Towards The “Free” Customer In Two Or Multi-Sided Markets***

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In the Digital Economy, managers of free e-service internet platforms face the challenge to address the needs of at least two different market sides. A non-paying market side that uses the service of the platform for “free” and a paying-market side that subsidizes the service offer of the platform. Managers in this setting are especially unsure about the performance effects of customer orientation towards the non-paying market side as this market side does not provide direct revenues. We address this issue using a sample of such free e-services. Our results demonstrate that customer orientation towards a non-paying market side increases platform performance beyond the well-known performance effect of customer orientation towards a paying market side. More specifically, customer orientation towards the non-paying market side leads to enhanced customer satisfaction of both the non-paying as well as the paying market side which in turn positively influences performance outcomes.