

## B2B Software: Role of Decision Drivers

Claudia Loebbecke<sup>a</sup>  
 Thomas Weiss<sup>a</sup>  
 Philip Powell<sup>b</sup>  
 Christin Krooss<sup>a</sup>

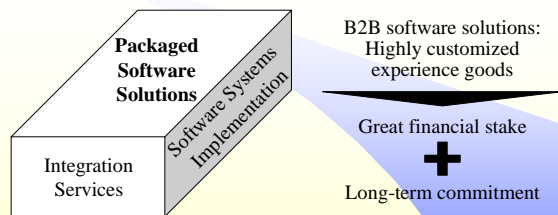
<sup>a</sup> Department of Business, Media and Technology Management  
 University of Cologne, Germany  
 www.mtm.uni-koeln.de

<sup>b</sup> School of Business, Economics and Informatics  
 Birbeck  
 University of London, UK  
 www.bbk.ac.uk

## Agenda

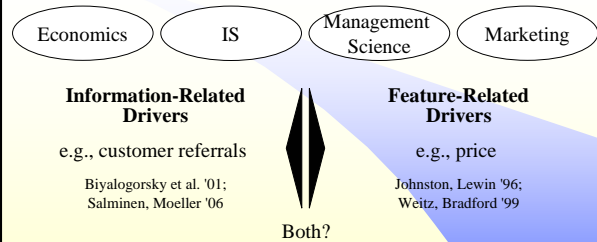
- Background and Research Question
- Research Model and Hypotheses
- Research Approach
- Results
- Conclusions and Discussion

## B2B Software Solutions



Prospective customer actively seek information on products and vendors

## B2B Purchase Drivers literature



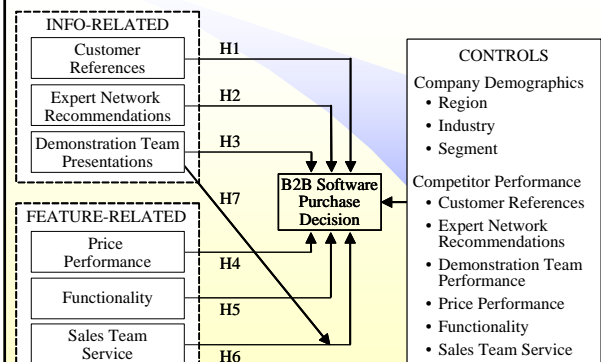
### Research Question

How do information-related drivers AND feature-related drivers play a role in B2B software purchase decisions?

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## Research Model



## Research Hypotheses

- H1: Customer references positively influence B2B software purchases
- H2: Expert network recommendations positively influence B2B software purchase decisions
- H3: Demonstration team presentations positively influence B2B software purchase decisions
- H4: Price performance positively influences B2B software purchases
- H5: Functionality positively influences B2B software purchase decisions
- H6: Sales team service positively influences B2B software purchases
- H7: Relationship between sales team service and B2B software purchase decisions is positively moderated by customer references

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## Research Approach

### Operationalization of Drivers

- Dependent variable: Binary coded
- Independent variables: Measured through single-item measures
- Controls: Coded into categorical dummy variables with 10-point Likert-type scales

### Data Collection

- Surveying prospective customers sampled from multinational B2B software vendor's CRM
- Random selection of 669 participants from customer database (customers from 2-year period between 2003 and 2005)
- Elimination of 265 cases  
⇒ Sample of 404 subjects (customers and non-customers)

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## Data Analysis

### Logistic Regression

$$\text{Prob}(\text{Purchase}) = \frac{e^Z}{1+e^Z} \text{ with}$$

$$Z = B_0 + B_1X_1 + B_2X_2 + B_pX_p$$

Prob(Purchase)	=	Probability of purchase
$B_0$	=	Intercept
$B_{1...P}$	=	Driver coefficients
$X_{1...P}$	=	Values of drivers
$P$	=	Number of drivers

Model Fit: Hosmer and Lemeshow Chi-Square  
Likelihood-Ratio  
Nagelkerke Test  
Cox & Snell Test

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## Survey Participants (in %)

Status	Customer (35), Non-Customer (66)
Region	EMEA (42) North America (27) Latin America (22) Asia-Pacific (9)
Segment	Large Enterprise (50) SME (50)
Industry*	Mining / Construction / Manufacturing (50) Transportation / Services (23) Wholesale / Retail Trade (12) Finance / Insurance (12) Public Administration (5)

\* Based on SIC codes

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## Logistic-Regression: Model Fit

-2 Log Likelihood: 166.458  
 Chi-Square: 333.390  
 Cox & Snell: 0.562  
 Nagelkerke: 0.792  
 Hosmer Lemeshow: 0.975  
 Correctly Classified: 92.3 [> 54.5 (req.)]

⇒ Model Fit ✓

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## Logistic-Regression: Hypotheses

	$\beta_{adj}$	T	Hypothesis	Result
Intercept	- 0.859	0.159		
Customer References	0.582*	3.383	H1 (+)	Conf.
Expert Network Recommendations	2.045***	29.115	H2 (+)	Conf.
Demonstration Team Presentations	0.216	0.498	H3 (+)	Rej.
Price Performance	3.028***	48.127	H4 (+)	Conf.
Functionality	1.690***	27.198	H5 (+)	Conf.
Sales Team Service	1.735***	22.051	H6 (+)	Conf.
Customer References X Sales Team Service	0.721***	10.710	H7 (+)	Conf.

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## Conclusions

*Information-related drivers* at least complementing,  
 if not outperforming feature-related ones



attracting prospective customers,  
 intensifying successful relationships with existing customers

External expert recommendations  
 playing stronger role than customer references

Importance of information source for prospective customers

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## Discussion

### Research Design

- ⇒ Generalizability of research featuring customized and complex software solutions of single vendor?

### Research Findings

- Customer references merely reassuring purchase decisions?
- Effect of non-anonymous information disclosure in B2B online environments?
- Vendor competition impacts information-related drivers and decision complexity?

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.... Questions, Comments, Complaints ?

**Thanks for your attention !**

- ✉ [claudia.loebbecke@uni-koeln.de](mailto:claudia.loebbecke@uni-koeln.de)
- ✉ [thomas.weiss@uni-koeln.de](mailto:thomas.weiss@uni-koeln.de)
- ✉ [beidean@bbk.ac.uk](mailto:beidean@bbk.ac.uk)
- ✉ [christin.krooss@uni-koeln.de](mailto:christin.krooss@uni-koeln.de)

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