

Desi commerce: Gol's ecommerce network for small players is a good idea. Customer interface will be critical

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Gol's quest to build an open digital ecommerce network for small businesses holds great promise. The proposed model can potentially be a game-changer for small retailers and new tech startups facing big ecommerce giants and their market dominance and commissions. It can also address sellers' limitations of being tied down to one platform, and supposedly opaque algorithms used by them to prioritise some sellers. Physical retail still accounts for well over 90% of retail sales, but mom-and-pop stores enjoying a large chunk of consumer goods sales (75-80%) are feeling the heat of ecommerce players aggressively targeting new segments like groceries, promising 10-minute deliveries.

After its technological successes of the Aadhaar system and digital payments solution UPI, Gol can justly claim a good track record. Another promising digital venture is the National Digital Health Mission that aims to digitise health records of all citizens. And it's good that the presence of ecommerce biggies Amazon and Walmart-owned Flipkart hasn't daunted Gol. There's economic logic in safeguarding livelihoods in the unorganised retail sector and boosting MSMEs, as long as this isn't done by introducing any distortion or discrimination. Roping in the likes of Nandan Nilekani, who played key roles in conceptualising Aadhaar and UPI, for the Open Network for Digital Commerce (ONDC), has also added to the project's heft.

But unlike in digital payments and the pioneering UPI, ecommerce has dominant players with user-friendly websites and apps, excellent customer service and fast delivery networks. ONDC-based offerings have to be just as good to attract sellers and customers. And the smart non-disruptive solution will be to allow existing ecommerce players to operate as they are, with their proprietary technologies for vendor onboarding, inventory, price discovery, delivery logistics. ONDC, with its premise of greater cross-platform visibility and discoverability of sellers, shouldn't be thrust on anybody. If interoperable networks and applications built on ONDC ease tasks like cataloguing, inventory management, order fulfilment and delivery logistics, both buyers and sellers would be automatically attracted. ONDC can also help tomorrow's ecommerce/tech startups save redundant investments in the ecommerce network and focus on customer acquisition. Next month's pilot ONDC project will be keenly watched.