

# OPEN NETWORK FOR DIGITAL COMMERCE

## REVISED INCENTIVE PROGRAM

Date: 30 January 2023

ONDC has been making significant progress since its inception and its roll-out has been conducted in a phased manner. Its rollout started from phase 1 of alpha testing on 29th April 2022. It then started its beta testing from 29th September, 2022 in limited pincodes in Bangalore.

As we are gearing for operations at a significant level, we rolled out incentive schemes for buyer apps, sellers, and seller apps in December 2022. The objective of these schemes was to increase our scale of transactions and seller density at an accelerated pace. However, from the feedback of Network Participants (NPs), we realized that the construct of the programs could be made simpler. Acknowledging their feedback, we have decided to revise our incentive programs.

To induce a higher number of transactions among users, we are happy to roll out revised programs for multiple partners in the ecosystem. These programs are as follows:

- Program 1: Discount for Buyers for transactions
- Program 2: Subsidised Delivery Cost for Buyers
- Program 3: Incentive for Buyer Apps for demand generation
- Program 4: Incentive for Sellers for demand generation and fulfillment
- Program 5: Incentive for Seller Apps for seller onboarding

The expected outcomes expected by March end as a result of these programs are as follows:

- a) Minimum 20,000 sellers onboarded on the network across 100+ cities
- b) The transaction volume of up to 5000 transactions per day

Please note that this document overrides any previous communication made on incentives to Network Participants, Sellers, or Buyers.

Please refer to the notes below for the details of each of the programs.

## PROGRAM 1: DISCOUNTS FOR BUYERS

**Objective:** Increase no. of buyers transacting on the network across India in all categories

**Program Start Date:** Date of launch of the program

**Program End Date:** 31 March 2023

**Incentive:** INR 50 off for buyers on every order

### **Qualification and Mechanics:**

- ONDC will reimburse live buyer applications up to Rs. 50 per successful transaction for discount/cashback that they offer to buyers
- The program would be run by the buyer apps for their respective buyers. They would be the authority on structuring the program for the buyers
- The reimbursement will be made based on the actual amount disbursed to the buyers
- The Minimum Order Value for eligible transactions including shipping charges should be min INR 100

### **Terms & Conditions**

- NPs should be live (not in close user groups) in the ONDC production environment on/before the date of closing of the program
- NPs to provide order status dashboard as per the formats defined by ONDC for validation of data based on the above qualification and incentive criteria and data requested thereof (network order IDs to be shared by buyer apps)
- Incentive payout is at ONDC discretion basis the genuineness of orders and will be paid out by ONDC upon suitable periodic review
- ONDC would set up monitoring systems to check for the mis-utilisation of incentives. There would also be audits conducted by ONDC to check the hygiene of the programs
- ONDC will review the progress of the program and will at its discretion withdraw/ terminate the program
- The buyer NP will have to raise claims for the incentive on a monthly basis post-launch of the program
- Format for additional information to be shared along with the claim will be shared by ONDC

## PROGRAM 2: SUBSIDISED DELIVERY COST FOR BUYERS

**Objective:** Provide additional incentive in form of subsidised delivery cost for buyers transacting on the network

**Program Start Date:** Date of launch of program

**Program End Date:** 31st March 2023

**Incentive:** INR 40 discount to be provided on-network delivery services for buyers on every order

### **Qualification and Mechanics:**

- ONDC will reimburse live seller applications up to Rs. 40 per successful delivery by an on-network logistics provider, which in-turn has to be provided as discount on the delivery charges to the buyer
- The program would be run by the seller apps and they would have the authority on structuring the program for the buyers, sellers and on-network logistics provider
- The reimbursement will be made based on the actual delivery charges paid by the seller application to the on-network logistics provider

### **Terms & Conditions**

- NPs should be live in the ONDC production environment on/before the date of closing of the program
- NPs to provide order status dashboard as per the formats defined by ONDC for validation of data based on the above qualification and incentive criteria and data requested thereof
- Incentive payout is at ONDC discretion basis genuineness of orders and will be paid out by ONDC upon suitable periodic review
- ONDC would set-up monitoring systems to check for the mis-utilisation of incentives. There would also be random audits conducted by ONDC to check the hygiene of the programs.
- ONDC will review the progress of the program and will at its discretion withdraw/ terminate the program
- The seller NP will have to raise claims for the incentive on a monthly basis post launch of the program
- Format for additional information to be shared along with the claim will be shared by ONDC

## PROGRAM 3: INCENTIVE FOR BUYER APPS FOR DEMAND GENERATION

**Objective:** Provide incentive to live buyer application to increase no. of transactions on the network across India in all categories

**Program Start Date:** 15th December 2022

**Program End Date:** 31st March 2023

### **Qualification and Mechanics:**

#### 1) Award Category 1: Start-up Buyer Application

- Incentive will be paid out for successful orders in multiple of 100 after first 1000 orders (e.g. in case a buyer NP generates 4052 qualified orders during program duration then incentive will be paid for 3000 orders)
  - Payout is INR 50 per order
  - To be counted, the Minimum Order Value of order including shipping charges should be min INR 100
- Entity must be identified as a Start-up/ MSME
- Buyer NP to ensure 100% payment compliance during the program duration

#### 2) Award Category 2: Other Buyer Application

- Incentive for first two Buyer NPs with at least 50,000 successful orders during the program duration
  - Payout of INR 5,00,000 as a token of appreciation
  - Award and citation from ONDC
  - To be counted, the Minimum Order Value of order including shipping charges should be min INR 100
- Buyer NP to ensure 100% payment compliance during the program duration

The fastest achievers to get publicly recognised ONDC pioneer badges allowed to be used in their advertisements

### **Terms & Conditions**

- For orders to be counted, test transactions done by ONDC's would be excluded.
- NPs should be live (not in closed user group) in the ONDC production environment on/before the date of closing of the program
- NPs to provide order status dashboard as per the formats defined by ONDC for validation of data based on the above qualification and incentive criteria and data requested thereof (network order IDs to be

shared by buyer apps)

- Incentive payout is at ONDC discretion basis genuineness of orders and will be paid out by ONDC upon suitable periodic review
- ONDC would set-up monitoring systems to check for the mis-utilization of incentives. There would also be audits conducted by ONDC to check the hygiene of the programs
- ONDC will review the progress of the program and will at its discretion withdraw/ terminate the program
- The buyer NP will have to raise claims for the incentive on a monthly basis post launch of the program
- Format for additional information to be shared along with the claim will be shared by ONDC



## **PROGRAM 4: INCENTIVE FOR SELLERS FOR DEMAND GENERATION AND FULFILMENT**

**Objective:** Encourage sellers to do demand fulfillment on time and encourage their existing offline buyers to use ONDC enabled buyer apps

**Program Start Date:** 15th December 2022

**Program End Date:** 31st March 2023

**Incentive:** INR 50 for sellers for every successful order. Bonus incentive of INR 50,000 for first 10 sellers that deliver 2,500 genuine orders

### **Qualification and Mechanics:**

- ONDC would reimburse Rs. 50 per transaction to live seller apps to be in-turn passed on to the sellers, for every successful order
- A bonus incentive of INR 50,000 will be given to the first 10 sellers that complete 2,500 genuine transactions
- **To be counted, the Minimum Order Value of the transaction including shipping charges should be min INR 100**
- The program would be run by the seller apps for their respective sellers. They would be the authority on structuring the program for the sellers
- The end-beneficiary of this incentive are the sellers and the intent is to incentivize seller behaviour of driving demand and completing fulfilment

### **Terms & Conditions**

- NPs should be live in the ONDC production environment on/before the date of closing of the program. Qualifying sellers also have to be live in the ONDC production environment
- NPs to provide order status dashboard as per the formats defined by ONDC for validation of data based on the above qualification and incentive criteria and data requested thereof
- Incentive payout is at ONDC discretion basis genuineness of orders and will be paid out upon suitable periodic review
- ONDC would set-up monitoring systems to check for the mis-utilization of incentives. There would also be audits conducted by ONDC to check the hygiene of the programs
- ONDC will review the progress of the program and will at its discretion withdraw/ terminate the program
- The seller NP will have to raise claims for the incentive on a monthly basis post launch of the program
- Upon receipt of payment from ONDC, the seller NP should payout the

- seller within 2 working days
- Format for additional information to be shared along with the claim will be shared by ONDC

## PROGRAM 5: INCENTIVE PROGRAM FOR SELLER NETWORK PARTICIPANTS FOR SELLER ONBOARDING

**Objective:** Increase seller density and assortment across India in all categories leading with Grocery and F&B.

**Program End Date:** 31st March 2023

**Qualification and Award Categories:**

### 1. Award Category 1 - Marketplace Seller NP - F&B Category

- Incentive will be paid for sellers added in multiples of 50 after the first 50 (e.g. in case a seller NP has 275 qualified sellers during program duration then incentive will be paid for 200 sellers; excluding first 50 sellers)
  - INR 1000 per seller
- Each Seller NP can avail above incentive for maximum 1000 sellers
- To be counted each existing/new seller should have
  - min. 20 SKUs with all mandatory attributes
- Bonus incentive of INR 3,00,000 each for first two NPs onboarding 1000 new sellers each

### 2. Award Category 2 - Marketplace Seller NP - Grocery Category

- Incentive will be paid for sellers added in multiples of 50 after the first 50 (e.g. in case a seller NP has 275 qualified sellers during the program duration then incentive will be paid for 200 sellers; excluding first 50 sellers)
  - INR 1000 per seller with SKUs  $\geq 500$  and  $< 2000$
  - INR 2,000 with SKUs  $\geq 2000$  and  $< 5000$
  - INR 5,000 with SKUs  $\geq 5000$
- To be counted each existing/ new seller should have
  - min. 500 SKUs with all mandatory attributes
- Bonus incentive of INR 3,00,000 each for first two NPs onboarding 1,000 new merchants each

### 3. Award Category 3 - Marketplace Seller NP -Other Categories

- Incentive will be paid for sellers added in multiples of 50 after the first 50 (e.g. in case a seller NP has 275 qualified sellers during the program duration then incentive will be paid for 200 sellers; excluding first 50 sellers)
  - INR 1000 per seller
- Each Seller NP can avail above incentive for maximum 1000 sellers
- To be counted each existing/new seller should have
  - min. 50 SKUs with all mandatory attributes



- Bonus incentive of INR 3,00,000 each for first two NPs onboarding 1000 new sellers each

All seller NPs qualifying for fastest achievers to get publicly recognized ONDC pioneer badges allowed to be used in their advertisements.

## Terms & Conditions

- NPs should be live in the ONDC production environment on/before the date of closure of the program. For sellers to be counted, they have to be live in the ONDC production environment
- NPs to provide order status dashboard as per the formats defined by ONDC for validation of data based on the above qualification and incentive criteria and data requested thereof
- Incentive payout is at ONDC discretion basis genuineness of orders and will be paid out upon suitable periodic review
- ONDC would set-up monitoring systems to check for the mid-utilization of incentives. There would also be audits conducted by ONDC to check the hygiene of the programs
- ONDC will review the progress of the program and will at its discretion withdraw/ terminate the program
- The seller NP will have to raise claims for the incentive every month post launch of the program
- Format for additional information to be shared along with the claim will be shared by ONDC