

Why B2B platforms struggle to emulate the success of their B2C counterparts

First findings from new Capgemini Invent and MIT Initiative on the Digital Economy (IDE) research

Paris, October 20, 2022 – [Capgemini Invent](#) and the [MIT Initiative on the Digital Economy](#) have released the first results of their pioneering research project to better understand the complexities of business-to-business (B2B) platforms and ecosystems. [B2B Platforms – paving the way to success](#) aims to answer the question of why B2B platforms have yet to achieve the same impact as business-to-consumer (B2C) platforms such as Airbnb for travel accommodation, or Etsy for small retailers.

Through its [membership with the IDE](#), Capgemini Invent, the digital innovation, design and transformation brand of the Capgemini Group, has undertaken in-depth research to explore the key differences between the B2C and B2B sectors. It has identified the two main reasons why B2B platforms struggle to follow the success of their B2C counterparts: functionality selection and applicability. Following this the team has built a framework through which successful B2B platforms can be established.

Two key factors holding back B2B platform success

At their core, platforms are designed to create less friction or simplify the life of the user in some way, but many B2B companies are not clear which main functionality their platform should fulfill, and what specific requirements must be considered for this type of platform.

In terms of applicability, this research has found that many of the success models and experiences of leading B2C platforms do not directly apply to the B2B world. Its requirements are different and do not obey the same economic characteristics: for example, there are far more complex integration requirements to the existing customer systems for B2B platforms than there are for B2C.

"Over the last few years many companies have endeavored to build successful B2B platforms, but with limited success. Our joint research with the MIT establishes a solid framework to help organizations better understand how to maximize the chances of success in designing, building and operating B2B platforms," said Leonardo Weiss Ferreira Chaves, Global Head of Intelligent Products & Services, Capgemini Invent.

Adding to the complexity are the several types of B2B platforms, based on where they create value for their users, identified as:

- **Intelligent Products and Services** - enriching traditional products and assets with new services and features by connecting them.
- **Internet Of Things (IoT) Platforms** - platforms that enable customers to use IoT technology internally or externally.
- **Data Aggregation and Collaboration** - accumulation and exchange of data to enable new analytical services and collaboration opportunities.



- **Marketplaces** – Facilitating supply and demand transactions, for example, for goods and services, software, and data.

Framework for success

This joint project has enabled the research team to lay out a framework through which successful B2B platforms can be established, regardless of their type:

Firstly, **the core offer** – understanding whether this is a transaction-centric or data-centric platform, and where the value creation opportunity exists.

Next, by considering the three areas for success:

- **Network** - the openness of the platform, whether network effects are created or even needed, whether additional revenue is the sole success metric
- **Operating model** – the challenges that may come through integration with existing customer infrastructures. Also includes the strategy and skills challenges this may present, especially for organizations that require a drastic new approach to their existing business
- **Go2Market** - convincing customers of the value creation of the platform, particularly if it depends on data sharing and systems integration

"B2B platforms and ecosystems operate under a different set of conditions and relevant economics forces from their B2C counterparts. However, despite the added complexity that creating B2B platforms entails, our research should not dissuade businesses from their ambitions. Rather, we hope these insights will provide roadmaps and aid organizations in successfully developing their B2B platforms and implementing new business models," said Dartmouth Professor and MIT IDE Visiting Scholar, Geoff Parker.

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