

Subscription Business Models in Business-to-Business Markets: A Typology and a Framework for Growth

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Cite as:

Kowalkowski Christian, Ulaga Wolfgang (2023), Subscription Business Models in Business-to-Business Markets: A Typology and a Framework for Growth. *Proceedings of the European Marketing Academy*, 52nd, (114019)

Paper from the 52nd Annual EMAC Conference, Odense/Denmark, May 23-26, 2023



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Abstract

In recent years, the global subscription economy has seen tremendous growth in consumer industries. While subscription business models are today also increasingly regarded as a strategic imperative for business-to-business (B2B) firms, especially goods-centric B2B players suffer from low subscription maturity and struggle with implementation of such disruptive go-to-market approaches. Against this backdrop, we (1) delineate what makes subscription offers in B2B markets unique, (2) present a classification framework for B2B subscriptions, and (3) discuss how firms can leverage growth through subscriptions. Relying on depth interviews with 24 executives responsible for subscriptions, we outline key characteristics of B2B subscriptions and propose a new typology. We further show how subscriptions can help firms accelerate monetization opportunities, test drive innovations, and enhance the customer experience. This study also highlights the need for fundamental changes in marketing, sales, and other functions.

Subject Areas: *Business-to-Business Marketing, Marketing Strategy, Service Marketing*

Track: Business-To-Business Marketing & Supply Chain Management