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Abstract

Purpose – In business-to-business (B2B), artificial intelligence (AI) holds transformative potential but often encounters significant implementation challenges, with many projects failing to deliver value. This study explores the integration of co-creation within the B2B sales funnel as a means to enhance interaction between buyers and sellers. It proposes a framework that enables co-creation in the B2B sales process by fostering iterative collaboration between buyers and suppliers in the context of AI technology. This research explores how buyers perceive such collaboration within the sales process. It examines the factors that drive B2B buyers to engage in co-creation during sales interactions and assesses the extent to which these factors predict buyers' intention to co-create.

Design/methodology/approach – This study uses a sequential mixed-methods design. In the first stage, using a case study approach, the proposed framework was applied in the real-world sales process of a manufacturing start-up. First, in-depth interviews with industrial buyers were analyzed via thematic analysis to identify the key drivers of co-creation. In the second stage, these emergent factors were empirically tested through a quantitative study to assess their predictive power on buyers' intention to co-create.

Findings – The findings highlight three key dimensions that influence buyers' decisions to engage in co-creation: Supplier Selection Criteria, Buyer Perceptions of Role and Readiness, and Project-Specific Factors. Buyers' attitudes and perceptions strongly predict their intention to co-create, with positive pre-existing attitudes, perceived value, and willingness to pay driving engagement. Perceived risks, especially technological failure, inhibit co-creation, while traditional supplier-centric criteria, while not entirely irrelevant, are of secondary importance. The empirical results highlight the importance of mindset and value communication in B2B AI sales.

Originality/value – This study contributes to the understanding of co-creation in B2B sales funnel in the context of AI technology solutions, an area where empirical evidence remains scarce. Unlike traditional supplier-centric models, the study positions buyers as active collaborators, highlighting how attitudes, perceived value, and risk perceptions shape their willingness to engage in co-creation. By combining qualitative insights with quantitative validation, this sequential mix methods research offers both theoretical advancement, providing a framework for understanding co-creation in AI-driven B2B sales; and, practical guidance for managers seeking

to overcome implementation challenges and foster stronger, value-based buyer–supplier relationships.

Keywords: B2B sales; Artificial intelligence; Sales funnel; Co-creation; Iteration; Case study; Start-up; Sequential mix methods

1. Introduction

In business-to-business (B2B) marketing research, the potential of artificial intelligence (AI) to create value in supplier–buyer interactions is attracting growing interest (Chandra and Rahman, 2024; Fehrenbach *et al*., 2024; Goet *et al.* 2025; Leone *et al*., 2021; McClure *et al.,* 2024; Paschen *et al*., 2021). Evidence suggests that co-creation enhances the quality and applicability of AI-based solutions in B2B settings (Li *et al*., 2021). Co-creation refers to a collaborative process where buyer and supplier jointly develop, customize, or innovate a solution. For successful co-creation to occur, an ecosystem with interactive collaboration between participating actors is needed (Li *et al*., 2021; Payne *et al*., 2008). Co-creation is an iterative process where value is created incrementally in each interaction (Sjödin *et al*, 2020). AI technology complements the iterative nature of co-creation. Iteration, repetition, and feedback loops are essential to the technological characteristics of AI model development (Barile *et al.,* 2024; Wang *et al*., 2022), a process in which algorithms are trained, tested, and refined through continuous cycles of data input and performance evaluation.

The success of co-creation for AI implementation found in recent literature is thereby coherent and also aligns with broader principles of innovation and sales success in B2B contexts (La Rocca *et al*., 2016), who emphasize the importance of relational engagement, mutual value creation, and collaborative problem-solving as key drivers of performance. For B2B marketers, it is important to design and create sales processes that lead to the success of AI implementation. While AI is hailed as a transformative technology with high customer demand (Dwivedi *et al*., 2023), it is also associated with significant risks, including project failure (De Bruyn *et al*., 2021; Syam and Sharma, 2018). Today most AI projects in business fail: 70% of the businesses see no or minimal impact from the introduction of AI systems (Weiner, 2022) and more than 80% of AI projects are expected to fail (Rand, 2024).

However, fundamental misalignment exists between the nature of AI technology and traditional B2B sales frameworks. While AI development is inherently iterative, requiring continuous training data and feedback loops (Wang *et al*., 2022), the prevailing B2B sales funnel is conceptually linear and transactional (Johnston and Marshall, 2009). This structural limitation creates a theoretical and practical gap: the linear sales process fails to accommodate the recursive collaboration required to de-risk AI solutions before the sale is closed. Consequently, the high failure rates of AI projects (Rand, 2024) may not stem solely from technological issues, but from a sales process that inhibits necessary co-creation.

Addressing this gap is critical. There is an urgent need to re-evaluate the B2B sales funnel through a co-creational lens to understand how buyers and suppliers can synchronize their interaction.

Despite widespread calls for integrating co-creation with AI into B2B sales (Leone *et al.,* 2021; Li *et al.,* 2021), empirical evidence on how this integration occurs in the specific context of AI remains scarce. This study justifies its approach by arguing that shifting from a transactional to a co-creational sales model is the necessary condition for reducing AI implementation failure.

The purpose of this research is to examine how sales organizations might be able to engage in co-creation with a potential buyer and how buyers perceive co-creation in the sales process of AI technology. To address this objective, a sequential mixed-method approach was adopted. In the first stage, a qualitative study with industrial buyers employed thematic analysis to explore their perception of co-creation in the B2B sales process and their attitudes towards iterative sales interactions, addressing the first research question:

> *(RQ1) What factors drive B2B buyers to engage in co-creation during sales processes for AI technology solutions?*

In the second stage, based on the identified second-order themes, a quantitative study was designed to empirically validate and analyze them, discussing the key drivers of B2B buyers' intention to engage in co-creation for AI solutions, addressing the second research question:

> *(RQ2) To what extent do these identified factors predict B2B buyers' intention to engage in co-creation?*

Our qualitative findings indicate that buyers evaluate three larger dimensions for their co-creation engagement decision with a potential supplier. First, they evaluate their potential co-creation partner carefully according to typical corporate supplier selection; second, they are very reflective about their own role and readiness to co-create with a potential supplier; and, third, they are very specific about what project characteristics motivate them to engage in a co-creation process. The quantitative findings suggest that when buyers hold favorable prior attitudes, recognize clear value, and demonstrate a readiness to invest, they are more inclined to co-create. Conversely, concerns about potential risks, particularly the possibility of technological failure, act as significant barriers. Overall, the results emphasize that in B2B AI sales, effectively communicating value and fostering the right mindset are critical to encouraging co-creation.

This study contributes to a deeper understanding of the buyers' perspective of, need for, and attitude towards co-creation in a B2B sales process. By doing so, this research responds to the call for a more dynamic, interaction-centric view of B2B sales in high-uncertainty technology markets. Further, the findings aim to provide actionable insights into optimizing the sales process for complex products, strengthening the iterative collaboration between buyers and suppliers, and ultimately enhancing the implementation of these transformative technologies.

2. Theoretical framework

2.1. The B2B sales funnel and AI-based technologies

The sales process in B2B contexts is frequently conceptualized as a funnel, where each stage represents the progress of potential customers' engagement until the purchase decision is made (Johnston and Marshall, 2009; Paschen *et al*., 2020). The funnel typically begins with a pool of leads and narrows as prospects are qualified and nurtured, ending with closing a sale and following up. Hence, the B2B sales funnel has been defined using five, six, or even seven stages, reflecting the diversity of B2B industries and the complexity of buyer–supplier interactions. One of the commonly used six-stage frameworks was introduced by Johnston and Marshall (2009). These six stages are (1) prospecting for customers, (2) opening the relationship, (3) qualifying prospects, (4) presenting the sales message, (5) closing the sale, and (6) servicing the account (Paschen *et al*., 2020; Rusthollkarhu *et al*., 2022).

While the traditional funnels were designed as a step-by-step linear approach, research from co-creation indicates a need for iteration for successful AI implementation (Leone *et al*., 2021; Sjödin *et al*. 2020). These solutions require a more dynamic and interactive selling process due to their inherent complexity and the need for customization. AI technology solutions rely on iteration and repetition, as the algorithms to be developed are continuously trained, tested, and refined until the final outcome is achieved (Barile *et al.,* 2024). Consequently, AI technology is not a one-side technological development, but rather a relational process that benefits from active buyer-seller engagement. Such interaction ensures that the AI solution evolves in line with buyer needs while allowing suppliers to demonstrate value, thereby creating the conditions for a mutually beneficial "win–win" outcome.

The B2B customer journey for innovative digital services has gained attention among scholars due to the peculiarities and complexity of the commercialized products (Terpoorten *et al*., 2024). While buying and using developed, tested, and standardized AI-based software solutions, such as a generative-AI-based software, might be considered low risk today, the situation is very different for an AI model that is built, trained, and applied in an organization-specific context. Unlike conventional products, the performance of an AI model strongly depends on factors such as the quality of the available training data or the aims of a project (Blomster and Koivumäki, 2022; Gaczek *et al*., 2023). AI-based solutions often necessitate incorporating customer-specific data, training machine learning models, and iteratively refining outputs based on customer feedback. This iterative process transforms the sales process into a cyclical rather than linear progression, as the pre-sales phase involves a back-and-forth exchange to develop a proof of concept (PoC) that meets customer expectations.

Iteration has been found to be key in new product development success, and it is one of the core principles of the AI development process from a technological point of view (La Rocca *et al*., 2016; Wang *et al*., 2022). This emphasizes that iteration is essential for innovation and, therefore, enabling continuous feedback loops can contribute to favoring co-creation between the parties (the buyer and the supplier) to improve any AI-based solution (the project).

2.2 Co-creation in B2B sales of AI-based technologies

The theory of value co-creation (Prahalad and Ramaswamy, 2000, 2004; Vargo and Lusch, 2004) states that interaction between the parties is crucial for both developing the product and adding value for both parties. Co-creation boosts the interaction required to engage the parties in the development process (Grönroos, 2024; Siemieniako *et al*., 2025), enhancing the customer experience in B2B (Kohtamäki and Rajala, 2016). In B2B sales, co-creation is regarded as a component of the ecosystem that connects actors' capabilities and practices (Frow *et al*., 2014; Frow *et al*., 2016; Marcos-Cuevas *et al*., 2016; Mostafa, 2025), and aims to generate ideas and develop products that foster mutual benefits for both the buyer and the supplier (Rustholllkarhu *et al*., 2021). Hence, in B2B sales, co-creation is targeted as a source of competitive advantage and necessary for a long-term relationship (Pathak *et al*., 2022). In the case of selling AI-based technologies in a B2B ecosystem, the buyer and the supplier benefit from co-creating within the project in order to develop a customized product and benefit from the collective knowledge creation and the exchange of technical expertise and interpersonal capabilities (Barile *et al*., 2024; Fehrenbach *et al*., 2024; Kot and Leszczyński, 2022; Leone *et al*., 2021; Li *et al*., 2021; Singh *et al.,* 2019).

Unlike traditional sales models, where the supplier primarily drives the interaction, selling AI-based solutions requires a collaborative partnership between the buyer and supplier (Leone *et al*., 2021). This co-creation process enables the customization of the technology to the buyer's unique needs, fostering alignment and increasing the likelihood of adoption. As a result, the sales funnel for AI-based B2B solutions is better conceptualized as a dynamic and iterative process, emphasizing the importance of co-creation in achieving the supplier's ultimate goal: closing the sale.

2.3 Conceptual Framework

Owing to the complexity of AI-based technologies and the theoretical necessity of co-creation logic, this study proposes to modify the traditional funnel theory of Johnston and Marshall (2009), and highlight and conceptualize iteration and co-creation in the selling process. Particularly, this study proposes following an iterative process during stages 3 (qualify the prospect) and 4 (presenting the sales message) of the sales funnel. Stages 3 and 4 of the sales funnel mark the

development phase of an AI technology solution, where buyer and seller engage in continuous interaction to co-create a mutually beneficial outcome (see Figure 1).

For AI solutions, these stages involve training and refining algorithms, which requires the seller to access buyer-provided data for performance evaluation. This necessity transforms the buyer from a passive purchaser into an active participant.

This conceptual framework posits that the decision to enter this iterative loop is a distinct and critical event in the sales process. However, because this specific intersection of AI technology and B2B sales is under-researched, existing theory cannot yet predict the specific variables driving this decision. Therefore, rather than testing a priori propositions, this study utilizes this framework to set the boundary for exploratory inquiry. The framework directs the qualitative investigation toward identifying the antecedents required to trigger this iterative loop. By focusing on this specific structural change in the sales funnel, the study aims to inductively derive the factors related to the actors and the object that enable this transition.

#INSERT FIGURE 1 HERE#

3. Methodology: Sequential mixed methods

This study adopts a sequential mixed-methods approach comprising two logically linked stages. This sequential design enables a comprehensive understanding on the topic and also leverages the strengths of both qualitative and quantitative methods to generate insights with greater depth, validity and practical relevance (Creswell *et al.*, 2003). The first stage focuses on exploring the themes that drive B2B buyers to engage in co-creation during sales processes for AI technology solutions. Once these factors are identified, in a subsequent stage, a quantitative study is designed to empirically validate and test the qualitative findings, and, thus, to show to what extent these factors predict B2B buyers' intention to engage in co-creation. Specifically, the second-order themes that emerge from this initial qualitative study then serve as the foundational constructs for the subsequent quantitative study, which is designed to empirically validate these qualitative findings and to test to what extent these identified factors predict B2B buyers' intention to engage in co-creation.

3.1. First stage: Qualitative study (case study approach)

This research seeks to explore co-creation in the B2B sales process for AI-based technologies, focusing on the buyer's perspective. The insights derived from this exploratory stage are critical, as they form the theoretical foundation and the basis for the development of the constructs tested in the subsequent quantitative study. To answer the first research question, we studied the

implementation of the proposed framework in a B2B sales funnel in a real-world case study. The qualitative case study approach seems to be most appropriate, considering the early stage of research on the topic and the explorative nature of our research question (Eisenhardt, 1989). Further, this methodology has been shown to be beneficial in the inductive research of industrial marketing problems, due to the complex, dynamic relationships and interactions in industrial markets (Beverland and Lindgreen, 2010; Dubois and Araujo, 2007). Finally, single case studies are proposed for research into B2B co-creation due to the investigative depth they allow into the processual flow of co-creation (Kohtamäki and Rajala, 2016).

3.1.1. The selected case study

The participating organization is a start-up company in Germany that develops and sells AI-based technology solutions, in particular for visual quality inspection. The company develops and applies machine learning algorithms to image data to detect different visual defects. The company was founded in 2020 and targets manufacturing companies in all industries. Typically, these manufacturers require quality inspection tasks that are currently performed visually by human employees. Technologically, the software functionality for detecting defects uses supervised machine learning models based on the latest computer vision breakthroughs. The many characteristics that may be classified as defects differ widely depending on industry, material, product, and manufacturer, and even across sites for the same manufacturer. Therefore, even though the same underlying processes and software can be used, the AI-based technology solutions are unique to each scenario.

The leading role in the sales process is taken by one of the co-founders, who has a business and sales background. The salesperson is assisted by a sales agent who focuses on lead generation through their contacts and by networking at events and trade fairs. In later stages of the sales funnel processes, the salesperson is assisted by one of two senior software developers with a strong machine learning background. Originally, the company did not follow any structured sales strategy and used trial-and-error sales initiatives.

The company agreed to apply the proposed framework to enable co-creation in the sales process in all upcoming sales opportunities. This meant the implementation of communication and marketing material, implementation in the CRM software, and the design and development of the delivery documents.

While stages 1 (prospecting for customers) and 2 (opening the relationship) of the sales funnel followed the traditional theory with commonly used sales techniques, stages 3 (qualifying prospects) and 4 (presenting the sales message) were designed to initiate co-creation between the company and its customers (see Figure 1). Therefore, the sales team first requested

information to conduct a free-of-charge feasibility study. If both parties agreed to move forward with the project, the sales team offered a PoC to encourage the buyer to interact and learn about the AI-based product. The company would charge the buyer a nominal fee based on actual working time, with a commitment to keeping the cost as low as possible. Afterwards a detailed performance determination and communication phase between the two parties was initiated. The final stage of the co-creation process resembled a traditional specification negotiation, with an added focus on AI-specific requirements, such as a data quality commitment from the buyer, resulting in final engineering specifications. Stages 5 (closing the sale) and 6 (servicing the account) remained unaffected again.

3.1.2. Data collection: Interviews

The data about the buyers' perspectives were collected using in-depth interviews. The primary data generation was conducted via telephone or online interviews to account for obstacles concerning distance, time, and convenience for the respondents. The interviews were conducted after the initial sales call, during which the case study company explained the typical B2B sales process following the described approach. In instances involving buyer teams with multiple members, the case study company identified the primary buyer and initiated the interview request process. The interviews were conducted by the research team, who explained the collaborative research project being conducted with the case study company aimed at evaluating their sales process. A total of 24 sales interactions between the case study company and potential buyers met the eligibility criteria for data collection, which were the clear presentation of the sales process according to the iterative sales funnel framework and no prior business relationship between the parties. Consequently, we successfully recruited 10 buyer personas for interviews. An overview of the sample, including buyer personas and their company characteristics, can be found in Table 1.

#INSERT TABLE 1 HERE#

All interviews were recorded with the participants' explicit consent, ensuring compliance with ethical research practices. The average interview time was 15.5 minutes, and the interviews were all conducted within a period of seven months. The audio recordings were transcribed using TurboScript AI, an AI-based transcription software, and subsequent manual verification and corrections were performed by the research team. Considering the explorative characteristics of the case study, the interviews followed a set of predefined questions. While adhering to the structured framework, we remained flexible to diverge from it or revisit certain aspects in cases of ambiguity or emerging avenues of inquiry. The semi-structure interviews' guideline covered ethical consent, contextual alignment, and buyers' perceptions of an iterative AI sales process.

Questions flexibly explored individual attitudes, organizational fit within procurement process, risk assessment, and perceived co-creation value, while allowing probes to pursue emergent themes. This semi-structured approach ensured compatibility of responses because all interviews included the same questions (Buber and Holzmüller, 2007; Patton, 2014). Each interview concluded with an invitation for participants to share any additional insights or perspectives they deemed relevant.

3.1.3. Interview data analysis

The qualitative data from the interviews were analyzed using Braun and Clarke's (2006) six-step framework for thematic analysis. This involved an iterative coding process, moving from data immersion to the generation of initial codes, and subsequently searching for, reviewing, and defining themes. To ensure rigor and systematic data to theory development, this study also applies the Gioia methodology (Gioia *et al.*, 2013).

The analysis progressed from retaining the informants' voice into first-order concepts, to second-order themes, representing the researchers' theoretical interpretation of these patterns (Gioia *et al.*, 2013). Afterwards, these themes are explored and are integrated into aggregate dimensions that summarize the factors driving co-creation: Supplier Selection Criteria, Buyer Perceptions of Role and Readiness and Project-Specific Factors. Figure 2 presents the resulting data structure.

First, interviewees stressed factors they considered important in their supplier to start an iterative, co-creating relationship. Second, the interviewees mentioned factors regarding their own role in the interaction, expressing internal influences, such as their management strategy, their specific organization, and their environment. Third, the interviewees provided insights into the specific project of co-creating, such as its potential opportunities and associated risks.

#INSERT FIGURE 2 HERE#

3.1.4. Findings from the qualitative study

This section presents the findings of the thematic analysis, identifying the key factors that drive B2B buyers to engage in co-creation during the sales process for AI technology solutions.

Three dimensions emerged during the analysis, Supplier Selection Criteria for Co-creation, Buyer Perceptions of Role and Readiness in Co-creation and Project-Specific Factors and Risk Evaluation. In the following, the three dimensions and their constituent second-order themes are explored, supported by illustrative example statements from the interviewees (see Figure 2).

Supplier Selection Criteria for Co-creation

This dimension condenses the criteria buyers consider when selecting suppliers. Many interviewees gave statements explaining how they evaluated the case study company in the sales process and what qualified them to start the co-creation process. Decision criteria ranged from tangible experience to relational dynamics and financial considerations. The importance of a positive relationship between the actors, for instance, is well-established in co-creation literature (Li *et al*., 2021; Paschen *et al*., 2021). Furthermore, it is undoubted in B2B marketing that the relationship between the parties is key to the success of doing business (Siemieniako *et al*., 2025), an aspect echoed and detailed by our interviewees.

First, interviewees mentioned that positive evaluations of projects already completed in a similar technology or domain, referred to as *reference projects*, would have a positive influence. Interviewee I6 stated "In general, we ask for references, and expect the supplier to show us how they have already implemented this in another context, in a similar form, or whatever."

Other interviewees added that an *existing relationship with the buyer* is beneficial for a supplier to start co-creation processes, pointing out that "If you are already close with a customer, such as we are, in a partner role, we might be more willing to pay for smaller iteration[s] and tests" (I3). In the same vein, interviewee I8 said that "Finally, the mindset that our company is only as strong as its suppliers is gaining momentum." Interviewee I10 mentioned that they only engage in co-creation with long-term suppliers, associating it with a risk reduction: "For decades, we have consistently worked with the same suppliers, simply replacing one with another, when necessary, without introducing much innovation. This approach has allowed us to minimized risk."

In the case of selecting suppliers for potential co-creation, companies have a very strict process for evaluating the *company stage*, as well as their *commitment and professionalism.* For instance, interviewee I9 stated "We have a very strict rating with our suppliers. Especially we evaluate our partners for their company size, if they have stable financial status, and how they want to develop and grow." Nevertheless, soft factors also play a role, as interviewee I10 reported:

> *The more you feel that the potential supplier is genuinely committed to you and the project management—such as setting realistic milestones—the more confidence and security they project, which ultimately makes them a better choice.*

Another contributing factor is the *unique selling proposition* offered by the supplier. The purchasing team assesses how the supplier's proposition aligns with the status quo and stands out against competitors, always considering it from the buyer's perspective: "What really matters to us is if the company is able to convey clearly what is the unique selling proposition, what is the advantage in respect to all the other companies that offer similar products" (I8).

Lastly, two supplier characteristics were discussed with some ambivalence: the *company stage* and the *price strategy for the co-creation process*, which also appear to interact with each other. Several interviewees mentioned that they accepted paying for the co-creation process more readily if the supplier was a start-up, rather than a bigger supplier:

> *If we order services, we understand it results in costs which have to be covered somehow. And if you, as a start-up, ask for money, we have a higher willingness to pay, while we expect our existing suppliers to pay it as overhead from their current business with us.* (I9)

Nevertheless, the *company stage* of a supplier plays a role not only in payment decisions, but also in the general evaluation at the beginning a joint project. Several interviewees mentioned they had bad experiences with buying from start-ups, leading to unfinished projects or a cessation of service due to them leaving the market. Interviewee I9 said, "Especially with start-ups, we are very strict to reduce our risk." The same standpoint was shared by interviewee I10:

> *We have in the end given it to the competitor, who is a man-powerful company, but the company is not a giant, but where we just assume that [it has] the resources we need to implement it in a timely manner as we want, and to make improvements later, that it goes smoothly. In our case, there were a [few] too many start-ups, if I may say so, because that was a risk factor that we had to take into account.*

Besides the previously mentioned impacts, the *price strategy for the co-creation process* seems to be important for the buyer teams from other perspectives as well. Interviewees reported both payment requests in early co-creation phases and overall pricing structures leading to exclusion of suppliers in supplier selections. For instance, interviewee I8 reported: "What has happened, unfortunately, in the past is that those suppliers that asked a fee for a PoC then were left behind. It's difficult somehow to get a budget for PoCs." Interviewee I4 stated that "We considered doing a PoC with one company, but rolling it out internally afterward would have required licenses that were too expensive."

Collectively, these insights from the buyers underscore that supplier selection for co-creation is a multi-faceted decision, constructed from a complex interplay of established trust, demonstrated capability, and perceived value.

Buyer Perceptions of Role and Readiness in Co-creation

Analysis of participant narratives concerning internal capabilities and organizational attitudes revealed a second significant dimension: *buyer perceptions of role* and *readiness in co-creation*. This dimension provides an overview of the buyers' self-assessment, internal processes, and willingness to invest in collaborative development.

In general, the interviewees were very reflective on the importance and impact of their own circumstances on the co-creation outcome. First of all, the general attitude of a company and especially management towards the co-creation situation, as well as the project itself, were mentioned. Most comments about the buyers' *attitude towards new technologies* were positive, meaning they considered their company open to adopting new technologies. For example, I3 stated "I think we will do more iterative projects in the future, technology is advancing faster, the development cycles [are] getting shorter and thus more new technologies are pushed into our market." However, another interviewee stated that their opinion of that issue might not reflect the overall opinion of other key stakeholders:

> *So, if something new comes up, it's already difficult. If that flops first, then it's even more difficult. And when you get to that point, some projects that are innovative have died for a while, because it is also talked about, so to speak.* (I10)

Furthermore, it was reported that some buyers have an *attitude towards co-creation* that might play a role:

> *I believe the cooperation in these projects create[s] value beyond the solution. You as a supplier haven't seen everything yet. You as a supplier know your product and we know ours. I believe the value is generated by [the] marriage of both components.* (I9)

Some interviewees even mentioned a clear strategy for this type of project:

> *We are trying to check this feasibility very collaboratively with new start-ups or new technologies to influence development. We think we are already at the forefront of technology and by [being] so we think we will have a bigger competitive and technological advantage.* (I5)

Nevertheless, it seems to be an ambivalent topic, with interviewees openly mentioning their disagreement with their management's attitude towards the topic. I3 stated "Our industry is very conservative; everyone is very reluctant to pay for feasibility studies at the moment." Similarly, I6 mentioned "There are different opinions on that in our company. I prefer small steps, but it really depends on the person who works on the topic with us." In a different direction, I1 assumed that their own sales strategy might have influenced their likelihood of joining co-creation processes as a buyer: "For us, it was no surprise that an iterative process was necessary. Our products cannot be used directly without first obtaining all the relevant parameters and information from our customers."

Moreover, the *existence of co-creation processes* influences a company's ability to join one. Co-creation between B2B parties creates cost and processes, so budget availability must be

considered in this context. Statements and factors in this field are very diverse, with interviewees focusing on specific situations and interrelations between factors. For example, I5 reflected that:

> *One reason why we do not have a rigid process is that these projects are very complex to evaluate from a strategic point of view. They need to be evaluated individually, so that you can actually take into account the various factors of influence: strategic relevance, addressable market.*

Some companies stated that they have a process to co-create and finance co-creation processes with suppliers or could adapt an existing process for their needs:

> *I don't think we had to develop a new process for it, but expanded an old one for it, called "the pre-study." It is basically the same, but probably not used as often in the past. If you don't want to make big leaps and make innovations, then you don't have to do this.* (I10)

However, most interviewees stated that they did not have specific processes for joining co-creation projects with suppliers. Nevertheless, they knew about possibilities to generate a budget for such projects in other ways. For example, I5 stated "We don't have a standardized process for this co-operation. The process is often very project-specific. The context, the background, matters, and we have certain committees, where these projects can be brought in if there is a financial need."

A very interesting finding arises when asking for buyer companies' general *attitude towards paying for co-creation.* This topic was probably the most diversely and intensively discussed among the interviewees. Many interviewees expressed being newly confronted with this topic and not having experience, as I8 summarized:

> *No, starting a common joint project with the supplier, we did not do much in the past. The past was more about we, as a buyer, do our own developments; you, as suppliers, do your own developments, and then we see who is the best.*

In the following there are some illustrative comments showing the dimensions considered when thinking about paying a supplier within the co-creation phase of a sales process:

> *Typically, we do not pay for a PoC, because PoCs are useful for us to understand how well a solution works and how much it can fit our needs.* (I8)

> *Both. We let suppliers pay, but we also pay when the prospects are good. Depending on how deep the whole thing goes.* (I7)

> *If it's just about the reliability of a solution, it should be free of charge; if it's a bigger thing, I understand that [it] is, of course, also cost-effective. But, yes, we pay for PoCs and, for me, it*

> *doesn't necessarily have to work afterwards. Anyways, of course it should be likely that it will work, but never 100% otherwise you won't need a PoC.* (I4)

> *Only because we [make] billions in earnings, doesn't mean we just put 100,000 EUR in[to] PoCs. Small amounts, like 5000 EUR aren't a problem, but [we pay larger amounts] only if there is a business case.* (I5)

Lastly, buyers also mentioned being influenced by their current *overall economic situation* as a company in deciding to join co-creation processes. For example, I4 mentioned "At the moment, economic conditions are not so good for us and this affects innovation projects."

In summary, the interviews provide detailed insights in buyer perceptions regarding their role and readiness in co-creation, where individual and organizational attitudes, alongside the maturity of internal processes, emerged as critical determinants shaping their engagement approach.

Project-Specific Factors and Risk Evaluation

A third major dimension consistently identified across interview data in reference to the influence of *project-specific factors* and *risk evaluation, a*s buyers frequently discuss how the nature of the project itself, particularly its inherent uncertainties and strategic implications, shaped their engagement decisions.

This section describes what project characteristics buyers consider to be favorable or unfavorable to entering a co-creation process with a supplier. When talking to the buyers, many factors associated with perceived risks of a project emerged. In our case study, most perceived risks were described to be caused by the *newness of the technology*. I5 stated that they "buy PoCs if technology is not very developed; we say, let's work together on a proof of concept, [then] we formulate a representative use case or a representative problem." I7 spoke in a similar vein: "This feasibility study is necessary, I think, because this topic is new. Nobody knows how it works or can work." I6 welcomed the co-creation process with similar arguments:

> *So, for me, this iterative approach is a little more risk-minimizing at this point. And I wouldn't prefer a complete solution that I would try to do in the first step. So, for me it would always be such an iterative concept, at this point including such a new technology.*

Nevertheless, we identified a distinct factor addressing the general *risk of technological failure*. This risk may come not solely from the novelty of the technology, but also from its application to a specific use case. I6 stated:

> *In this specific case, we have very little experience in the field. It makes sense for us to take small steps and see how the case company works as a company and what we can achieve with its technological approach.*

Further, a general reduction in the *economic risk* of a project can motivate the buyer to join co-creation processes:

> *We think the iterative approach minimizes risk for both parties. We can [correct more quickly] if we realize we are on the wrong path. That's basically the main purpose of it, I think. We want to learn fast and [be] cost-efficient.* (I6)

Interestingly, buyers were not necessarily focused on just avoiding the economic risk for their company. I10 said:

> *Purely contractually, it is possible to put all risk on the supplier. But the performance will not be retained later. So, the entire subsequent process involves internal complaints about performance, the excessive workload, and the significant reputational damage caused to both the project, the project manager, and the production team.* (I10)

Besides these factors associated with the risk evaluation of a project from the buyer's side, there are also factors related to the *strategic impact* for the buyer companies. Financially, this can be caused by the overall cost of a project, as I1 mentioned, "The level of investment and financial risk matters a lot for us." However, the impact of a project can be also created by the urgency of creating a solution, as elaborated by I8: "We have realized that technology is advancing too fast and we need to cooperate in these sorts of projects, otherwise this will not fly." Additionally, a project may have the potential to generate future business opportunities:

> *We look into the strategic importance of this technology for us. We have a much higher appetite to make an advance payment if we have strategic relevance, a mass market we can address, and scalability factor later on in the project.* (I5)

If a project appeared to offer a solution with *external scalability potential* for the supplier, the buyer's motivation to engage in co-creation processes was reported to be lower. I4 stated "If I think the use case has a high scalability potential externally, I expect the cooperating company to deliver advanced performance." I5 argued in the same way, stating that "Ideally, if the future solution has external commercial potential, the supplier should pay in advance, because we also have to provide materials, manpower, and some of our investments. And that all has a cost."

Finally, we have the perceived *added value of co-creation* to the overall outcome of a project. I10 illustrated this factor:

> *You only know some of the requirements after you have gone through one or two iterations. The more steps there are, the better it works, and the result only gets better. It is also more time-intensive for the supplier, I would say, which is a disadvantage in normal cases. But for this type of project, I think it's worth it.* (I10)

Ultimately, the buyers' discussions consistently revealed that engagement in co-creation is heavily contingent on project-specific attributes, particularly the perceived risks (technological and economic) and strategic opportunities, thus establishing *project-specific factors* and *risk evaluation* as a central dimension in their decision-making frameworks.

3.2. Second stage: Quantitative study

The second stage of the mixed-method research combines qualitative and quantitative approaches as an inference technique to go deeper into the understanding of the topic and to permit corroboration (Johnson *et al.,* 2007). Following the pragmatic stance of the mixed-method research, that move on from inductive to deductive and abductive research (Harrison, 2013; Johnson and Onwuegbuzie, 2004), this quantitative study is designed to directly test the prevalence and predictive power of the specific second-order themes that emerged from the first qualitative stage (Figure 2). The constructs for this quantitative phase are thus empirically derived from the qualitative data, ensuring a direct and logical linkage between the two stages.

3.2.1. Hypothesis Development

Based on the findings from the qualitative exploration, we developed a conceptual model to be tested quantitatively on this second stage. The qualitative study identified that successful co-creation is driven by specific Supplier, Buyer and Project factors.

H1 (*Supplier selection criteria*): Consistent with the need for relational trust, favorable supplier attributes (reference projects, professionalism) will positively predict the buyer's intention to co-create.

H2 (*Buyer perceptions of role and readiness*): Since co-creation requires the buyer to be an active participant, the buyer's internal readiness (positive attitude, willingness to pay) will positively predict the intention to co-create.

H3 (*Project-specific factors and risk evaluation*): In line with value-based selling, perceived added value (H3a) will positively predict co-creation intention, whereas perceived technological and economic risks (H3b) will negatively predict it.

3.2.2. Measurement and Survey Design

The dependent variable, Intention to Co-create, was adapted from the "Intention toward Future Co-creation" scale developed by Dong *et al.* (2008). The construct was operationalized with three items. Internal consistency was confirmed, as Cronbach's alpha value (α = 0.844) exceeded the recommended threshold of 0.7 (Nunnally and Bernstein, 1994). The independent variables were directly conceptualized and operationalized based on the emergent second-order themes identified through the thematic analysis conducted in the qualitative Study 1. In this context, single-item measures were employed rather than multi-item scales because the constructs identified from Study 1 were narrow and clearly defined, making them amenable to valid measurement with a single item (Bergkvist and Rossiter, 2007). In addition, we collected relevant demographic information, including Current Role, Management Experience (total years across all companies), and Gender. All variables were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

3.2.3. Survey Data Collection and Sample

Participants were recruited via Prolific using a set of predefined eligibility criteria to ensure relevance to the study's business-to-business (B2B) context. Eligible respondents were required to (1) be employed full-time or part-time, (2) hold decision-making responsibilities within their organization, and (3) work for a for-profit company operating in a B2B environment. Additional criteria included fluency in English and residence in a European country. Participants who had taken part in the pre-study (N = 49), which was used to identify and address potential issues in the study design, were excluded from the main study sample. The total pool of eligible Prolific users meeting these criteria was 2,792.

Before beginning the survey, participants were shown the following instruction: "Please only proceed if your current role involves participation in the decision-making process for acquiring AI technology solutions for your company." To further ensure relevance, this context was repeated as a screening question within the survey: "*Does your current role involve participation in the decision-making process for acquiring AI technology solutions for your company?*" Participants who answered "No" (N = 96) were screened out at this stage and did not complete the study. In total, 293 valid and complete survey responses were collected. Participants received £1.50 for completing the survey. Table 2 presents the demographic characteristics of the participants.

#INSERT TABLE 2 HERE#

3.2.4. Survey Data analysis

We chose a regression model approach because the primary objective was to examine the effects of the independent variables on the dependent variable and to directly compare the relative importance of the predictors. Given the large number of potential predictors and the found presence of multicollinearity, an Elastic Net regularized regression model was chosen (Zou and Hastie, 2005). This model addresses issues of multicollinearity among predictors while simultaneously retaining as many independent variables as possible; the combined L1 and L2 regularization of the Lasso and Ridge methods, balances variable selection with coefficient shrinkage, thereby ensuring model stability without discarding potentially relevant predictors. All analyses were conducted in Python using the scikit-learn library (Pedregosa *et al.,* 2011). Specifically, we applied the ElasticNetCV implementation with 5-fold cross-validation to identify the optimal regularization parameters (Hastie *et al.*, 2009), ensuring a stable and interpretable model suited to our research objective.

3.2.5. Findings from the quantitative study

The quantitative study aimed to validate the factors discovered in the qualitative study and test hypotheses H1–H3. The final model explains 37.0% of the variance on unseen data ($R^2 = 0.3699$). Our findings reveal that factors of the dimension Buyer Perceptions and Readiness are the most powerful predictors of their intention to co-create, providing strong support for H2. The single most important factor is a pre-existing positive attitude toward co-creation (β=0.21). This was followed by the perceived value add of the process (β=0.08) (supporting H3a) and a willingness to pay for it (β=0.10), both of which were also significant themes explored in the qualitative interviews. This suggests that for suppliers, fostering the right mindset and clearly communicating the value proposition is paramount.

Conversely, perceived risks, particularly the risk of technological failure (β=-0.07), act as significant barriers, supporting H3b. Furthermore, the overall economic situation (β=0.06) plays a positive, albeit secondary role. This indicates that while the buyer's mindset is key, contextual factors and risk perceptions must be actively managed.

Notably, regarding H1, the Elastic Net model eliminated two variables entirely by shrinking their coefficients to zero: the existence of a former relationship with the buyer and the supplier's unique selling proposition. This might suggest that while H1 is partially supported by reference projects, once buyer's attitudes and value perceptions are accounted for, these traditional relationship and marketing factors offer no additional explanatory power in predicting co-creation intent. Figure 3 summarizes the findings from the quantitative study.

#INSERT FIGURE 3 HERE#

4. Discussion

This study aims to explore the buyers' perspective of co-creation in the B2B sales process for AI-based technologies. In doing so, it seeks to uncover insights into how buyers evaluate and engage in co-creation initiatives during the B2B sales funnel. Owing to the intrinsic characteristics of selling AI-based technologies, the B2B sales funnel is remodeled as an iterative process, aiming to facilitate co-creation between the buyer and the supplier. This reinforces the importance of collaboration between the parties when co-creating in B2B sales (Li *et al*., 2021; Paschen *et al*., 2021; Siemieniako *et al*., 2025). Further, it aligns with the iterative nature of AI as a technology (La Rocca *et al*., 2016; Wang *et al*., 2022).

4.1. What criteria do buyers consider when selecting suppliers for co-creation initiatives?

It is well known that trust plays an essential role in B2B relationships (Asare *et al*., 2016; Blois, 1999; Gansser *et al*., 2021). Several factors found in our research directly build on the concept of trust: the *reference projects* of a supplier, the *former relationship with the buyer*, the *commitment and professionalism* of a supplier, and even its *company stage*. The strong role of trust in supplier selection was also found in previous research in the B2B area, such as a moderating role of trust when adopting new technologies from a supplier (Alsaad *et al*., 2017). This mainly shows that the interviewees select and evaluate potential co-creation partners in a similar way to selecting general suppliers. This is supported by the survey study having the both most influential supplier-related factors *reference projects* ($\beta = 0.046$) and *company stage* ($\beta = 0.042$).

While most interviewees emphasized strict evaluation criteria, focusing heavily on supplier stability and the organizational capability of potential partners, most of them were also flexible in this regard. In particular, a greater degree of leniency and support was extended to start-ups in recognition of the potential for innovation inherent in co-creation processes. They demonstrated greater flexibility in accommodating *price strategies for co-creation processes*, particularly when these strategies required a higher level of contribution from their side. A positive effect of a fair *price strategy for the co-creation process* ($\beta = 0.035$) was found relevant for the survey participants. Another, comparatively weaker, evaluation factor ($\beta = 0.008$) was the supplier's *commitment and professionalism*, which were also considered in the decision-making process.

A more critical insight of the supplier-related factors is that the coefficients for all predictors in this category were notably smaller in magnitude than those in the buyer and project categories. Perhaps the most striking finding is that the Elastic Net model eliminated two factors entirely: *former relationship with buyer* and *unique selling proposition* by shrinking their coefficients to

zero. This suggests that in the context of co-creating AI solutions, a supplier's marketing claims, and the comfort of a past relationship offer no additional predictive power once more critical factors are considered. We therefore interpret these supplier criteria not as primary drivers of the decision, but as foundational "table stakes": necessary qualifying criteria for a supplier to be considered, but insufficient to ultimately determine the buyer's choice to engage.

4.2. What is the perception of B2B buyers regarding their role and readiness in co-creation processes with suppliers?

Our interviewees' reflection and evaluation of their own role in a co-creation process started with factors typically found in organizational technological innovation adoption research (Tornatzky, 1990). Herein, we have to consider that many interviewees perceived and described both the AI and the co-creation process as innovative for their organization. The co-creation process between buyer and supplier is hereby viewed as a strategic approach to achieving enhanced value through the joint development or customization of an innovative technology for a buyer's business problem. Therefore, factors associated with the organizational readiness of innovation adoption, such as their *attitude towards new technology* and their *attitude towards co-creation* were found to be influential by the interviewees. While some companies demonstrated strong enthusiasm for new technologies and iterative processes, others expressed hesitation, citing conservative industry norms and internal disagreements. The negative attitude towards co-creation some interviewees described is especially interesting considering the suspected positive impact of co-creation on business performance in research (Pathak *et al*., 2022). The survey study revealed that *attitude towards co-creation* ($\beta = 0.209$) is the single most important factor in the entire model. This means that suppliers are far more likely to succeed with buyers who are already philosophically aligned with the co-creation process. Interestingly, an organizational positive *attitude towards new technologies* impacts the intention to co-create much lower ($\beta = 0.015$).

The interviewees revealed that the *existence of co-creation processes* for buyer–supplier projects is not yet a standard practice across organizations. Nevertheless, all interviewees were familiar with ways and means to realize them, often attributing the absence of standardized processes to the unique characteristics of these projects and an existent process generally positively impacts the *intention to co-create* ($\beta = 0.034$).

Further, the interviewed buyers mentioned factors related to the current environmental context of their business as influencing the decision to join a co-creation project, specifically the *overall economic situation*. This is supported by the survey study ($\beta = 0.058$), indicating that organizations were very clear about internal and external costs related to co-creation projects.

In the interviews, Buyer's *attitude towards paying for co-creation*, especially for the costs incurred by the supplier, were a diversely discussed topic with several interviewees being against payments for suppliers under specific circumstances. Interestingly, the survey result showed that participants whose organization has a positive *attitude towards paying for co-creation* (β = 0.209) are more likely to engage in a co-creation process with the second most important factor in the entire model. This underscores the importance of commitment and for suppliers, a buyer's readiness to invest financially in the process is a powerful signal of genuine intent, separating serious potential partners from those with only a superficial interest.

While the variability in the interviews underscores the complexity of buyers' role and readiness and reflects the tension between the desire for innovation and the need for cost minimization, the survey results shows that factors related to the buyers's own mindset and context are the most powerful predictors of his intention to co-create.

4.3. What project characteristics influence B2B buyers' decisions to engage in co-creation processes with suppliers?

In our case study, co-creation was considered beneficial only in situations where no fixed, tested, or well-referenced solution was available in the market to address a problem or pursue an opportunity. This is supported by the results of the survey study, indicating that the *value add of co-creation* (β = 0.083) is the most important positive predictor of the project characteristics. The second positive predictor described in the interview and confirmed by survey study results is that a *strategic impact* (β = 0.009) of a project motivates buyers to engage in relationships with a supplier, to gain substantial future business opportunities or competitive advantage.

A noteworthy, unexpected finding, initially identified during qualitative interviews and subsequently confirmed by the quantitative analysis, concerns the negative impact of external scalability potential on buyer's *intention to co-create* (β = -0.024). The qualitative data suggests an explanation for this phenomenon: when a project offers significant scalability benefits primarily for the supplier, buyers expect the supplier to assume a greater share of the initial development costs and risks, thereby reducing their own motivation to co-invest their resources.

Further risk of a project failure was a recurrent topic in the interviews with interviewed buyers mentioning to favor iterative co-creation processes with a potential supplier to mitigate both technological and financial uncertainties. While this thought might be reflected in the *value add of the co-creation* factor, the survey data analysis reveals that project-related risks and uncertainties beside these thoughts act as significant barriers to co-creating AI solutions. The most substantial deterrent identified in this category is the *risk of technological failure* (β = -0.066). This indicates that the primary fear for B2B buyers is not the financial investment, but the possibility that the

complex AI technology will fail to perform as expected. This concern is reinforced by the negative coefficient for *newness of the technology* (β = -0.046), which suggests that buyers perceive untested or "bleeding-edge" technology as a liability rather than an opportunity. Notably, the *economical risk* (β = -0.003) had a negligible impact in the final model. Collectively, these findings paint the picture that for B2B buyers in the AI space, the fear of functional and performance risk far outweighs the concern for direct financial risk.

In conclusion, the findings reveal that a B2B buyer's decision to co-create based on project characteristics is not a simple checklist, but a sophisticated strategic assessment. The process begins with necessity, the conviction that the co-creation process adds value to the solution that existing market solutions cannot provide. This potential reward is then carefully evaluated against risks, dominantly the functionally focused fear of technological failure. This risk-reward calculus is further refined by a principle of equity. The finding on *external scalability potential* demonstrates that buyers are not passive partners but analytic investors who discount their engagement if they perceive a long-term imbalance of rewards.

5. Theoretical contributions

This research addresses a critical gap in the B2B sales literature exploring the role of co-creation in the procurement of complex, high-risk technologies like AI solutions. While recent studies have examined how AI changes the sales process (i.e., Gaczek *et al*., 2023; Terpoorten *et al*., 2024), there is a lack of understanding of how collaborative approaches can be leveraged to facilitate the sale and adoption of these solutions. This study contributes by providing a framework to include co-creation into the sales process and then exploring and investigating the specific factors that drive the B2B decision to engage in co-creation within the sales process, revealing that it is perceived not as a simple transaction, but as a strategic investment.

While foundational models in B2B purchasing have long characterized the organizational buyer as a rational agent moving through a structured, problem-solving process (*i.e.*, Robinson *et al.,* 1967; Webster and Wind, 1972), our research suggests this perspective requires significant nuance in high-uncertainty contexts like the co-creation of AI solutions. In the context of co-creating novel AI solutions, we observed a significant behavioral shift: the buyer's decision-making calculus more closely resembled that of a cautious investor than a traditional problem-solver. The final decision was contingent not just on solving a problem, but on a favorable "investment case", where the buyer's internal readiness aligned with a project offering high opportunities and mitigated risks. This finding contributes a critical, context-dependent extension to the theory of B2B purchase decisions, highlighting that in high-stakes innovation scenarios, the

dominant logic shifts from tactical problem-solving towards a more strategic evaluation of risk-adjusted returns.

Furthermore, this finding contributes a critical refinement to sales funnel theory in the context of complex solutions. The traditional, linear sales funnel model assumes a clear progression towards a pre-defined solution. However, when the solution itself is emergent and must be co-created, this linearity breaks down. The buyer's investment-oriented calculus necessitates an iterative, cyclical process of engagement.

In line with research highlighting the importance of joint development in complex B2B sales (Ulaga and Reinartz, 2011) and the need of iteration for successful AI implementation (Leone *et al.,* 2021; Sjödin *et al.* 2020), the buyer does not simply move down the funnel. Instead, they engage in 'de-risking loops', iterative cycles of exploration, feasibility testing, and re-evaluation, before a final commitment is made. This contributes to sales theory by supporting to modifying the classic funnel into a more dynamic model for complex sales, where the critical stages (e.g. stages 3 (qualifying prospects) and 4 (presenting the sales message)) are not linear steps, but iterative learning cycles designed to reduce uncertainty for both the buyer and the supplier.

6. Managerial implications

For sales managers in the AI area, this research aims to provide a strategy to overcome barriers in the process of selling customized AI-based products. The application of the framework will help to reduce the overall risk of a project and avoid customer dissatisfaction. In particular, in markets where suppliers are expected to take on the economic risk of a project, for example, through performance guarantees and contractual penalties, the initiation of co-creation in the sales phase of a project can be very efficient, reducing the potential risk to the supplier through short iteration cycles and thereby quicker realization of project failure.

Further, our findings offer a strategic roadmap for B2B suppliers aiming to initiate and succeed in co-creating AI solutions. The results suggest a fundamental shift in focus is required, moving from traditional sales tactics to a more strategic role as a value-creating, risk-mitigating partner. Based on our findings, we propose the following actionable recommendations:

6.1. Prioritize partner mindset over past relationships

The most powerful predictor of co-creation intention was the buyer's pre-existing *attitude towards co-creation*, while *former relationship with buyer* was eliminated by the model. This indicates that managers should invest less in leveraging past relationships and more in identifying and nurturing clients who already possess a collaborative, innovation-oriented culture. Sales and

marketing teams should be trained to use qualifying questions that assess a potential partner's readiness and willingness to engage in a deeply collaborative process.

6.2. De-risk the technology, not just the finances

Our model revealed that the *risk of technological failure* is the most significant barrier, far outweighing *economical risk*. Therefore, managers should focus their efforts on mitigating performance uncertainty. Instead of offering financial discounts, suppliers should invest in developing clear proofs-of-concept, detailed technical case studies, and phased, iterative development plans that allow the buyer to see and test functional components early and often. Start-ups, in particular, profit even more and benefit from buyers' greater willingness to cover costs during the initial phases of co-creation reported in the interviews, while long-term partners may face greater challenges in charging buyers for efforts during the early stages.

6.3. Frame scalability as a shared, equitable opportunity

Already the interview showed that buyers are acutely aware of the costs associated with co-creation, both internally and externally. The negative coefficient for *external scalability potential* provides a critical, counter-intuitive insight. Buyers are hesitant to co-invest in projects where the supplier appears to be the primary long-term beneficiary. Managers must proactively address this by framing the commercialization and scalability plan as a joint venture. This could involve creating clear terms on intellectual property, revenue sharing, or offering the buyer preferential terms on the scaled solution, ensuring the long-term rewards are distributed equitably.

6.4. Leverage agility and partnership to level the playing field

The model shows that traditional supplier credentials, while relevant, are not the primary drivers of the co-creation decision. Factors like *reference projects* and *company stage* were positive but modest predictors, ranking well below the buyer's own attitudes and key project characteristics. This finding is a crucial strategic insight for smaller firms and start-ups. It signifies that the market for co-creation is not solely dominated by large, established incumbents. Newer firms can effectively compete by leveraging their inherent advantages, such as agility, specialized expertise, and a greater willingness to build a truly equitable partnership (as outlined in Point 3), to compensate for a shorter track record. The focus should be on demonstrating superior value and mitigating technological risk, as these are the factors that truly influence the buyer's decision.

6.5. Navigate the pricing paradox by focusing on value and commitment

The research highlights a significant challenge for managers: how to price early-stage co-creation efforts. While interviews revealed buyers' natural reluctance to pay for uncertain initial phases

like a Proof-of-Concept (PoC), the quantitative data shows that a buyer's *attitude towards paying for co-creation* is the second most powerful positive predictor of their intention to engage. This creates a pricing paradox: willingness to pay is a sign of a committed partner, but demanding payment too early can deter them.

This suggests a multi-stage pricing strategy. For initial exploratory conversations, suppliers should avoid charging fees, focusing instead on building trust and demonstrating value. However, once a project moves towards a tangible PoC or feasibility study, our findings indicate that a buyer's willingness to financially commit is a critical qualifier. Managers should use this as a litmus test: a buyer who is unwilling to co-invest in this stage, despite the clear value proposition, may not be the committed partner required for a successful co-creation journey. Therefore, pricing should be positioned not as a fee for service, but as a mechanism for establishing shared commitment and mutual investment in the project's success.

7. Limitations and future research

This study has several limitations that should be acknowledged. First, the interviewees' perceptions and answers were grounded in the specific context of the case: an interaction between a high-risk technology start-up and its buyers. These dynamics, shaped by the small size and innovative nature of the start-up, may not generalize to other co-creation processes, such as those involving two conservative and well-established organizations. Changing the context in this way represents an important avenue for future research. Specifically, the restriction to a single start-up context and a specific geographical region limits the immediate generalizability of the findings. Consequently, the interpretation of the results should be approached with caution when applied to large, established corporations or different cultural settings, where risk tolerance and decision-making hierarchies may differ. Future studies should examine these factors across broader organizational contexts to validate the robustness of the model. Second, while the sequential mix-method is a strong approach for exploration and validation, this research calls for further confirmatory research. Given the exploratory nature of this study and the presence of multicollinearity among predictors, Elastic Net regression represented the most suitable analytical approach. Its focus on variable selection and relative importance is well aligned with our research objective. Nevertheless, future confirmatory research may build on these insights by applying hypothesis-testing approaches (e.g., OLS or PLS) to formally assess statistical significance.

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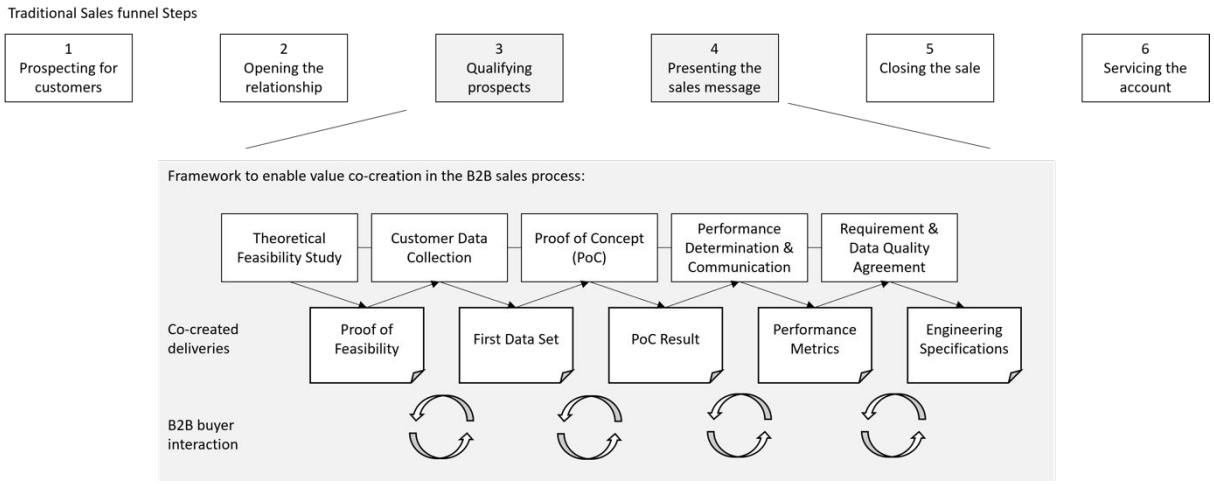
Figure 1 B2B sales funnel for AI-based technologies



Source: Authors' illustration, where intermediate loops have been added to the original B2B sales funnel of Johnston and Marshall (2009)

Figure 2 Buyers' perspectives on co-creation in B2B sales processes for AI technology

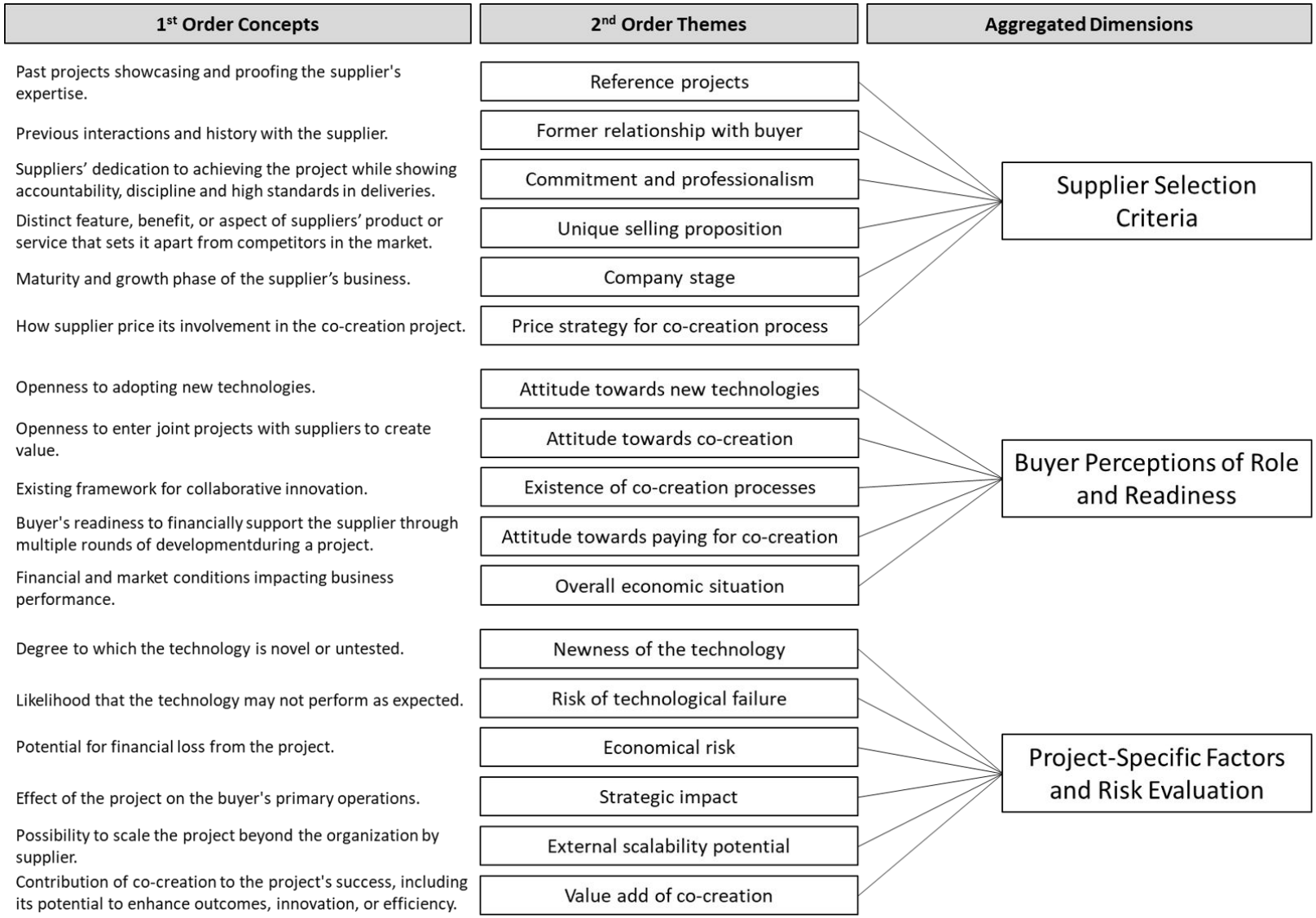


Figure 2 Elastic Net coefficients for predicting B2B buyers' intention to engage in co-creation for AI solutions

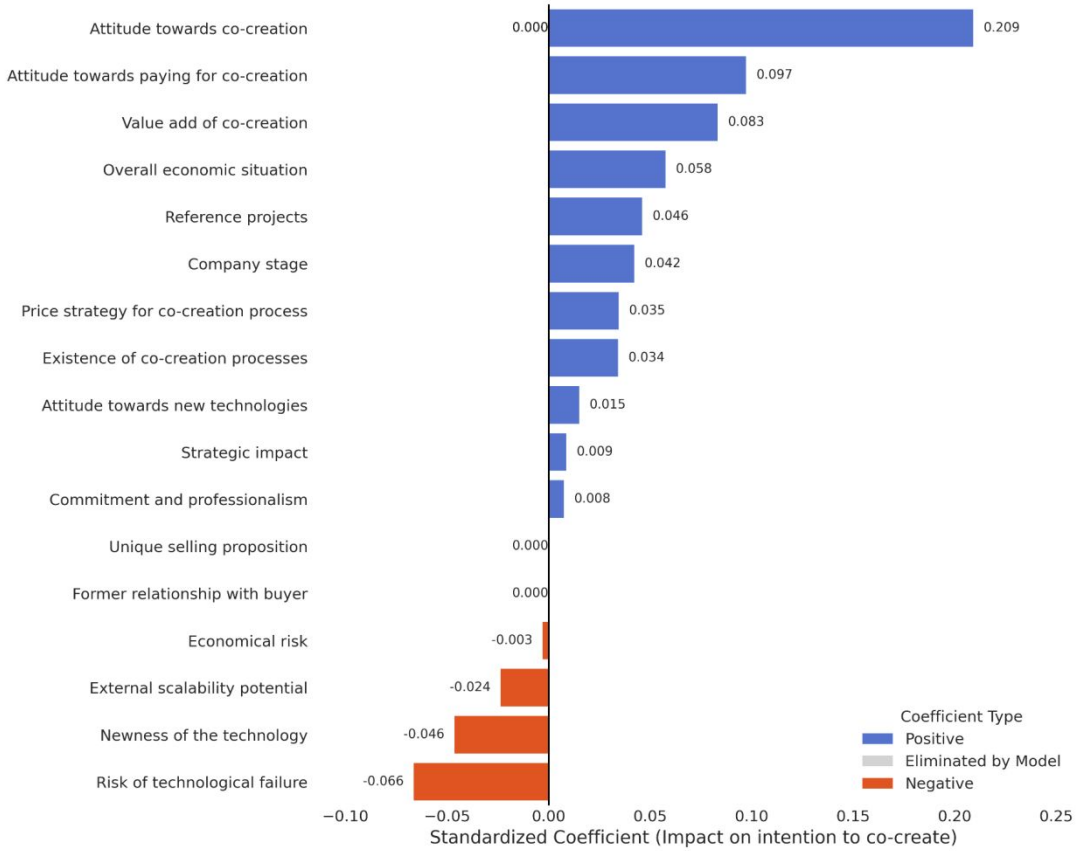


Table 1. Sample overview

ID	Interviewee role	Company industry	Product (related to interview)	Company yearly revenue in EUR	Company employees
I1	Business development	Safety concepts	Rupture discs	40m	230
I2	Technical manager	Furniture industry	High-quality furniture component production	20m	144
I3	Head of business unit	Measurement technology	Sensor and documentation system	25m	220
I4	Yard operations	Construction equipment	Formwork products	1.4bn	7,000
I5	Head of department	Construction	Precast concrete elements	26bn	63,000
I6	Head of quality	Construction	Railway sleepers	287m	1,679
I7	Quality manager	Automotive	Coated injection molding parts	42bn	179,475
I8	Digital solutions manager, supplier quality	Automotive	Automotive cast parts	16.3bn	83,632
I9	Project leader innovation	Automotive	Wheels	1.3bn	8,000
I10	Project engineer	Industrial supplier	Industrial ceramics	550m	21,000

Source: Authors' own work

Table 2. Demographic characteristics of the survey participants

Gender		**Age**		**Management role**		**Management experience**	
Male	205	20-29 years	76	Specialist / Other	104	<3 years	78
Female	86	30-39 years	119	Project / Team Management	88	3-4 years	52
Not defined	2	40-49 years	64	General Management	51	5-9 years	77
		50-59 years	27	C-Level / Executive	40	10-19 years	59
		>59 years	7	Senior Management	10	>=20 years	12