Regression on Oracle's Percentage Discounts

- Estimates the effects of competitors and size of deal on Oracle's percentage price discount (on its eBusiness Suite)

- Source of Data
  - Ciandrini's charts of discount trends

Percentage Discount Regression

Oracle Price Discount Regressions

Dependent variable: Percentage Price Discount on eBusiness Suite

	(1)	(2)
PeopleSoft	.102	0.097
	(0.040)	(0.049)
	[.013]	[.056]
JD Edwards	0.068	0.071
	(0.035)	(0.058)
	[.056]	[.228]
SAP	0.038	0.097
	(0.046)	(0.074)
	[.403]	[.197]
Siebel	0.033	0.030
	(0.043)	(0.051)
	[.445]	[.561]
Niche	0.003	-0.052
	(0.030)	(0.044)
	[.925]	[.248]
Deal < $250k	-0.205	
	(0.044)	
	[<.001]	
$250k < Deal < $500k	-0.143	
	(0.046)	
	[.003]	
$500k < Deal < $1M	-0.027	-0.015
	(0.052)	(0.043)
	[.596]	[.723]
Constant	0.617	0.625
	(0.042)	(0.040)
	[<.001]	[<.001]
R^2	0.333	0.287
N	126	37

PeopleSoft	.102	0.097

- The presence of PeopleSoft causes Oracle to offer an additional discount of approximately 10 percentage points
- Two regressions translate into 22% and 26% price decreases, respectively

APPENDIX II – REVISED TABLE SIX

Oracle Price Discount Regressions

Dependent variable: Percentage Price Discount on eBusiness Suite

	(1)	(2)
PeopleSoft	.102	0.097
	(0.040)	(0.049)
	[.013]	[.056]
JD Edwards	0.068	0.071
	(0.035)	(0.058)
	[.056]	[.228]
SAP	0.038	0.097
	(0.046)	(0.074)
	[.403]	[.197]
Siebel	0.033	0.030
	(0.043)	(0.051)
	[.445]	[.561]
Niche	0.003	-0.052
	(0.030)	(0.044)
	[.925]	[.248]
Deal < $250k	-0.205	
	(0.044)	
	[<.001]	
$250k < Deal < $500k	-0.143	
	(0.046)	
	[.003]	
$500k < Deal < $1M	-0.027	-0.015
	(0.052)	(0.043)
	[.596]	[.723]
Constant	0.617	0.625
	(0.042)	(0.040)
	[<.001]	[<.001]
R^2	0.333	0.287
N	126	37

Notes: Data from ORCL-EDOC-00303129-34 and ORCL-EDOC-01156753-58.
Standard errors are in parentheses; *p*-values are in brackets.

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