

What's the cost of a B2B eCommerce platform?

Short guide for businesses looking for the right B2B solution





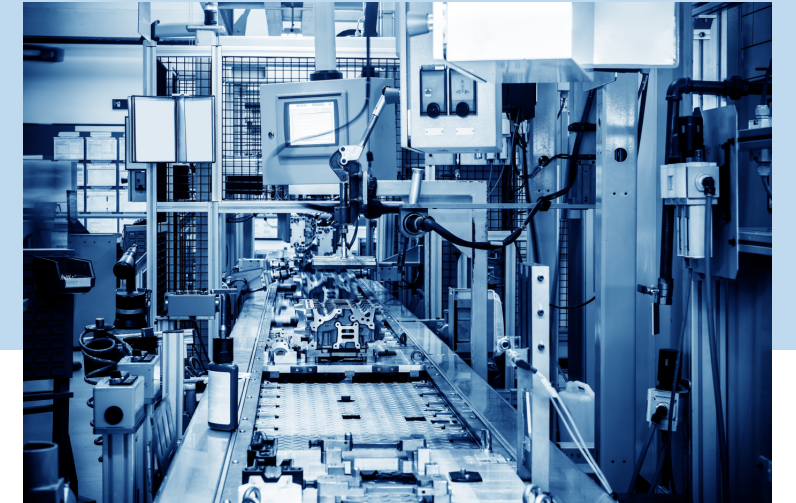
What is B2B eCommerce?

B2B ecommerce, or business-to-business electronic commerce, describes online order transactions between businesses.

Orders, validations and shipping are processed digitally, optimizing the buying efficiency for distributors, manufacturers, distributors and wholesalers and other types of B2B sellers.

Before diving into how much a B2B eCommerce costs, let's take a look at the different types of B2B eCommerce.

Different types of B2B eCommerce



B2B2C

Business-to-business-to-consumer (B2B2C) eCommerce takes out the middleman between the B2B organization and the B2C, putting the businesses directly in contact with the consumer. How wholesalers and manufacturers interact with traditional B2B and B2C models can best exemplify how it works.

With B2B2C ecommerce, these transitions happen online, often through virtual storefronts, an ecommerce website or even apps.

In many B2B2C eCommerce models, the consumer knows they are getting products from a business that's separate from where they purchased it. For example, a consumer may purchase a clothing product from a marketplace provider, gathering multiple brands, but the product is branded and sent by the manufacturer.

Wholesale

Wholesale can best be described as the sale of goods to other businesses. Businesses often buy goods in bulk for a lower price and resell them at retail value. The goods are usually purchased directly from the manufacturer or distributors. This is wholesale, and it's a popular type of B2B. Wholesale B2B models can be found across multiple industries such as retail, food service, construction, and medical and many others.

Traditionally, wholesale B2B transactions occurred over the phone, via email or the fax. With wholesale B2B eCommerce, everything is digital which allows the wholesaler to display products easier and creates a seamless buying experience.

Different types of B2B eCommerce

Manufacturers

The auto industry illustrates well manufacturers in a B2B arena. For example, the manufacturer creates individual car parts, such as a wheels, fuel pump and an engine. Then, the manufacturer sells these parts to an automotive company that builds the entire car from the parts and sells it to the consumer. In the B2B model, the finished goods are sold to other manufacturers or wholesalers.

With B2B eCommerce, manufacturers can embrace a digitally connected ecosystem of customers, internal teams, data and systems that they manage through a single platform.

Distributors

A distributor is a person or entity who works closely with manufacturers to increase sales and bring visibility to the goods of manufacturers. In an eCommerce model, the the sale happens online, often through an ecommerce platform.

Many manufacturers work with distributors and taking things digital creates a greater opportunity for growth. Distributors are working to shorten the lead time from sale to delivery. More than anything, distributors are looking to create a customer experience that meet sky-high customer expectations.



Overview of B2B eCommerce prices

Whether you're a manufacturer, distributor or wholesale, any savvy business decision-maker is going to look at cost as a major factor before choosing their B2B eCommerce platform

When it comes to the different solutions on the market, there's several considerations and limitations to take into account. The costs for an on-premise eCommerce platform would include things like licensing, infrastructure, development, support and the hiring of technical staff. The big cost factor for on-premise solution is maintenance. On the contrary, cloud-based solutions, would require less maintenance and be more cost-effective.

Based on our experience and client interactions, we listed different price ranges for eCommerce solutions.

To be noted that it's impossible to get precise pricing for a platform as users, data transactions, developments and design can play a major factor in the final pricing.

80%

of spending around
on-premise solutions
is on maintenance
(Forrester)

Solution type	Description	Capabilities	Benefits	Cautions	Price / Year
On-Premise platform	The On-Premise platform is developed and run on the company premises	• Integration • Customzation • Scalability • Security	• Highly customized experiences • Interoperability and modularity: extensive API coverage • Pre-built integrations (CSM, frameworks, web apps and payment options) • Page builders	• Often limited B2B offerings as majority of on-prem solutions are built for B2C • High costs related to developers needed for each project to customize • High costs when new versions of the platform come out • Security is the client's responsibility • Time to market is long due to manual developments and integrations • Maintenance is a high cost center • Difficult to get a hold on vendors • Lack of transparency of product roadmap • Cloud based solution is not necessarily SaaS	100.000-+million EUR (depending on users and data transactions)

Solution type	Description	Capabilities	Benefits	Cautions	Price / Year
SaaS B2B Platform	The SaaS eCommerce platform is an eCommerce software delivered as a cloud-based system that can be accessed through all types of web browsers.	• Integration • Customzation • Scalability • Security • Flexibility • Plug & Play	• Rich customer experiences • One major benefit is that less expenditure is likely • Agile, adaptable, scalable • Highly customizable front end without any effect on the back-end • No dependency to develop the platform • High scalability where the platform grows with the business • Security is vendors responsibility • Fast time to market	• Contracts are often negotiated on multiyear term, so costs can vary • Several SaaS companies have reservations around making changes to their Master Services Agreement • Uncertainty on how data is treated. It is therefore, important to ask for full transparency and references • Listing and transaction fees can be added to the overall costs. While most businesses don't have an issue with this, it's something to keep in mind	30.000 – 500.000 EUR (depending on users and data transactions) DJUST.

Solution type	Description	Capabilities	Benefits	Cautions	Price / Year
Custom build solution	A custom build solution is a web based store designed and built from the ground	• Integration • Customzation	• Build what you want • Creative freedom as there is no pre-defined pages or templates • Full product ownership • Full ownership of sales proces. No fees on transactions and listings as some ecommerce vendors may apply	• Resource heavy with all developments starting from it's foundations • Maintenance is fully in the hands of the business and once the product is developed it needs to be maintained and secured at all end points • Heavy investment in development • Low security. Custom solutions are not pre-equipped with all the necessary security and stability certificates that follow security regulations like eCommerce vendors • Low agility and adaptability. As the market and technology change quickly, a custom build solution requires significant labor and constant development to meet changing needs	10.000 – 800.000 EUR (depending on users and data transactions)

Everything depends on what you want

It all comes down to what you're looking for.

Factor 1: Build or re platform

Factor 2: Number of features and integrations

Factor 3: Number of rules and custom features

Factor 4: Design of storefront

50%

is the percentage a SaaS
can cost less than on-
premise alternatives over a
period of 4 years (Forbes)

High additional costs

There are value-based fees, which will increase as you grow, and there are costs around development, design and app integration for example can increase your costs significantly.

- Integration partners
- Hosting (if on-premise)
- Design and graphics
- Additional features
- Marketing services such as SEO and communications

50%

is the percentage a SaaS can cost less than on-premise alternatives over a period of 4 years (Forbes)

Choosing the right B2B eCommerce solution

The truth is that businesses **don't need to start big to succeed.** Often starting smaller and focusing on the most important elements in your eCommerce platform will lead to success because the concept is tested with products actually being sold and people from your organization can manage the new platform systems.

Key considerations

- A flexible and customizable platform built on modern technology i.g headless
- Multiple B2B features and channel bundling allowing to connect with any internal or external systems
- Quick order, check out
- B2B specialised vendor who becomes your partner

Conclusion

There are several types of B2B Commerce solutions on the market with different costs.

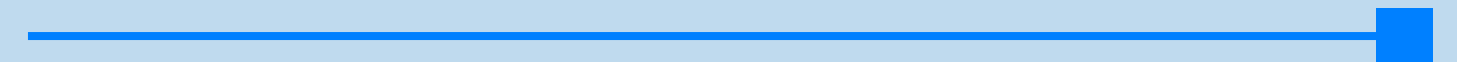
Depending on where you are in your digital journey, the type of back-systems that you already have in place may play a crucial role in the choice of your future B2B Commerce solution.

Choosing a platform that can connect into any existing back-end systems can help you save huge costs and more importantly give you visibility of data, higher productivity and in the end a rich customer experience.

While on-premise can be highly effective, they take longer to launch due to development and they can become highly costly when new versions come out. SaaS platforms are more flexible and requires no in-house hosting or heavy development. This naturally affects the costs and will in most cases be less expensive in the long run for business.

Final thoughts

- Keep it simple. Always.
- No need to have all B2B features from day one. Choose a platform that can grow with your business
- Future-proof your business with an ultra flexible platform that show up to any challenge and opportunity when they come.
- Prioritise a vendor specialised in B2B who will understand your business needs and how you best can compose your commerce as you jump into a new chapter of digitalisation.



Have a question? Let's talk

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