Providing Buyers with alternatives to default/organic sorting

<u>Notification No.: 2023/07/11/01</u>
<u>Date:11/07/2023</u>

1.   Context

Buyer Apps are solely responsible for the buyer-side interface and for curating the buyer's experience. To attract more buyers, Buyer Apps may personalise or enhance the experience for the buyers using proprietary technology to sort search results. These could be based on various parameters such as buyer's search/transaction history or on the basis of certain parameters such as - seller rating, delivery time, fill rate etc. - chosen by the Buyer App. However, the default sorting criteria that a Buyer App uses can lead to certain sellers being demoted in the rankings in a way that they have practically no chance of being discovered by the buyer. This in turn would lead to the buyer's choice being limited.

ONDC has already instituted one mechanism to enable the buyer to make an informed choice: Buyer Apps are required to declare their organic/default sorting parameters[1] and their filtering criteria[2]. However, this still means that the buyer can only see results that the Buyer App chooses to show them using algorithms that the buyer may have no say over. The buyer may not always be interested in the sorting/ranking provided by the Buyer App, and may instead want to view sellers/products/services sorted in a different manner. While it could vary by product/ service categories, the parameters that a buyer may be interested in can include:

- sorting by cost
- sorting by seller rating or product rating
- sorting by distance or delivery time

While Buyer Apps are likely to provide some of these sorting options to their users anyway, ONDC is of the view that there is a need to codify the obligation to provide alternative sorting options by the Buyer App.

Under the provisions of the ONDC Network Policy, Buyer Apps have the right to exclude any results that:

(1) are not compliant with the law,

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[1] Proviso in Clause 2.3.3 (k), Chapter 2, Business Rules, version 1.1, "Provided that, the Buyer App publishes such an explanation on their website and/or mobile application, as the case may be, the key parameters of the logic used for sorting/listing search results, to ensure that Sellers are able to improve their ranking on listings or results

[2] Proviso in Clause 2.3.3(k), Chapter 2 Business Rules, version 1.1, "Provided further that, the Buyer App may prescribe uniform minimum standards for search results to be displayed to the Buyer, so long as it publishes such standards on its website and application, and applies such standards consistently and fairly to all Sellers."

(2) are not compliant with the ONDC Protocol Specifications, or

(3) are not in line with the Buyer Apps' published minimum criteria.[3]

The obligations related to sorting apply only after a given response to a search has cleared the three aforementioned requirements (as shown in Figure 1).
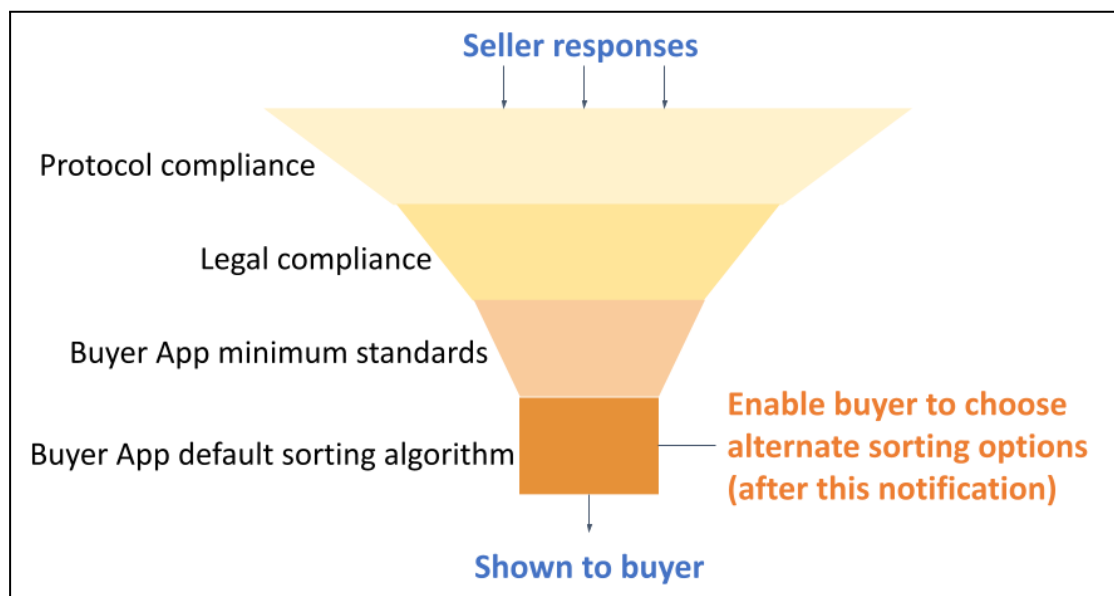

Figure 1: Search response display funnel

2.   Illustration

Let's assume a Buyer App A, which is in the ONDC Network, operates in the Food and Beverages category. Buyer App A in its sorting/filtering disclosures has stated that its minimum requirement ("**Minimum Criteria**") to display search responses is that the restaurant must provide at least one high quality photograph of the food item.[4] Further, in line with Chapter 2 Business Rules[5], Buyer App A has also disclosed the their default/organic sorting algorithm uses the following parameters ("**Sorting Parameters"**) to sort the results (in descending order of importance):

i.   relevance to the buyer's keyword search (most importance)

ii.   restaurant rating,

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[3] Proviso in Clause 2.3.3 (k), Chapter 2, Business Rules, version 1.1, "Provided further that, the Buyer App may prescribe uniform minimum standards for search results to be displayed to the Buyer, so long as it publishes such standards on its website and application, and applies such standards consistently and fairly to all Sellers"

[4] Proviso in Clause 2.3.3 (k), Chapter 2, Business Rules, version 1.1, "Provided further that, the Buyer App may prescribe uniform minimum standards for search results to be displayed to the Buyer, so long as it publishes such standards on its website and application, and applies such standards consistently and fairly to all Sellers"

[5] Proviso in Clause 2.3.3 (k), Chapter 2, Business Rules, version 1.1, "Provided that, the Buyer App publishes such an explanation on their website and/or mobile application, as the case may be, the key parameters of the logic used for sorting/listing search results, to ensure that Sellers are able to improve their ranking on listings or results"

    iii.   time to deliver,

    iv.   distance from delivery location (least importance)

This means the algorithm uses these four parameters to sort responses from restaurants. Further, relevance to keyword search has the highest weightage, and distance from delivery location, the lowest importance.

So now when a Buyer searches for a particular food item on Buyer App A, the app will first remove all results that are not compliant (as explained in the previous section). The App's listing page will then display the compliant search results sorted by Buyer App A's sorting algorithm, which uses the Sorting Parameters stated above. Under this notification, Buyer App A will be required to provide the Buyer alternative sorting options such as:

- Sort by cost,
- Sort by delivery time,
- Sort by distance,
- Sort by seller/product rating or any others

While there is no specific mandate on which options should be provided, there should be a reasonable variety of options for an average person to be able to make an informed decision.

To reiterate, this notification does not mandate Buyer App A to display any search results that do not meet its Minimum Criteria or are not compliant with the law or the ONDC Protocol Specifications. These provisions only apply to the sorting of compliant search results.

3.   Notification

In the interest of consumer choice, ONDC is amending sub-clause (k) of Clause 2.3.3 of Chapter 2 Business Rules[6] of the ONDC Network Policy. The following proviso should be added to Clause 2.3.3 (k):

> *"Provided further that, the Buyer App provides the Buyer the option to sort search results as per reasonable parameters relevant to the product/service in question, to enable the Buyer to make an informed purchase decision."*

4.   Queries/Concerns

For any queries, concerns, or requests related to this notification, you may write to network.policies@ondc.org

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[6] Chapter 2 Business Rules, version 1.1