

Big Win For India's Open E-Commerce Network? Flipkart, Amazon And Reliance Retail Likely To Join ONDC



Major e-commerce players in the Indian market including Flipkart, Amazon and Reliance Retail are likely to join the Open Network for Digital Commerce (ONDC).

The ONDC, an open e-commerce network, was recently launched by the government on a pilot basis in five cities across India.

Now, Flipkart, Amazon and Reliance Retail are in talks to join ONDC, *Economic Times* reported citing multiple people in the know of the developments.

The Open Network for Digital Commerce (ONDC) is an initiative of the government to promote an open platform for all aspects of the exchange of goods and services through electronic networks.

The ONDC has been initially launched in five cities - Delhi NCR, Bengaluru, Bhopal, Shillong and Coimbatore - on 29 April on a pilot basis to on-board Kirana stores and small and medium businesses.

According to the report, ONDC, which still is at a nascent stage, is being pitched as a solution to break the dominance of large e-commerce firms like Walmart-owned Flipkart, Amazon and others in India.

In this backdrop, any move by these major e-commerce players to join the network will assume huge significance.

E-kart, the logistics arm of Flipkart, have already integrated with ONDC for logistics services while Flipkart-owned PhonePe is reportedly in the process of joining the network.

It should be noted that Paytm, a major Indian fintech player, has already joined the network.

"The bigger ecommerce players have indicated to ONDC that they will support it. Besides tapping into new users, this will also enable platforms with sizeable business-to-business verticals to tap into the seller side of ONDC network to supply goods," one of the people in the know of the matter was quoted in the ET report as saying.

Dynamic pricing, inventory management and optimisation of delivery cost are the three important things in ONDC which will help reduce the cost of doing business for everybody, including retailers.

ONDC had received its certificate of incorporation as a private sector led non-profit company on 31 December 2021.

The government has set up a nine-member advisory council, including Nandan Nilekani from Infosys and National Health Authority CEO R S Sharma, to ascertain steps required to design and accelerate adoption of ONDC.

Through this platform, consumers can potentially discover any seller, product or service by using any ONDC-compatible application or platform, thus increasing freedom of choice for consumers.

So far only bigger players are able to take advantage of e-commerce and small people are still out of it.

Anil Agrawal, additional secretary in the Department for Promotion of Industry and Internal Trade, has earlier said that protocols under ONDC would standardise all operations like cataloguing, inventory management, order management and order fulfilment.