Open Network for Digital Commerce

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Why is in news? Central Cottage Industries Corporation of India on-boarded to ONDC

On the occasion of the collaboration of Central Cottage Industries Corporation of India Ltd. (CCIC), a Public Sector Undertaking under the Ministry of Textiles with Open Network for Digital Commerce (ONDC) and opening of 'Mega Sale' promotional campaign, CCIC had organised a grand event in its showroom at Jawahar Vyapar Bhawan, Janpath, New Delhi.

CCIC's collaboration with ONDC signifies CCIC's commitment to **expanding its market presence and making its exquisite range of Handicrafts and Handloom products** easily accessible to customers across various buyer apps within the ONDC network.

CCIC to **support artisans and weavers** and to contribute towards the vision of Atmanirbhar Bharat and Vocal 4 Local initiatives has organized '**Mega Sale' promotional campaign** from 08th-23rd July 2023.

In this campaign **up to 30% discount** has been offered on handicraft & handloom products to promote traditional art, craft and craft persons of India.

Each product is genuine, exclusive and authentic and with the assurance of authenticity, quality and value for money the promotional sale will be on till 23rd July, 2023.

Central Cottage Industries Corporation of India Ltd. (CCIC), a **Public Sector Undertaking** under the **Ministry of Textiles** is engaged in the promotion and retail marketing of best of authentic Indian Handloom and Handicraft products through its showrooms in New Delhi, and other metropolitan cities.

Open Network for Digital Commerce:

ONDC is a **freely accessible government-backed platform** that aims to **democratise and decentralized the e-commerce** by moving it from a platform-centric model to an open network for buying and selling of goods and services.

Under ONDC, it is envisaged that a buyer registered on one participating e-commerce site (for example, Amazon) may purchase goods from a seller on another participating e-commerce site (for example, Flipkart).

Presently, buyers and sellers have to be on the same app for a transaction which happens through the same platform. For example, a buyer needs to go to Amazon, to buy a product from a seller on Amazon.

It is a **not-for-profit organisation** that will **offer a network to enable local digital commerce stores** across industries to be discovered and engaged by any network-enabled applications.

The open network concept extends beyond the retail sector, to any digital commerce domains including wholesale, mobility, food delivery, logistics, travel, urban services, etc.

It is **neither an aggregator application nor a hosting platform**, and all existing digital commerce applications and platforms can voluntarily choose to adopt and be a part of the ONDC network.

Implementation of ONDC, which is expected to be on the lines of Unified Payments Interface (UPI) could bring various operational aspects put in place by e-commerce platforms to the same level.

The project to **integrate e-commerce platforms through a network based on open-source technology** has been tasked to the Quality Council of India.

Open source refers to a software program or platform with source code that is readily accessible and which can be modified or enhanced by anyone. Open source access grants users of application permission to fix broken links, enhance the design, or improve the original code.

Benefits of ONDC:

Level Playing Field for e-commerce operators

Wider digital market access for MSMEs and traders

Drives competition and innovation in various sectors

Increased freedom of choice for consumers—"Democratise e-commerce" and "provide alternatives to proprietary e-commerce sites".

Creates a neutral and regulated platform

Promotes openness, interoperability, and innovation

Enhances transparency and accountability

Challenges of ONDC:

Technological Complexity of Implementation

Customer switching from established platforms— a loss for established e-commerce companies

Limited benefits as sellers are already free to list their products across various e-commerce platforms even in today's platform-centric e-commerce model.
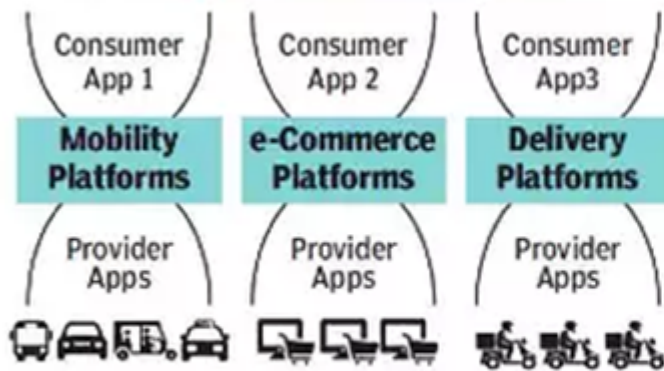
Limited benefits as services such as price-comparison that are offered by various private websites, already bridge the information gap and help buyers make better decisions.

Lack of clarity on addressing customer complaints and returns

Major e-commerce players like Amazon and Flipkart hesitate to join ONDC due to loss of control, existing dominance, competitive disadvantage, infrastructure challenges, and control over pricing/policies.
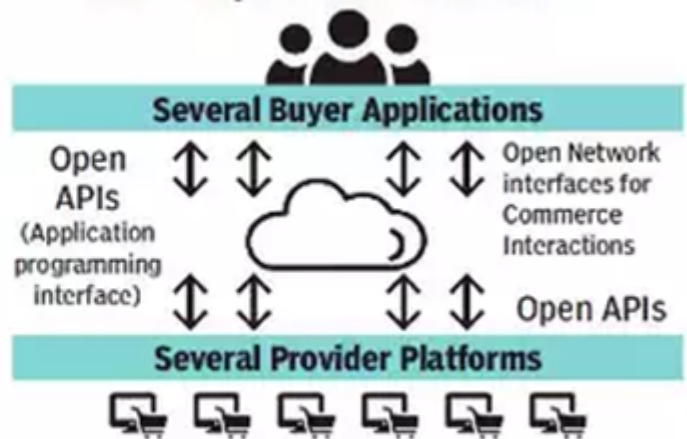
GOVT HOPES TO REPLICATE UPI MODEL'S SUCCESS

Existing: Platform-Centric Model

Consumer App 1 | Consumer App 2 | Consumer App3

Mobility Platforms | **e-Commerce Platforms** | **Delivery Platforms**

Provider Apps | Provider Apps | Provider Apps

In the current platform-centric digital commerce model, **buyers and sellers must use the same platform**/application to do a business transaction

Future: Open Network Model

Several Buyer Applications

Open APIs (Application programming interface)

Open Network interfaces for Commerce Interactions

Open APIs

Several Provider Platforms

In ONDC's network-centric model, **buyers and sellers can transact no matter what platform/application they use** through an open network