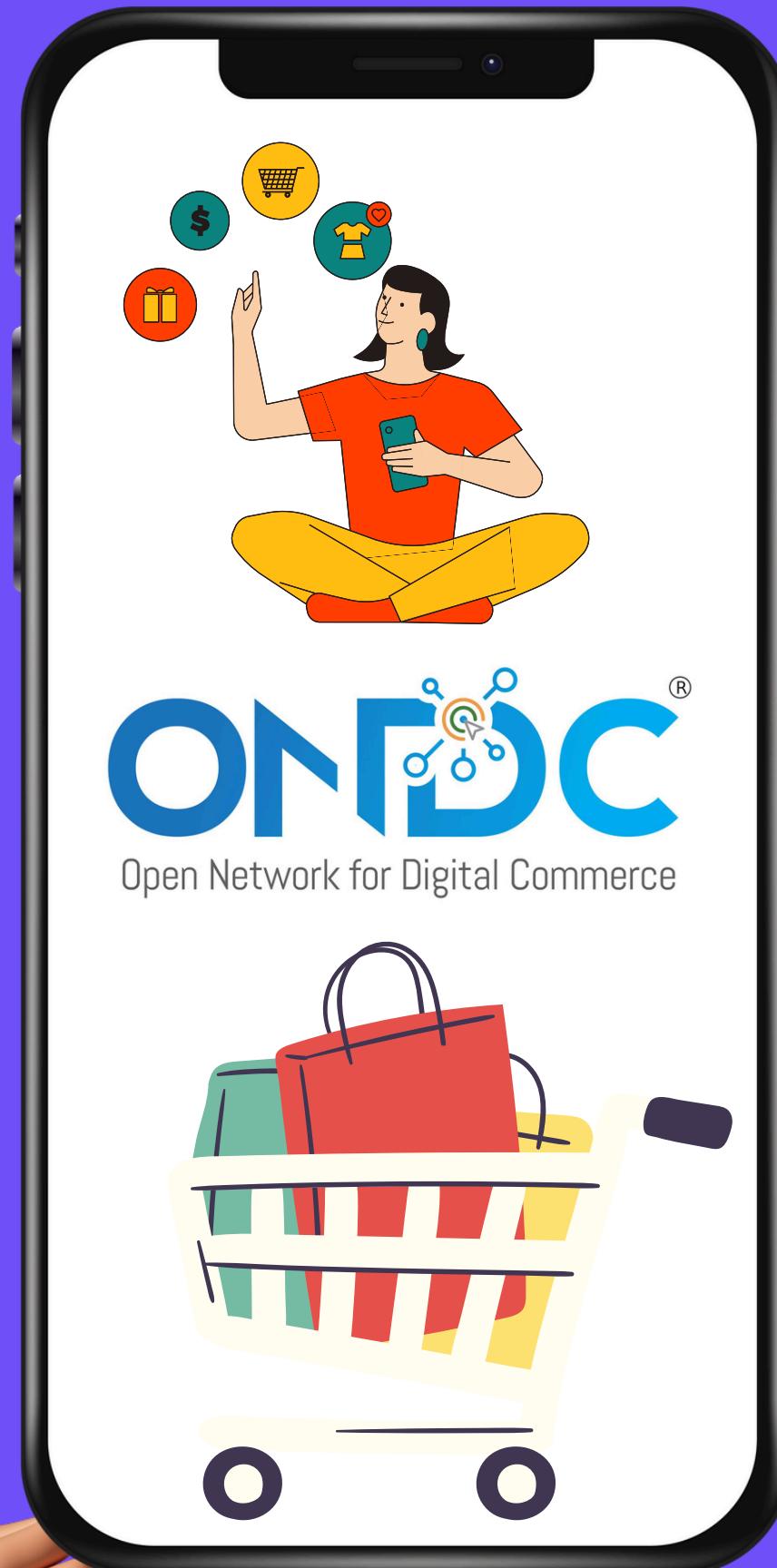


ONDC: Challenges and Solutions for Digital Commerce in India

Case Study Analysis by Group 13



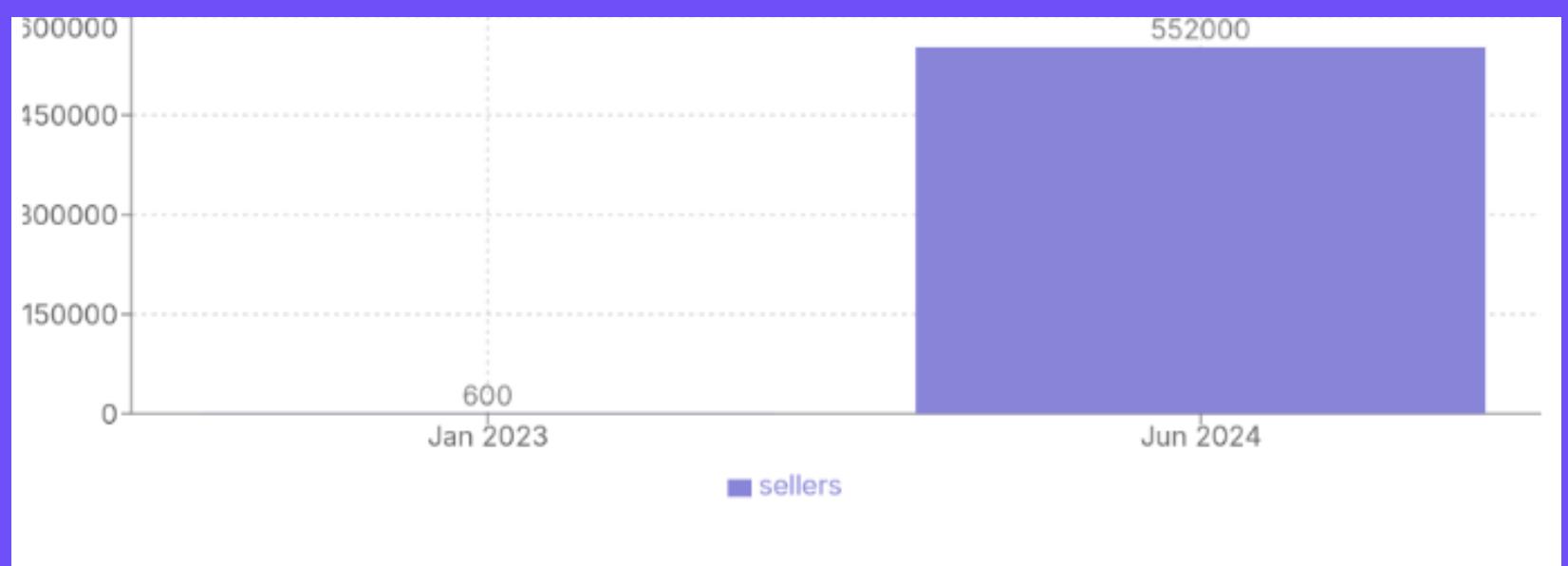
What is ONDC?



The Open Network for **Digital Commerce (ONDC)** is an Indian government initiative aimed at democratizing digital commerce.

Goal: To create an open, interoperable platform that allows buyers and sellers to connect across various networks, breaking down the monopolistic hold of big e-commerce giants like Amazon and Flipkart.

Launch: ONDC was initiated by the Department for Promotion of Industry and Internal Trade (DPIIT) in 2020.



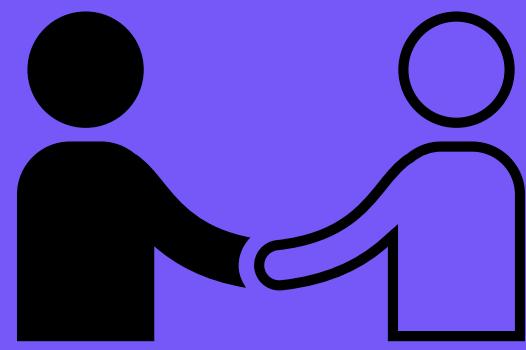
ONDC sellers increased from 600 in Jan 2023 to 552000 in June 2024



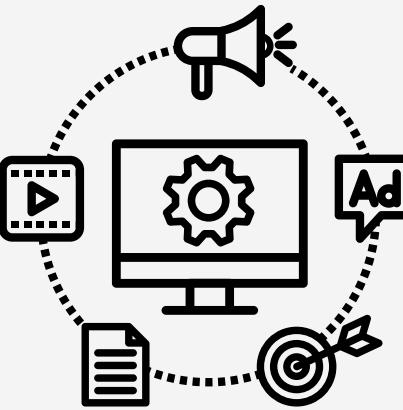
PROBLEM STATEMENT



- ★ Market Domination and Concentration
- ★ Onboarding MSMEs from Remote Areas
- ★ Catalog Management
- ★ User Protection and Transaction Oversight



PROPOSED SOLUTION



Credit Support through Financial Partnerships

Some seller applications like amazon and flipkart provide some credit limit to the buyers to buy products and pay the amount later.

Our Idea is to provide credit limit to the buyer based on their previous transaction and credit score by partner up with some financial institution

Helpers for Digitally Disconnected Sellers

Appointing helpers for digitally disconnected sellers as People in remote areas are not that up to date with the new technology. Adding Technicians will also increase employment as well as help Sellers in remote areas sell their product.

PROPOSED SOLUTION

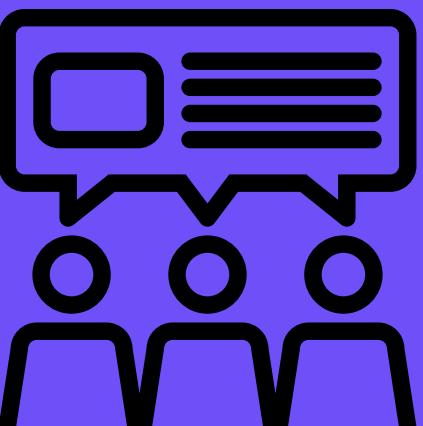
Auto-arranging catalogs and pre-made catalog pages

Making Catalog for common regular products so people from remote areas dont have to upload photos and can just directly sell the product.



Centralized feedback system

A Centralised Feedback System like Confidex can help evaluate and ensure the trustworthiness, reliability, and quality of the sellers participating in the ONDC network. A centralised storage would be better.



Key Challenges From our side



- Onboarding consumers to ONDC-enabled apps is key. Lack of awareness and inertia could slow adoption
- Small business don't have enough resources to upload photos and descriptions for the catalog
- Small business don't have enough knowledge to compete in the market and market their product
- There is a lack of Awareness of ONDC in Remote Areas

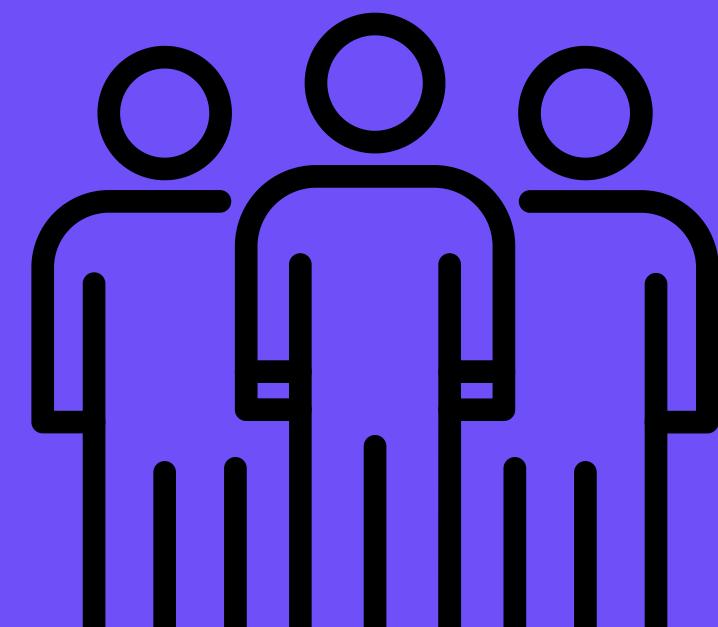
Escrow



Escrow is a financial arrangement where a third party temporarily holds funds or assets on behalf of two other parties involved in a transaction. The third party (the escrow agent) releases the funds or assets to the beneficiary only when predefined contractual conditions are met.

It will help in building trust and reducing frauds

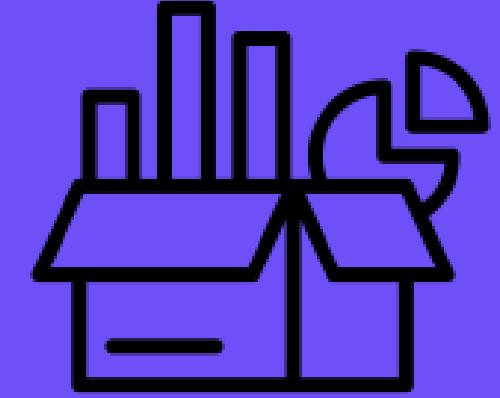
Awareness Campaigns



Start awareness camps in technical colleges and social work clubs like NSS to spread awareness regarding ONDC.

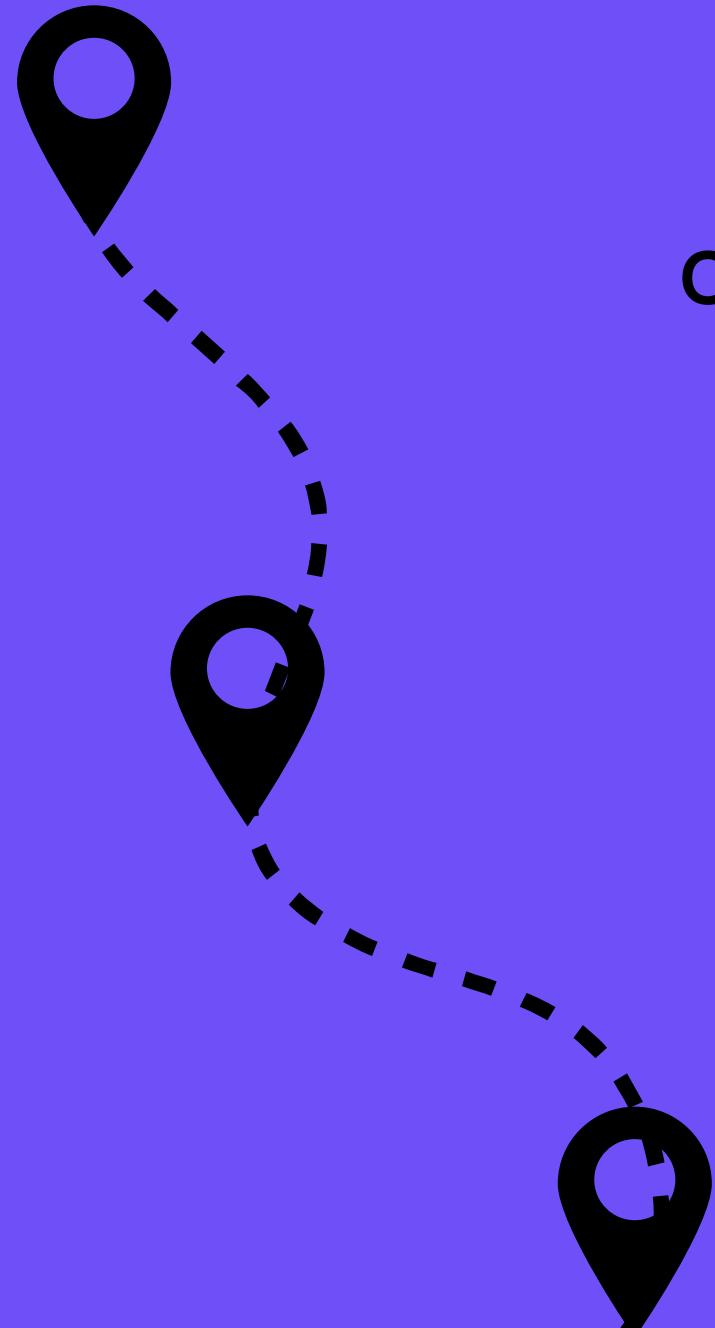
Students can volunteer to spread awareness about ONDC in remote areas

Product analysis



- **Data Integration:** ONDC will aggregate data from multiple buyer and seller platforms across the network.
- **Comprehensive Competitive Analysis:** This data will be utilized to conduct in-depth competitive analysis for sellers.
- **Identifying Weaknesses:** Sellers can pinpoint specific areas where they fall short compared to competitors.
- **Actionable Insights:** The analysis will offer actionable insights, helping sellers to address these gaps effectively.
- **Enhanced Market Competitiveness:** By implementing these improvements, sellers can better position themselves in the market and increase their competitiveness.

IMPLEMENTATION ROADMAP



Phase 1: Planning (Month 1-3)

Market Domination: Partner with financial institutions; implement catalog photo-sharing.
Onboarding MSMEs: Collaborate with local organizations; design remote training programs.

Phase 2: Development & Testing (Month 4-6)

Catalog Management: Launch auto-arrange features and specialized catalogs.
User Protection: Develop centralized feedback and escrow systems.

Phase 3: Awareness & Capacity Building (Month 7-9)

Consumer Onboarding: Start awareness campaigns; organize educational camps.
SME Support: Provide pre-made catalogs; expand technical help.

Phase 4: Implementation & Monitoring (Month 10-12)

Market Knowledge: Deploy market analysis tools; translate training materials.
Scaling: Monitor feedback, expand ONDC services, and improve features.

Phase 5: Sustainability & Growth (Year 2+)

Expansion: Extend ONDC to more regions; foster innovation.
Ongoing Support: Refine support services; explore international opportunities.

Chaos Compliance

1. Increased Competition: ONDC will offer good competition to well-established companies but it will never be able to overtake the big players like Amazon, Flipkart, etc.
2. Big brands have already built the trust of the consumer, brand loyalty and customers are already subscribed to services like Prime Video and Prime Music then the customer will already consider Amazon for free delivery and will still prefer ordering with Amazon rather than a small seller.
3. ONDC will only be able to get the handicraft and goods market. Amazon will still dominate the others but this will instill healthy competition
4. Adapting with other platforms: Rather than viewing ONDC as a threat Startups could view this as an opportunity and collaborate with it to increase its reach
5. New startups may prefer going with ONDC platforms because of fewer restrictions and margins imposed by monopoly companies. This may force already established startups to adapt according to the situation

