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Commerce Operations

B2B Pricing Is More Than a Price List

The price a business customer pays can depend on its contract, order quantity, product selection, and negotiated exceptions. Getting that price right online is as much a commercial and operational challenge as a technical one.

A distributor sells the same industrial component to three customers.

One has negotiated an annual supply agreement. Another receives volume discounts. A third buys at standard wholesale rates but occasionally receives special quotations for large projects.

All three customers order from the same catalog. They don't necessarily pay the same price.

Now imagine that the first customer signs in to the distributor's online store and orders 60 units. The website shows the agreed contract price, but the customer also qualifies for a volume discount. Should that discount apply on top of the contract price, or was the contract price intended to be final?

A salesperson could probably answer the question. The ERP might contain part of the answer. The website needs to determine the correct result before the customer submits the order.

This is one of the less visible challenges of B2B ecommerce. Putting a price next to a product is straightforward. Reproducing the commercial arrangements behind that price can be considerably harder.

And the implications reach beyond customer convenience. An incorrect price can create a disputed order, consume staff time, or reduce margin. Even a correctly calculated price can become a problem if the customer and sales team cannot understand how it was determined.

Why the same customer can pay different prices for the same product

B2B pricing is often described as customer-specific pricing. That captures an important feature of business-to-business sales, but only part of the picture.

A customer might have a standard negotiated price for a product and a different price when ordering a full pallet. A temporary agreement might apply to a particular project. A salesperson might approve a one-time concession to address a competitor's offer. The same customer could therefore purchase identical products at different prices on different occasions.

This isn't merely a hypothetical complication.

In a study published in Review of World Economics in 2024, researchers Luca Macedoni and Elena Mattana examined detailed transaction records from a Danish multinational company. They found substantial variation in prices across countries and customers, but also within relationships with the same customer.

Transaction-specific characteristics accounted for the largest share of the variation. Quantity discounts and bundling explained some of it, while other differences appeared connected to negotiation and circumstances surrounding individual transactions.

The study concerns one multinational business, so it cannot tell us how much price variation exists across all US wholesalers. Its value is more fundamental: it demonstrates why assigning one fixed price to each customer cannot necessarily reproduce how B2B selling works.

Commercial terms belong partly to the customer relationship and partly to the transaction.

A distributor may need to consider both before deciding what to charge.

A discount is not always another discount

Consider a simplified pricing example.

A distributor sells replacement components with a standard price of $120 per unit. A customer has negotiated a contract price of $108. The distributor also offers a 5% quantity discount on orders of at least 50 units.

The customer orders 60 units.

There are at least three possible outcomes.

Pricing policy	Unit price	Order subtotal
Contract price takes precedence	$108.00	$6,480.00
Volume discount applies to the contract price	$102.60	$6,156.00
Lower of the contract price and the discounted standard price	$108.00	$6,480.00

This illustrative example excludes freight, taxes, rebates, and other adjustments.

None of these calculations is inherently wrong. The correct one depends on what the distributor agreed to and how its pricing policy is defined.

The problem arises when different parts of the business assume different rules.

The sales representative may believe the negotiated price already includes every discount. The customer may expect the volume offer to apply in addition. The website may compound both automatically, while the ERP rejects the resulting price or recalculates it.

In the example, stacking the additional discount reduces the order value by $324 compared with treating the contract price as final.

That amount might be a perfectly legitimate concession. But it should be an intentional one, not the accidental consequence of conflicting rules.

This is why pricing software needs more than the ability to store discounts. It needs a defined way to decide which rules apply, whether they can be combined, and which have precedence.

Microsoft's Dynamics 365 Commerce documentation illustrates how detailed this logic can become. Its pricing engine supports trade-agreement prices, price groups, pricing priorities, adjustments, and different approaches to combining discounts. Depending on configuration, a higher-priority rule can prevent lower-priority pricing from applying.

Shopify's B2B pricing works differently. It supports customer-specific catalogs, fixed prices, quantity rules, and volume pricing. When multiple catalogs assigned directly to a company location contain the same product at different prices, its documented behavior is to display the lowest price, subject to additional rules governing catalog assignment.

Both approaches address genuine B2B needs. Neither should be assumed to reproduce every company's commercial policies without checking how its rules interact.

For a business evaluating ecommerce software, the relevant question is not whether it supports discounts.

It is whether it produces the correct price when several legitimate rules could apply simultaneously.

The real price may be lower than the invoice price

Pricing complexity doesn't end when the order is submitted.

A manufacturer or distributor may offer customers annual rebates, early-payment discounts, freight allowances, promotional support, or other concessions that don't appear as straightforward reductions on an individual product line.

That creates a distinction between the price presented to a customer, the amount invoiced, and the revenue the seller ultimately retains.

McKinsey's long-established pocket price waterfall framework examines this difference. It traces the reductions from a published or negotiated price through discounts and other concessions to the amount retained by the seller.

In one historical case described by McKinsey, a lighting supplier's average invoice prices were already 32.8% below list prices. Additional concessions that did not appear on invoices reduced the realized amount further.

That is a case illustration, not a current industry average. It nevertheless demonstrates why price management cannot be reduced to setting an attractive number on a website.

Consider a customer buying $100,000 worth of products over a quarter.

The customer receives a negotiated price on each order, qualifies for a quarterly volume rebate, and has an agreement for prepaid freight above a certain order threshold.

A salesperson might see healthy order revenue. The finance team may calculate a considerably different contribution once the rebate, shipping expense, and other costs are considered.

Some of those costs belong in the pricing calculation. Others belong in margin reporting, settlement, or financial analysis. They should not all be treated as interchangeable discounts.

For ecommerce, the challenge is to make the customer's applicable commercial terms clear while ensuring that downstream systems can account for the full transaction accurately.

A storefront does not necessarily need to calculate every future rebate at checkout. But the business does need a consistent understanding of which terms are reflected in the displayed price, which are settled later, and how their financial effects are recorded.

Otherwise, a digital channel can make order entry more efficient while leaving the underlying economics surprisingly difficult to see.

When temporary exceptions become permanent prices

Negotiated flexibility is one reason B2B relationships work.

A distributor might offer temporary pricing to win a project, accommodate an unexpected supply problem, or retain an important customer during a competitive dispute.

Those decisions can be commercially sensible.

Problems arise when exceptions outlive their original purpose.

A salesperson approves a reduced price for a specific order. The customer receives the concession again the following month. Eventually, the temporary price becomes the number everyone expects, although nobody has formally renewed the agreement.

Distribution Strategy Group examined this problem in a June 2026 article about pricing exceptions. Its central observation was that an old exception can effectively become company policy simply because the system continues applying it.

The operational implications are significant.

If a discount has no expiry date, assigned owner, or recorded reason, managers may struggle to determine whether it remains justified.

If the sales team cannot distinguish a contractual rate from a one-time concession, it may repeat the lowest historical price without examining the circumstances behind it.

And if different employees have different authority to approve exceptions, pricing decisions can become inconsistent across customers and channels.

The answer isn't to eliminate discretion.

B2B salespeople often need the flexibility to negotiate. An inflexible system that prevents commercially justified decisions can be just as damaging as one that allows unlimited discounts.

The better approach is to distinguish durable commercial agreements from temporary exceptions.

A contract price should have clearly defined scope and validity. A promotional price should have applicable dates and conditions. A special quotation should identify which customer, products, quantities, and transaction it covers.

Exceptions should have authorization rules and a record of who approved them.

The purpose is not bureaucratic control for its own sake. It is to preserve commercial flexibility without gradually losing control of the prices the business actually charges.

Pricing also depends on what the customer is ordering

Quantity discounts introduce another complication: the system has to understand the unit being priced.

An electronics distributor might sell individual components, packs, and cases. A food distributor might quote by case while maintaining inventory in individual units. An industrial supplier might impose minimum order quantities or require purchases in fixed increments.

A price of $24 means very little unless the buyer knows whether it applies to one item, one box, or one case.

Now consider a contract specifying $240 per case, with 12 units per case. That is equivalent to $20 per unit before any other adjustments.

If the customer orders five cases, the order quantity represents 60 units and a subtotal of $1,200.

But what if the customer enters 60 in the quantity field? Does the system interpret that as 60 individual units or 60 cases?

The resulting difference is substantial.

The commercial rules also need to specify how quantity breaks are measured. Does an order qualify for a discount when the customer buys 50 units of one product? Can quantities from multiple variants be combined? Does the threshold apply across the entire order, or only within a single line?

These are not merely design details.

Oracle NetSuite, for example, documents different ways to calculate quantity discounts, including by line quantity, total quantity of the same item, parent item, or shared pricing schedule. Its documentation also distinguishes marginal quantity pricing—where different portions of an order can receive different rates—from discount schedules that apply a rate across the qualifying quantity.

These distinctions can change the final price while leaving the headline description, “volume pricing,” exactly the same.

A well-designed B2B purchasing experience should therefore explain both the unit being purchased and the basis on which price breaks are calculated.

A lower price for a larger quantity is useful only when everyone understands what quantity means.

The ERP and the storefront cannot disagree about the commercial terms

Many B2B companies already maintain prices, customer agreements, and order records in an ERP system.

Introducing ecommerce adds another place where that information must be used.

The resulting integration question is more demanding than copying a price list from one system to another.

Suppose a customer signs in at 9:00 a.m. and sees a contract price of $108. At 10:00 a.m., the sales team approves an updated agreement effective immediately. At 11:00 a.m., the customer submits an order from a saved cart.

Which price applies?

The answer depends on the business's rules and the transaction state. But the systems need to reach the same conclusion.

A company should define which system owns each pricing decision, how changes are synchronized, and when an order's price becomes binding.

There are several viable technical approaches.

The storefront might request prices from the ERP in real time. It might maintain synchronized pricing records locally. Or a separate pricing service might calculate the result using customer and transaction information from several systems.

No approach is universally superior.

Real-time calculation can reduce discrepancies between systems, but it depends on API availability, performance, and the behavior of the underlying pricing engine. Synchronizing prices can support faster storefront responses, but requires reliable updates and clear handling of stale data.

A separate pricing service can centralize complex rules, but introduces another component to maintain and reconcile.

The right design depends on the number and complexity of pricing rules, transaction volume, latency requirements, and the role of the existing ERP.

What matters is that the business can answer a deceptively simple question:

Which system has the authority to decide what this customer should pay for this order?

Without a clear answer, price discrepancies are more likely to recur.

The price must survive the complete order process

A customer sees a price in a product listing, adds the item to a cart, requests a quotation, approves the purchase, and receives an invoice.

Across that sequence, the relevant circumstances may change.

The order quantity could increase. A contract could expire. A promotion could end. A delivery surcharge could become applicable. The customer might change the delivery location or obtain approval for an exception.

A reliable pricing process needs to distinguish a current estimate from a committed commercial offer.

For example, a distributor could establish that ordinary cart prices are recalculated at checkout, while an accepted quotation remains valid until its specified expiry date.

If an authorized employee changes an agreed quote, the system could require confirmation before applying new terms.

Those are business policies, not universal ecommerce rules. Different companies may reasonably make different decisions.

But the distinction must be clear to everyone involved.

It is particularly important when customers use several purchasing channels.

A buyer who receives a quote from a salesperson should not have to negotiate the same price again when completing the purchase online. An order entered by an internal representative should follow the same applicable agreement as an order placed by an authorized customer through the storefront.

And the amount accepted at order confirmation should be preserved or deliberately adjusted under defined rules—not silently recalculated without explanation when the order reaches another system.

This requires consistent treatment of customer identity, pricing context, discounts, quotations, and order records.

It also requires an audit trail for significant changes.

If a customer challenges a price, employees should be able to establish which rules applied, which agreement was active, whether an exception was approved, and when the transaction was confirmed.

That visibility benefits both parties. Customers receive more predictable purchasing terms, while the seller can resolve disputes without reconstructing decisions from emails and spreadsheets.

How to evaluate B2B pricing capabilities without getting lost in feature lists

Most major commerce and ERP platforms already offer some combination of price lists, customer-specific rates, quantity rules, discounts, and contract pricing.

For instance, Shopify documents B2B catalogs, customer- and location-specific pricing arrangements, quantity increments, and volume price breaks. Microsoft Dynamics 365 Commerce supports pricing priorities and configurable discount interactions. Oracle NetSuite supports customer price levels, item-specific prices, and quantity pricing schedules.

The differences are not captured accurately by saying that one system has B2B pricing and another doesn't.

What matters is whether the available capabilities can reproduce the particular commercial relationships a seller needs to support.

A distributor evaluating a platform should select several genuine pricing situations from its business and try to reproduce them end to end.

One might involve a negotiated customer price that must take precedence over general promotions. Another might involve several products sharing a volume threshold. A third could involve a temporary quotation, a changed quantity, or an account with several authorized purchasing locations.

The evaluation should establish not only whether the right result appears, but how the company would maintain it.

Can a commercial administrator update the relevant rule without programming? Can the system explain which rule produced the price? Are changes reflected reliably in the ERP and sales process? Can authorized employees approve exceptions without creating unmanaged permanent discounts?

The administrative burden matters because commercial terms change continuously.

A system that calculates the right price only after extensive custom development may be appropriate for some businesses. For others, especially smaller distributors without large IT teams, the dependence on specialist support becomes part of the real cost of running ecommerce.

That is where configuration flexibility, integration architecture, and day-to-day usability become commercial considerations rather than purely technical ones.

Good pricing systems preserve flexibility without sacrificing consistency

There is a legitimate reason B2B pricing is complicated.

Customers differ in purchasing volumes, commercial relationships, service requirements, and negotiated agreements. A single public price rarely captures all those differences.

Research on business-to-business negotiation confirms that pricing often reflects the characteristics of individual relationships and transactions. The challenge isn't to eliminate that variation. It is to make variation intentional, consistent, and manageable.

For a distributor, this means knowing which agreements are active, which discounts may be combined, when an exception requires approval, and what price the customer has actually accepted.

For a buyer, it means seeing the right products and prices without repeatedly asking a salesperson to verify established terms.

For the sales team, it means retaining room to negotiate while reducing the need to correct orders or explain contradictory figures.

And for the business owner, it means understanding how the advertised price, invoice amount, and realized margin relate to one another.

The best B2B pricing system is not necessarily the one with the longest list of discount types.

It's the one that can faithfully execute the company's commercial agreements, explain the result, and keep doing so as those agreements change.