

# **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 (0.040) [.013]	0.097 (0.049) [.056]
JD Edwards	0.068 (0.035) [.056]	0.071 (0.058) [.228]
SAP	0.038 (0.046) [.403]	0.097 (0.074) [.197]
Siebel	0.033 (0.043) [.445]	0.030 (0.051) [.561]
Niche	0.003 (0.030) [.925]	-0.052 (0.044) [.248]
Deal < \$250k	0.205 (0.044) [<.001]	
\$250k < Deal < \$500k	-0.143 (0.046) [.003]	
\$500k < Deal < \$1M	-0.027 (0.052) [.596]	-0.015 (0.043) [.723]
Constant	0.617 (0.042) [<.001]	0.625 (0.040) [<.001]
R <sup>2</sup>	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		
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R <sup>2</sup>	0.333	0.287
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Notes: Data from ORCL-EDOC-00303129-34 and ORCL-EDOC-01156753-58.  
Standard errors are in parentheses; *p*-values are in brackets.

