

# Channel Implications of a Business-to-Business Shipping Subscription Program

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## **Abstract**

B2B companies are following suit with the recent uptake of subscription-based shipping in (online) retailing. Yet customer relationships and channel management are more complex in B2B due to the salient salesforce, leaving businesses unsure about the effectiveness of such programs. We address this by studying a shipping subscription program's demand implications (purchase value, frequency, and basket size) across multiple channels (salesperson, online, and store). Using a synthetic control approach, we analyze data from a global B2B high-tech tools manufacturer. Despite an overall null effect of subscription on demand across channels, we show a strong channel substitution effect where subscribers spend more in the salesperson channel yet decrease their online spending. Further analyses illustrate that the substitution is likely related to the transactional aspect (i.e., negotiation) rather than the informational aspect (i.e., product knowledge, consulting) of the salesperson channel.

**Subject Areas:** *Business-to-Business Marketing, Channels, Customer Relationship Management and Customer Satisfaction, Service Marketing*

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