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ONDC eyes hyperlocal search engine model

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COIMBATORE: A kirana store owner, unlocks the screen of his phone, opens a popular payment app and searches for a product. Immediately, products available in his store pop up on the screen. "This is because we are standing close to my store," he says. "If we had done the same exercise in another location where another shopkeeper is logged on to the network, the search results will show his products on the screen." The default setting is based on proximity or closest location, which makes it an efficient hyperlocal search engine.

Welcome to Open Network for Digital Commerce (ONDC), the UPI-type platform that the government is pushing to democratise retail and take on the might of Amazon, Flipkart and other e-

commerce giants, which is currently being tested in seven cities including Coimbatore.

LINK ONDC TO ANY APP

- ONDC allows users to choose default setting
- If you want to buy potato chips, sellers closest to your location will come up first
- You can change default settings to best discount available. Results will be based on



- best offers by a store, even if it's far away
- You can choose delivery partner from a list of logistics providers
- ONDC tab can be embedded into any app, including Paytm, PhonePe, SBI and others
- Kotak Mahindra Bank may be next

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Unlike e-commerce apps, which decide who the best seller for a consumer is, ONDC allows users to choose the default setting. So, if you are looking to buy potato chips, sellers who are closest to your location will come up first. "The consumer can change the default settings, for instance, to the best discount available and then the results will be based on the best offers by a store, even if it's far away," said Kumar Vembhu, CEO at GoFrugal, which is

one of the early adopters on the ONDC network and provides software to sellers.

After ordering his product, the consumer can choose his delivery partner from a list of logistics providers, whether it's an independent delivery person with a cycle or a Dunzo executive on a motorcycle. "Logistics partners, including the seller, who have logged into the network can also list their delivery charges for that particular item or distance and the customer can then choose based on cost-effectiveness or fastest delivery," said Vembhu.

While sellers, payment and logistics players are still being on-boarded during the pilot stage, the ONDC tab can be embedded into any app.

Sellers, who are part of the trial, need to be logged into the ONDC through a third-party seller software such as GoFrugal.

Commerce and industry minister Piyush Goyal, on a visit to the ONDC-led Coimbatore store, believes that e-commerce platforms are restrictive and favour products of the platform developers' choice. But through ONDC, MSMEs and startups can harness opportunities provided by digital advancement in connecting with their customers. While a full rollout is still some months away, the pilots are meant to iron out glitches in the platform, which has Infosys chairman Nandan Nilekani among key advisers.

Vembu argues that given the way it is designed, ONDC could become the only online network that can make sustainable 10-minute deliveries.