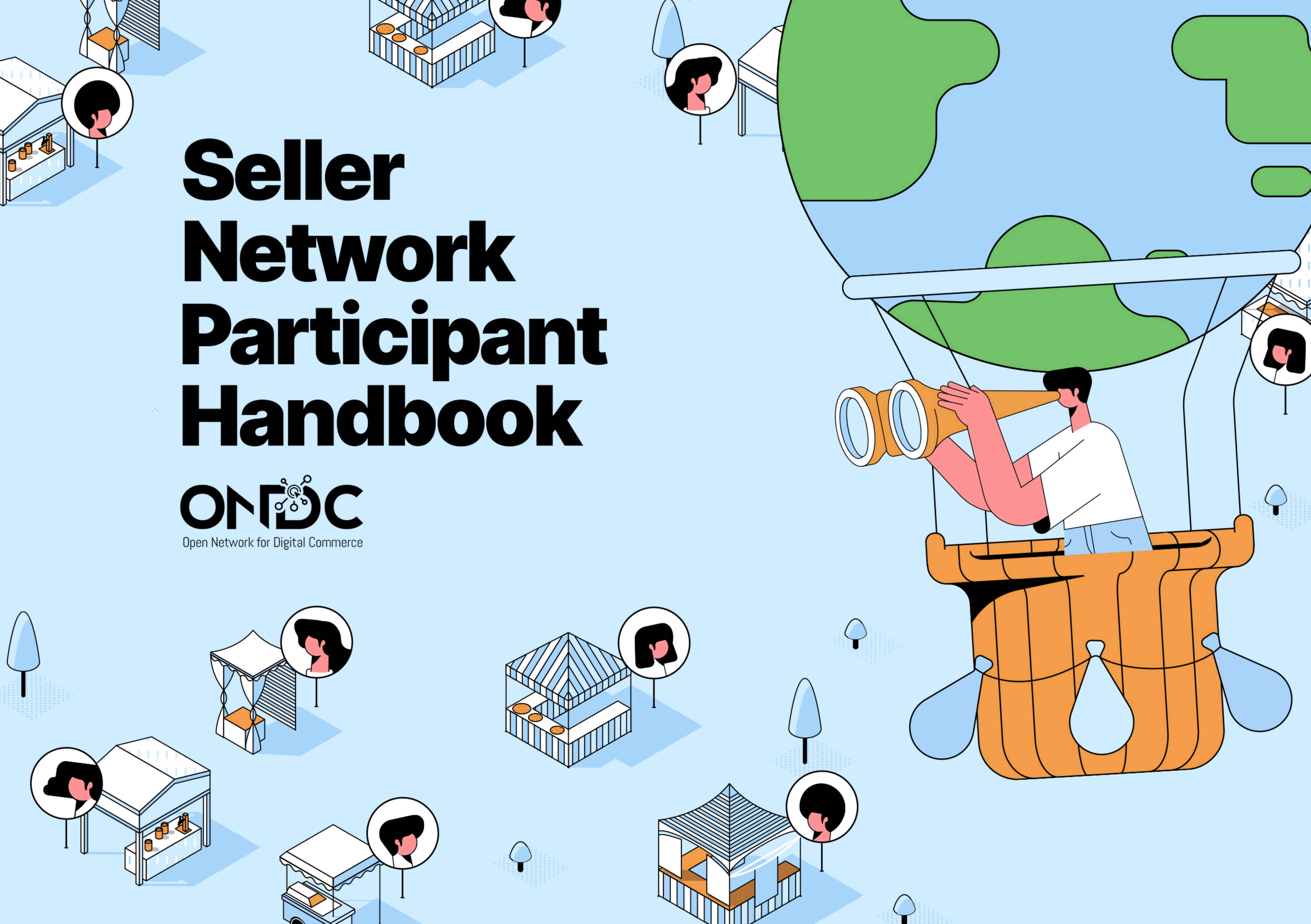


Seller Network Participant Handbook



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Context & Overview

The paper is targeted for Seller Applications/Seller Network Participants specifically selling/ wanting to sell products on ONDC, consequently this document is not for Buyer Applications or Seller Applications selling/wanting to sell services.

This paper starts with an overview of the building blocks of setting up and scaling up digital commerce as a channel for interested players via Open Network For Digital Commerce (ONDC). A Seller Network Participant can take away guidelines & best practices across different operational activities starting from seller onboarding, pitching key benefits of setting up a digital store and selling in an unbundled network to various aspects of seller management such as catalog quality, order management, seller performance and engaging with sellers for best utilization of the ONDC network. Across the document, the reader will also find references to the ONDC Network Policy chapters along with the relevant links, for further reading on the specific subject matter.

CHAPTER 1

Introduction to Digital Commerce & ONDC

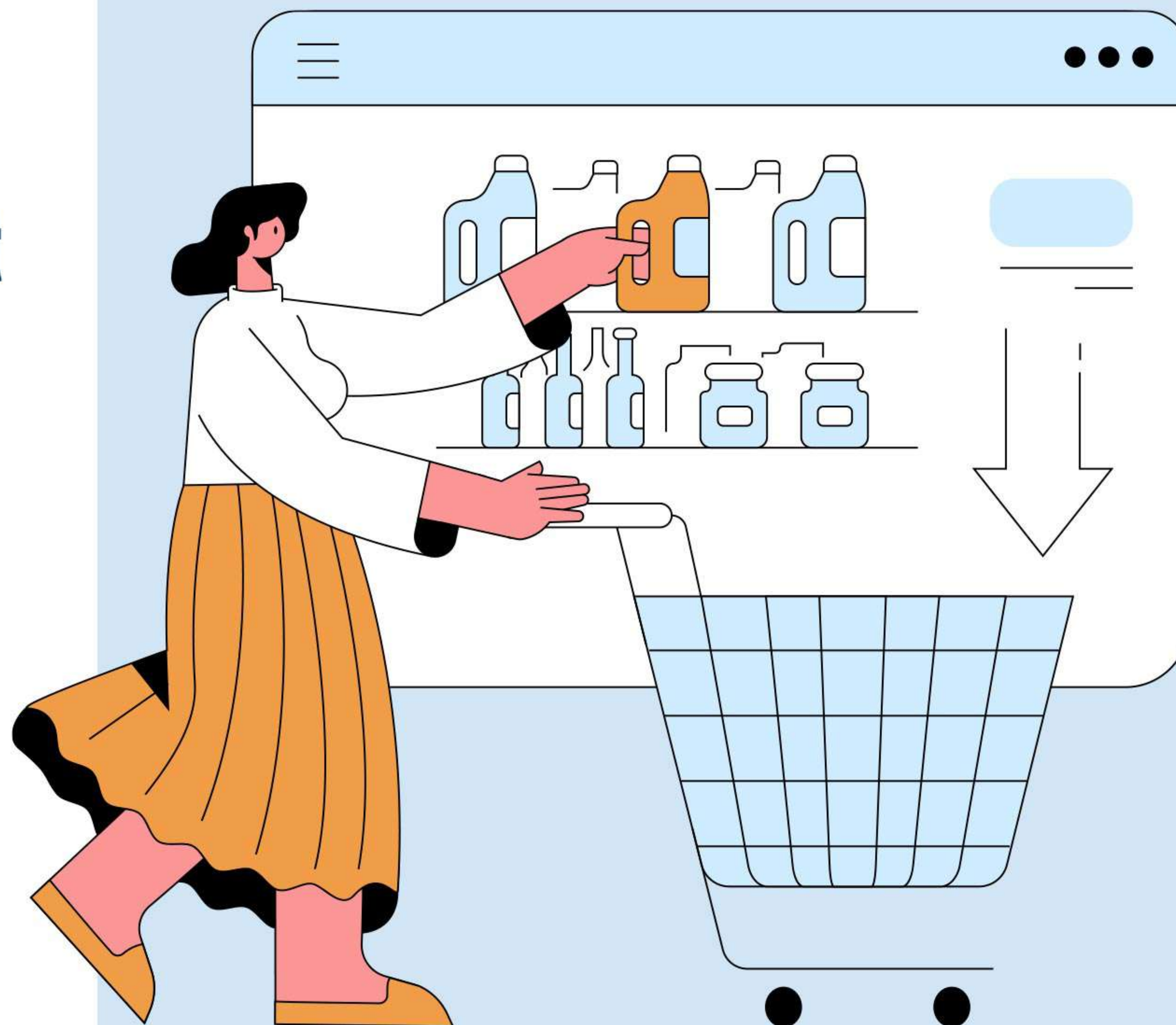
This section describes the various aspects which are commonly involved in e-commerce and highlights similarities and differences in the operating model of ONDC.

Expected key takeaways from this section:

- Buyers experience in the current e-commerce model
- The difference between ONDC and traditional e-commerce platforms
- Communication between various entities in ONDC

How do buyers experience order placement in the current and established models of e-commerce?

In the current model of e-commerce, a buyer either downloads a mobile application on his/her phone or visits the shopping website. The buyer then searches for a product and accordingly receives search results (list of products) from various sellers.



The buyer chooses the most suitable search result received, clicks on the particular product listing, visits the web page which shows the product and product details (such as price, images, description of the product), then clicks on add to cart/ buy now button, registers with e mail/mobile number, and finally completes the payment process and gets an order confirmation.

After the order has been placed and if not cancelled by the buyer, the e-commerce platform initiates pick-up of the product from the seller location and gets it delivered to the buyer. The product may either be successfully delivered to the buyer or fails to get delivered to the buyer.

At the start of this buyer journey of order placement, before the buyer can see the product on an e-commerce platform, it undertakes onboarding of sellers who are willing to sell online. As part of the process, the seller must undergo registration with the e-commerce platform, convert the physical inventory in the store into a digitally viewable format called catalog (which is the product page visible to the buyer and includes product images, the tile of the product, product description, product price, delivery charges, other applicable charges and 'buy now' and 'add-to-cart' buttons).

As evident from the journey described from seller onboarding to order delivery, all stages are completely owned and controlled by the Shopping Application.

How is ONDC different from the platform model of e-commerce?

In the platform model of e-commerce, both buyer experience and seller management are managed by a single entity. The ONDC model breaks this integrated setup into several unbundled components, wherein each component is managed and played by different entities. Entities have been broadly divided into 2 types based on the roles they can play in an unbundled environment such as ONDC. These roles are determined by the activities they choose to perform viz. buyer experience, seller management and delivery fulfillment. These entities will determine the roles they intend to play in the unbundled setup. Given below are some of the prominent roles, which an entity can play in the ONDC's unbundled construct.



Buyer App

Provides an interface (website/mobile application) for buyers to search and discover products/services, to view the responses received from several sellers, to place and confirm the order for the desired product/service from a specific seller, to pay for the desired product/service and to raise order related issues.



Seller App

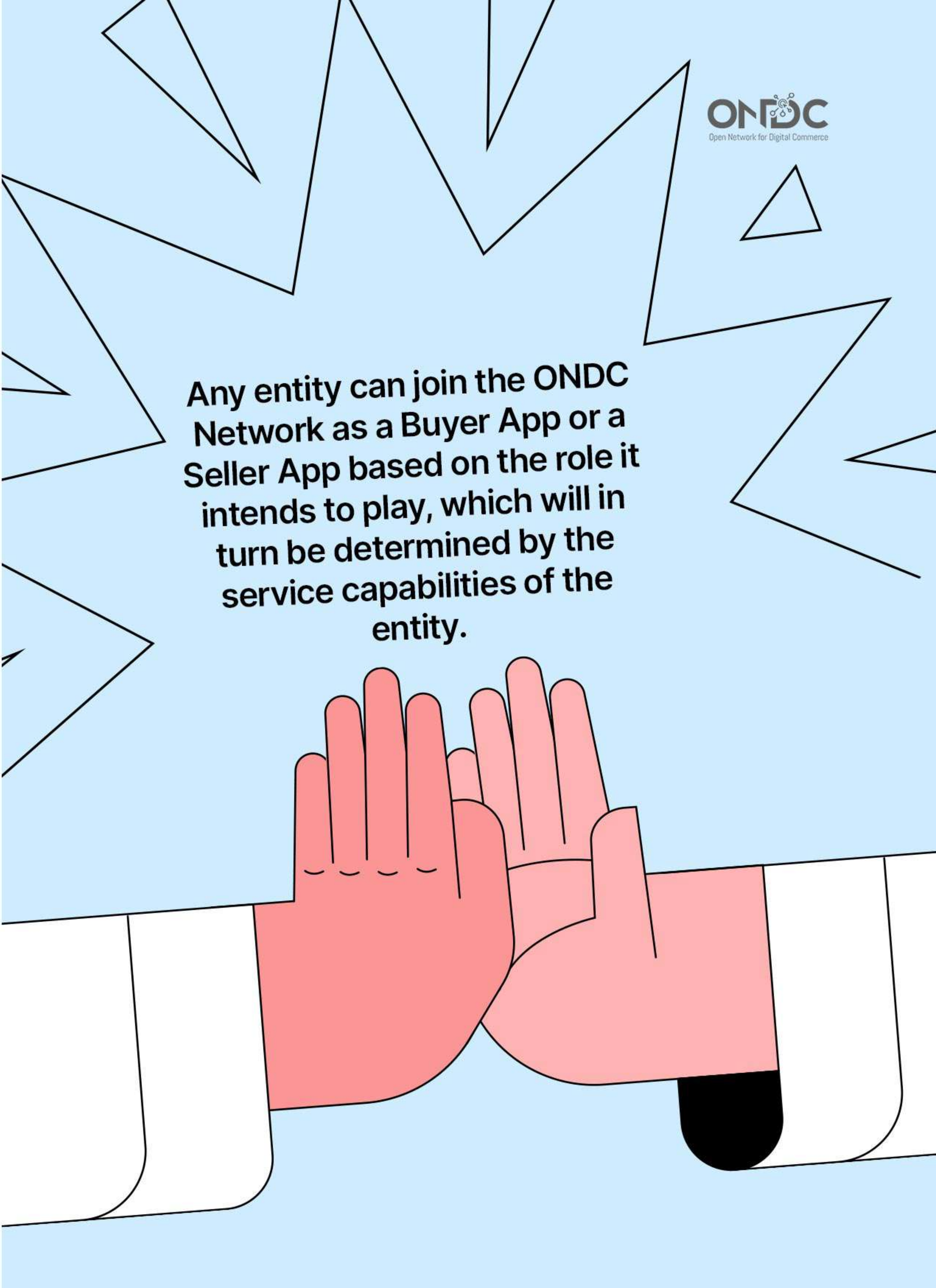

Responsible for onboarding sellers, creating digital versions of the seller's product (called catalog), and coordinating with the seller or logistics provider to resolve customer issues related to delayed delivery or product quality.

For performing forward logistics (pickup from seller location and deliver to the buyer) and reverse logistics (returned product pickup from the buyer's location and return to the seller), either the buyer app or the seller app can decide to either.

i) Procure logistics from a logistics service provider from the ONDC Network to perform 'On-Network logistics' OR

ii) Perform 'Off-Network' logistics with their own delivery fleet or through a third party logistics provider, commonly known as a third party logistics (3PL) provider.

In the case of 'On-Network' delivery, the participant procuring logistics services acts as a logistics buyer and the participant offering logistics services acts as a logistics seller.



Any entity can join the ONDC Network as a Buyer App or a Seller App based on the role it intends to play, which will in turn be determined by the service capabilities of the entity.

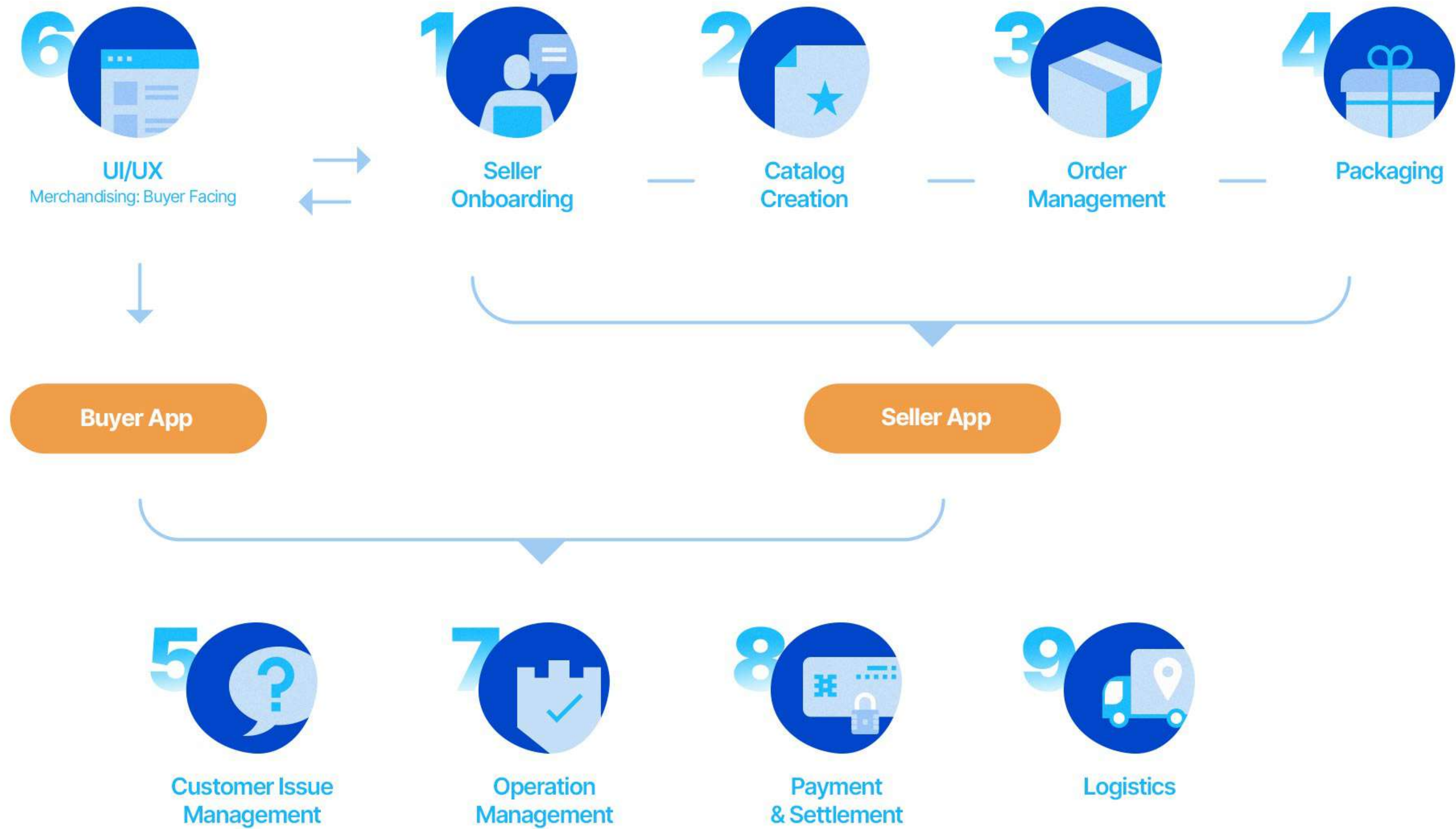
How do the various entities in ONDC communicate with each other?

In the ONDC construct, various functions (Buyer App, Seller App, Logistics Service Provider) will be performed by different entities instead of a single centrally controlled entity. To enable communication between the different entities, there is a need for a common language which will allow these entities to transact with each other. To facilitate communication among various entities, ONDC has defined protocols for the exchange of information between applications. By following a common protocol, these entities can effectively communicate with one another.

This is accomplished through the use of Application Programming Interfaces (APIs), which is a collection of programming codes that enable different software programs to interact with each other.

APIs are the means for communicating information with a recipient entity willing to participate in the transaction. It is up to the business function of the entity which will determine the specific terms to be communicated through the API and the recipient to whom the information will be communicated. Accordingly, the recipient entity must logically respond to an 'API call' received from the sender, and ensure compliance to the terms of sale agreed, during execution of the operation. This section will be covered in detail in Operations Planning.

If we map the activities of digital commerce as a flow chart:



S.No.	COMMON ACTIVITY DESCRIPTION	ECOMMERCE TERMINOLOGY/FUNCTIONS	NAME FOR ONDC ROLE FOR THE ACTIVITY
1	Onboarding sellers offering their products through a Seller App on ONDC	Onboarding Sellers	Seller App
2	Seller creates a digital format database of inventory available for sale	Catalog Management	Seller App
3	Managing order status, buyer cancellations, inventory availability, dispatch status, return requests, and return logistics	Order Management Dispatch Management & Return Management	Seller App
4	Buyers receive products ordered online packed in flyers, cartons etc. to protect shipment from damages	Packaging	Seller App
5	Managing business and operational performance of sellers	Seller Management	Seller App
6	Resolution of order related issues such as delayed delivery, received damaged product, etc. raised by the buyer	Customer Support	Seller App Buyer App
7	Features on the shopping applications which buyers see: Search, filters, recently viewed products, frequently bought products, how fast the website or app pages are loading. These features help buyers to navigate the application and make the buyer experience on the application free of any issues. The application also provides functionality for customers to raise return, cancellation, and other issues. Generating demand and bringing more buyers on their platform	Improving Buyer Experience on the Buyer Applications (UI/UX & Merchandising)	Buyer App
8	For the different entities to respond over API, certain operational logics have to be built at the participant/s end to avoid operationally executing the order	Operations Planning (Defining Rules for Business)	Seller App & Buyer App
9	Once the order is delivered to the buyer and the return window is closed, settlement of value needs to happen between the participating Seller App and Buyer App	Payment & Settlement	Seller App, Buyer App

The handbook deep dives into each of the above activities and provides guidance on the best practices to be adopted by participants.

CHAPTER 2

Onboarding Sellers

As discussed in the previous section, before buyers can view products on a website or a mobile application, sellers must be onboarded by a Seller Network Participant on ONDC. This section details the different aspects involved in this business process and guidance on the best practices.

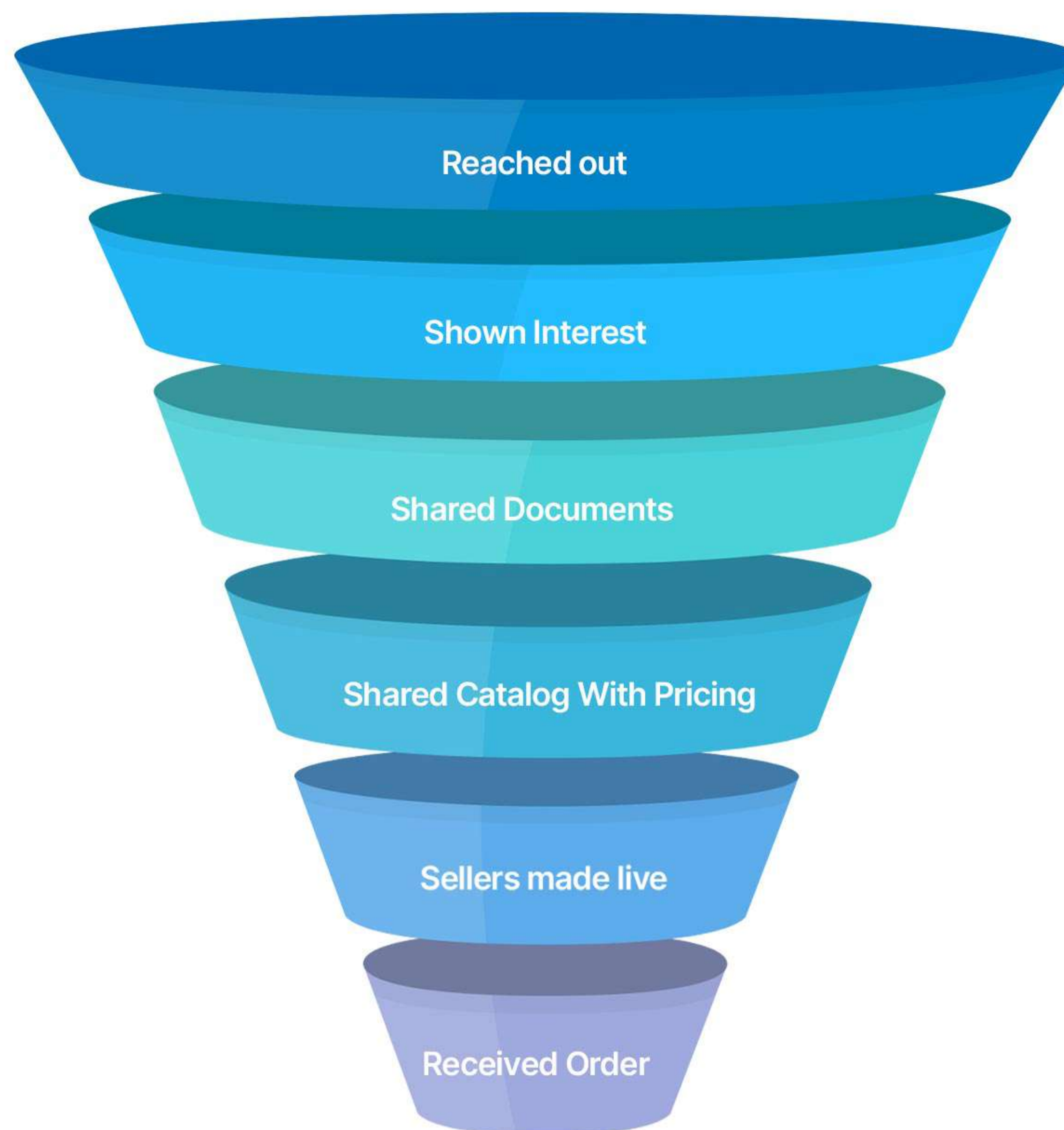
Expected key takeaways from this section:

- Planning team/resources required for onboarding sellers
- Convincing/Pitching sellers for selling on e-commerce and through ONDC
- Handling the key concerns sellers raise at the time of onboarding for selling online
- Checklist of information that Seller App should collect from sellers at the time of onboarding

Seller onboarding planning

There is a complete journey when a Seller App first approaches the seller for onboarding and finally the seller receives orders and fulfills it.

The concept of the funnel is that Seller NP may start with 100 sellers at stage 1 but may have just 10 sellers live (ready to receive orders) at the end of the timeline decided for onboarding these 100 sellers.



Therefore, the Seller App needs to connect with 100 sellers if 10 sellers are to be made active or 200 sellers if the target is to get 20 live sellers. This planning has to be done from the start by working backwards from the targeted sellers and orders.

The different stages are:



 **Reached out**

The sellers with which seller NP is able to establish connections



 **Shows interest**

Sellers who show interest in the proposition of Seller App for selling online



 **Shared information**

Of the interested sellers, who handover the required documents and information (KYC, GST, canceled cheque, agreement on terms of the engagement - payment terms) with the Seller NP



 **Shared catalog information**

Sellers need to share information of the products that they want to sell through the Seller NP with details of Selling Price, MRP, Product name, Brand, Inventory for creation of digital catalog (Digital product page on a website/application which has details about the product and has a Buy now/Add to cart button). The details of different sections of the catalog and best practices are shared in the next section on Catalog creation. ONDC will also enable varied service providers to provide a host of services including catalog creation which will make creating a digital source easy, fast, and affordable for sellers.

Basis the number of sellers to be reached at the top of the funnel, Seller Apps need to plan the resources for seller connect and onboarding - on call or on field.

Convincing sellers to join

Once the planning is done and the Seller NP team approaches the sellers, the team needs to communicate to sellers why they should sell online (if not selling already) and then why they should sell through ONDC. This section gives key value propositions for the Seller NP team to convince the sellers.

Reasons for selling online

India's e-commerce sector is one of the fastest growing sectors for retail in 2022 with a yearly growth of 21.5% (ref: Indian brand equity report Aug '22) and is expected to

reach \$74.8 Bn. For the 2021 festive season, Indian e-commerce platforms generated sales with a Gross Merchandise Value (GMV) of US\$ 9.2 billion, a 23% increase from last year's US\$ 7.4 billion. India's consumer digital economy is expected to become a US\$ 1 trillion market by 2030, growing from US\$ 537.5 billion in 2020, driven by the strong adoption of online services such as e-commerce and edtech in the country. With these strong indicators, having a digital presence will add a new and effective channel of revenue for sellers.

Here are a few top reasons for sellers to consider having a digital presence:

1 Increased geographical reach

If the sellers have not worked in e-commerce before, NPs should highlight the access to greater reach provided by e-commerce - for a hyperlocal business the radius of serviceability will increase capturing more customer base, for Pan India delivery categories, ecommerce opens up all the live serviceable codes across India.

2 Post COVID-19 spending shift to

During COVID-19, there was a spike in online demand due to restrictions of movement. A part of the shift to digital buying has sustained and online demand has seen a permanent gear shift. It is important to be present online for every seller so that customers who are now buying online can find the seller's store.

3 Digital store presence

Maintaining a digital store is much easier than a physical retail store which requires investment in terms of manpower, space, rentals, inventory management etc. Sellers get a digital seller store which can be leveraged to showcase their entire catalog with existing and new customers.

4 Increased purchase frequency

With the convenience of ordering at home, customers shop more frequently. Sellers can leverage their digital store to offer new and existing customers to order more and push to increase business.

Reasons for why to sell through ONDC?

Once sellers understand the benefits of selling online the next logical question can be why sell through ONDC when there are other channels/platforms facilitating online sales. This section aims to address this question.

1 Exposure to multiple Buyer Apps at one go

A seller on-boarded through ONDC is visible across all the buyer apps active on the network. The seller does not need to get onboarded, learn operations, manage relationships of different platforms.

Through single onboarding the seller is accessible through all Buyer Apps across the country. [\[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.3.3\(i\)&\(k\), 2.4.6\]](#)

2 Ownership of rating

When working on a platform business buyers give ratings to sellers and products being sold. The ratings play a critical role in buyers' decision of purchasing from a seller. But if a seller decides to move out from the existing platform to a different platform for selling, he/she cannot carry the current ratings to the new platform and has to start from zero to build good ratings. On ONDC this is not the case, ratings ownership will lie with the sellers. In future if the seller decides to move to a different Seller NP the seller can continue to use the current ratings. [\[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.5; upcoming Scoring/Badging Policy\]](#)

3 Fair opportunity to all sellers

On ONDC all sellers have equal opportunity to sell to end consumers. The Buyer Apps are required to disclose the parameters and weightage of each parameter being used to filter/sort sellers so that every seller has equal visibility and opportunity. [\[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.3.3\(j\)&\(k\), 2.3.4, 2.4.6\]](#)

4 Sellers set their own terms

With flexibility to feature across all buyer apps, sellers can decide for their own terms while choosing a seller app. Sellers will retain their rating/reputation as they seamlessly migrate across seller platforms [\[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.3.5, 2.4.4\]](#)

5 Low cost for complete e-commerce value chain

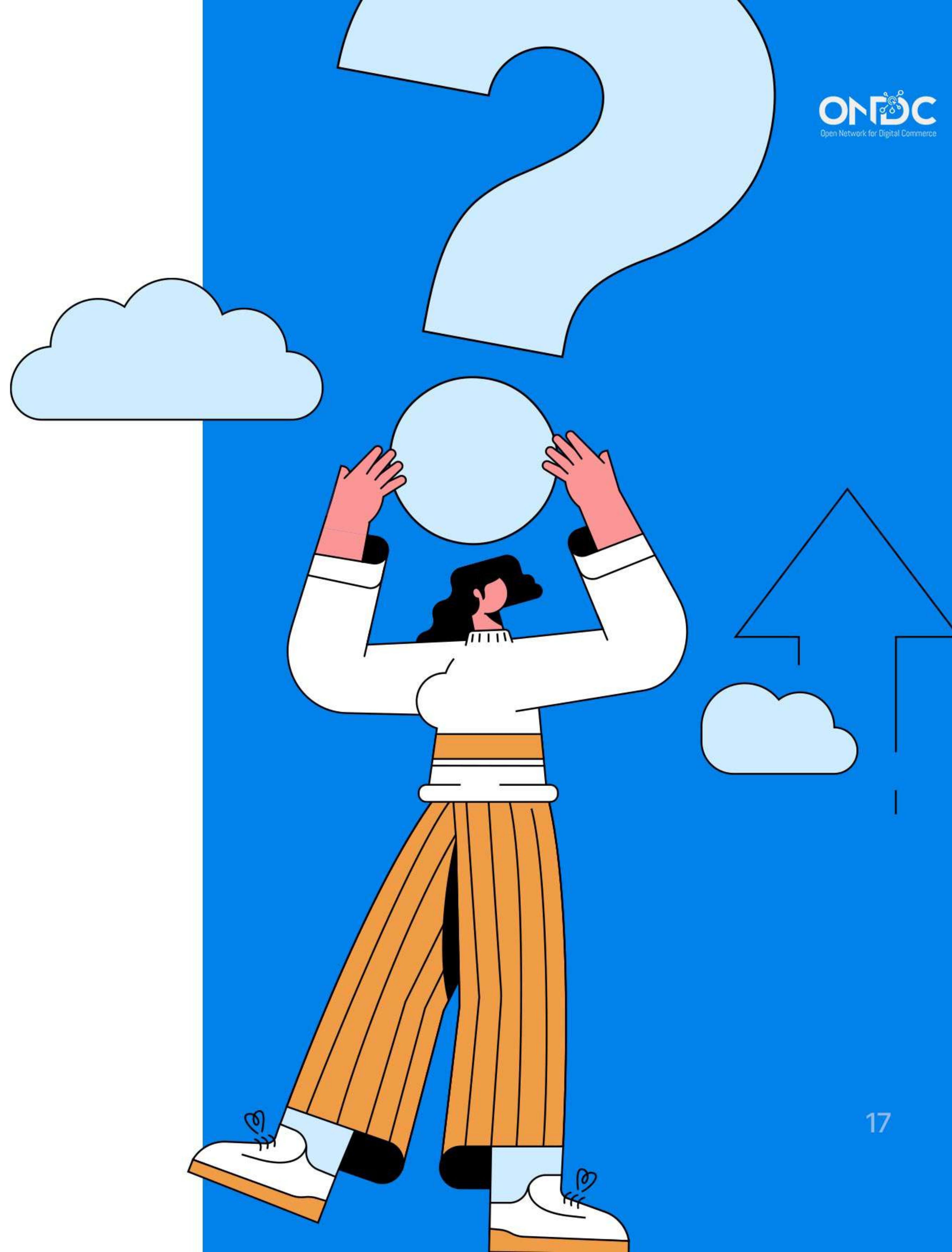
With each leg of digital commerce unbundled, sellers can focus on their core operations, without worrying about other enabling services to complete the e-commerce value chain. (e.g.: Marketing, Logistics, Online Grievance Redressal, etc). [For example, visit Governance and Policies on ONDC website: Ch 2 \(Business Rules\): 2.3 and 2.4 \(describing individual responsibilities of NPs\)](#)
ONDC core architecture with several participants offering a wide array of services at a competitive cost, a vibrant network can considerably reduce margin pressures for sellers.

6 Know your customers

Sellers get to know their customer details (Customer name, phone number, address, email ID) [ONDC Protocol Specifications] regardless of the buyer or seller app or whether delivery happens on or off network. [\[Visit Governance and Policies on ONDC Website: Ch 4 \(Code of Conduct and Ethics\): 4.7; Ch 7 \(Network Data Governance\)\]](#)

Handling seller concerns at the time of onboarding

While pitching and convincing sellers to join ONDC, there will be concerns that sellers will raise. The Seller NP team should be prepared to handle such queries and give convincing reasons to the seller. In this section, the key concerns of sellers related to selling online are listed and the section describes the way such issues can be handled.



Concern 1: High commissions charged by existing e-commerce players

One of the main concerns of sellers is the high fees charged by the existing players leading to significant margin loss for players.

The NP can highlight the below to sellers:

- Sellers are dealing only with the Seller App while getting absolute freedom to seamlessly move across seller participants as per preferred terms of trade. Sellers will retain their rating/reputation as they seamlessly migrate across seller platforms [Upcoming Scoring/Badging policy].
- Moving to another seller app won't affect discoverability. Therefore, market forces will make seller apps offer competitive rates. Regardless of the Seller App, all sellers will feature on all buyer apps highlighting relevant products as needed by the buyer.
- With all legs of the e-commerce value chain unbundled, sellers can focus on their core competency of products. With several participants offering a wide array of services at a competitive cost, a vibrant network can considerably reduce margin pressures for sellers.

Concern 2: Returns in e-commerce business

This is one of the primary concerns of sellers who have sold on e-commerce in the past and left or sellers who have not worked in e-commerce but have heard instances of loss due to high returns in their seller community.

The NP should educate sellers about returns and highlight the below factors as need be:

- Different categories have different return rates and the category a particular seller is interested in selling online may have low return rate
- Explaining levers which can be used to control and manage returns:
 - High quality catalog with correct information
 - Dispatching products on time
 - Prepaid orders have significantly lower returns than COD orders. Decisions can be taken based on margins in the product/category for absorbing return cost
 - Ensuring the seller is dispatching complete and correct orders
 - Deciding whether to make a product returnable/non- returnable.
- Sellers can build the cost of return into their margins

Concern 3:

Payment settlement period

The sellers are mainly concerned about their working capital which can get stuck in the online sales business. The Seller Apps must define the payment terms with their sellers and then ensure timely payment to their sellers to build trust.

[\[Visit Governance and Policies on ONDC Website: Enabling construct in Nodal-like Account Ch 3: Commercial Model \(upcoming revision\)\]](#) The Seller App may want to delink its own payout from the seller payouts. Also, Seller App can adopt innovative solutions with sellers such as:

- **Create slabs:** Faster payouts for high dependency sellers with communication on the expected volume of sales for faster payouts to other sellers. [Enabled through ONDC Protocol Spec and Payment/Settlement Framework]
- Provide the option of a slightly higher Seller fee for earlier payouts

Concern 4:

Cost of damages to packages/products while working in e-commerce

The Seller App must explain to sellers the process for escalation of damages to seller NP and how responsibility will be assigned between Logistics Service Provider VS Seller.

Highlight the importance of:

- Right packaging
- Capturing images/ videos of packaging before dispatch
- If damaged received, mentioning same on Logistics Proof Of Delivery document
- Raising tickets to seller NP in the defined timelines

Seller can also build in damage cost into his/her margins over time once he/she understands the volume of sales VS the damage % cases.

Concern 5:

Sales are directed to only preferred sellers or to private labels

While in a traditional e-commerce setup, existing platforms may want to push sales of their private labels or sales to specific sellers, in ONDC with the decoupling of Buyer and Seller App the Buyer App cannot give preferential treatment in the search results. Also, forbidden under the Network Policy [[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.3.3\(j\)&\(k\), 2.3.4, 2.4.6](#)]

Concern 6:

Price competition and low margins

The network will enable sellers to offer promotions and sellers can decide on the price point as per their business health. Over time as the sales of sellers can build up across different Buyer Apps and as volumes go up they can negotiate better prices from their Suppliers improving the margins in the mid to long term.

Concern 7:

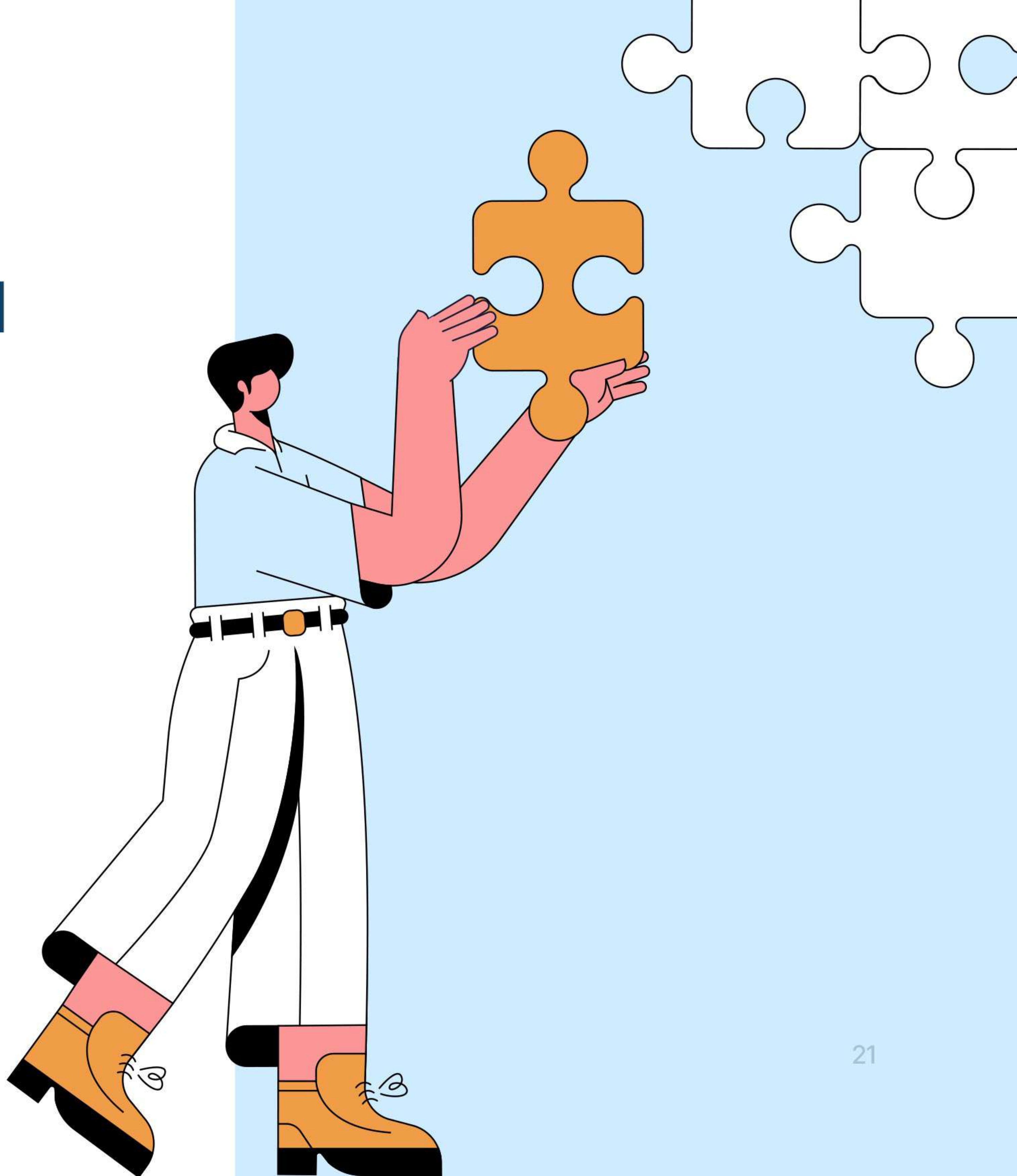
Search listing in existing players is unclear and there is need to spend marketing money to improve your search rank

On ONDC all sellers have equal opportunity to sell to end consumers. The Buyer Apps are required to disclose the logic being used to filter/sort sellers so that every seller has equal visibility and opportunity. [[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.3.3\(j\)&\(k\), 2.3.4, 2.4.6](#)]

ONDC has created a mechanism (IGM - Issue & Grievance Mechanism) to raise issues of sellers through Seller NP. Details of process are mentioned in Section 5 (Customer Issue Management). Seller issues will be managed through the same mechanism.

Information to be collected from sellers at the time of onboarding

Once the seller NP team has convinced the sellers to get onboarded and answered their key concerns, it is important for Seller NP to ask the right questions and collect important details from the sellers to ensure there are no operational challenges or delays in onboarding. This section gives a list of important information which can be collected from sellers.



S.No.	Information Required	Collected? ✓ ✗
1	Name of seller - Required for registration	
2	Name of business - Required for registration	
3	PAN card details of seller - Mandatory for registration	
4	Seller GST - May or may not be required as per the business size	
5	Seller fulfillment coverage - Required for defining serviceability	
6	Seller store pin code and address - Required for order pick up by logistics	
7	Promised shipping time	
8	Product categories interested in selling	
9	Detailed information of SKU available with the seller with selling price - Required for catalog creation. (We cover catalog creation in detail in the subsequent section)	
10	Is the seller already selling online - Required for deciding training requirements	

S.No.	Information Required	Collected? ✓ ✗
11	Check seller training requirement on update of inventory and price - Required for ensuring correct information on availability and price	
12	Check seller training requirement on order processing - Required for order processing	
13	Check seller understanding on commissions, cost of operations - Packaging, returns, damages etc. to ensure post order issues	
14	Seller SPOC for business discussion: name, contact no. and email - For discussion on growth and business	
15	Seller SPOC for operations (name, contact no. and email) - Logistics pickup, follow up on order processing etc. - Required for managing operations and buyer escalations	
16	Canceled cheque for account details	
17	Other details such as category specific req - e.g. FSSAI license number for F&B sellers	
18	Grievance redressal office details (Contact numbers) (Under e-commerce rules)	

Once the information is received as the next step, Seller NP needs to register the seller at his end on the Seller Application and create a catalog of the seller.

CHAPTER 3

Catalog Creation

Once seller onboarding is complete the next step is to create a digital database of the products the seller wants to sell through the Seller Network Participant. This section delves into best practices for creating these digital pages.

Expected key takeaways from this section:

- Understanding what a catalog is and importance of a good quality catalog

- Best practices for creating content for different aspects of catalog: product title, images, key features, product specifications, attributes & filters, product specification, FAQ

- Do's and Don'ts to follow for catalog creation

What is an e-commerce catalog?

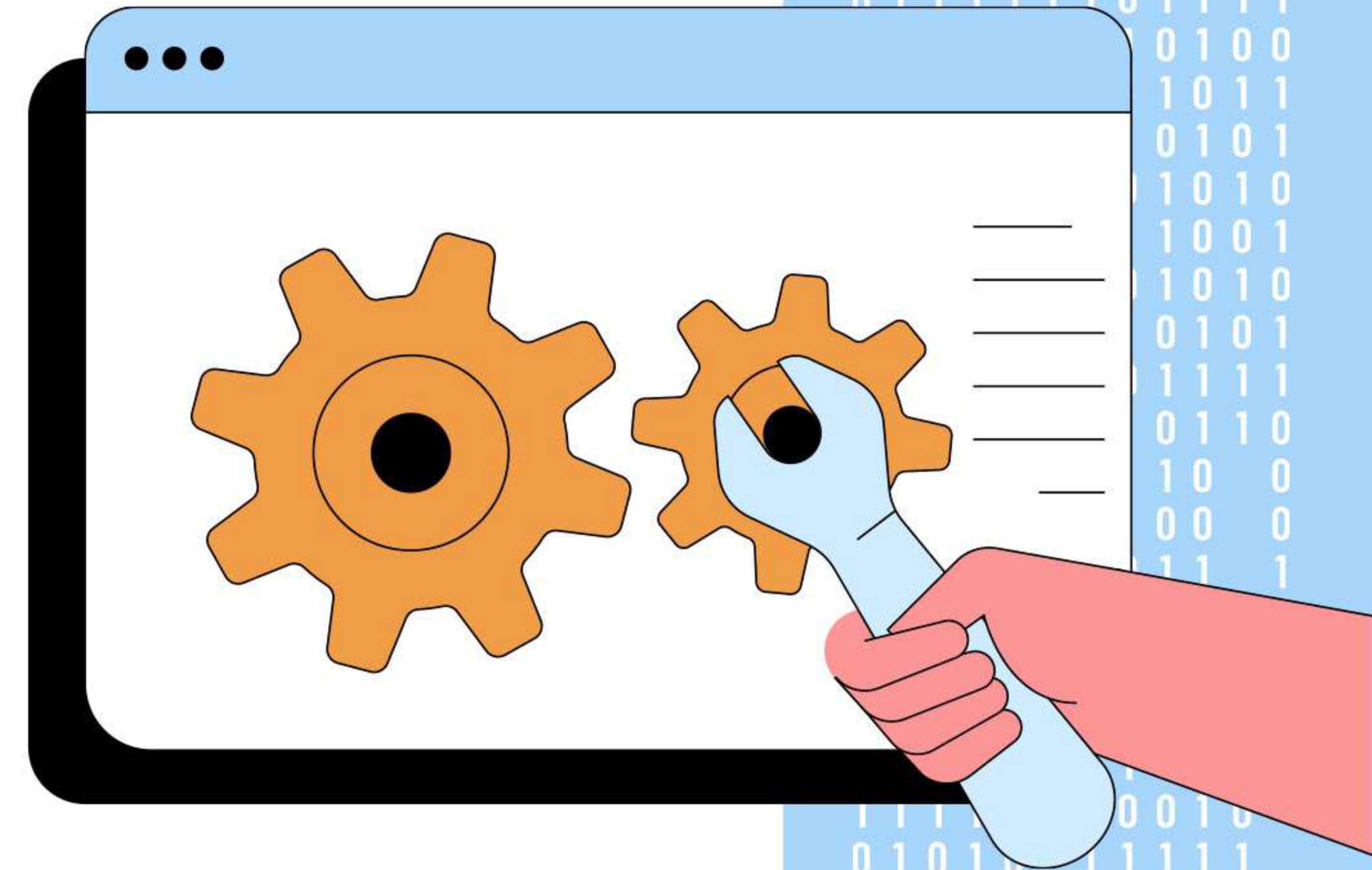
A Catalog has two sides to it, one is the backend side (Not buyer facing) and the other is the front-end side (buyer facing)

Backend

It is the database of the product information. Every product which is to be sold online has certain information which must be stored in the database. The information includes Product name (Title), MRP, Selling Price, Inventory available, Key features & description of the product, frequently asked question (FAQ) etc. We will go deeper into each of these elements in this section and share best practices.

Frontend

The information stored at the backend is shown to the buyers in the form of a webpage or a mobile application page . This is the page which a buyer sees on a website or on a mobile application: This webpage/mobile application page is unique to a particular product and includes details related to the product such as product images, selling price and product MRP This page will also have a 'Buy Now' & 'Add to Cart' buttons. The unique web page/mobile application page created for a particular product is called a Product Display Page (PDP) in E-commerce language.



Importance of high-quality catalog in online sales

While purchasing a product online, the customer cannot meet the seller, in-person, or visit the store physically and ask questions directly to clarify any kind of doubts.

Thus, it becomes critical that all the information required to make a purchase decision is presented to the buyer in a structured and concise manner.

Since the buyer is making a purchase without physical connection and would receive the product after a few days of purchase & also may make the payment before receiving the product, a good quality catalog also helps build trust in the seller of the product and on the quality of the product.

A high quality catalog will help sellers

- Improve Sales
- Reduce Returns
- Reduce time for customers to select the right product
- Reduce customers queries and contacts
- Improve seller ratings which thereby help improve repeat and new orders

Sources of information

For creation of catalog product information is required, below are the suggested sources and ways in which Seller and Seller NP can get this information:

- For Brand Products physical copies of the Brand's catalog have all information/specifications
- Many Brands have their online store with information about products
- A manufacturer of product selling through ONDC network will have to create its own content
- Taking help from third party cataloging service providers: Seller NP can tie up with a service provider to consolidate the requirement and negotiate the best deal for their sellers
- Seller NP can develop an in-house catalog creation team for their sellers. They can charge minimal fees from sellers to encourage & increase seller onboarding & listing. Seller NP creating data for a particular brand catalog can utilize this data for multiple sellers wanting to sell the same products of the brand online
 - This will reduce time to market for new sellers with the same catalog requirements
 - The cost to each seller also reduces as Seller App can spread the cost of single product page creation across multiple sellers. Individual sellers can then choose to further change/improve the catalog quality as per their preference

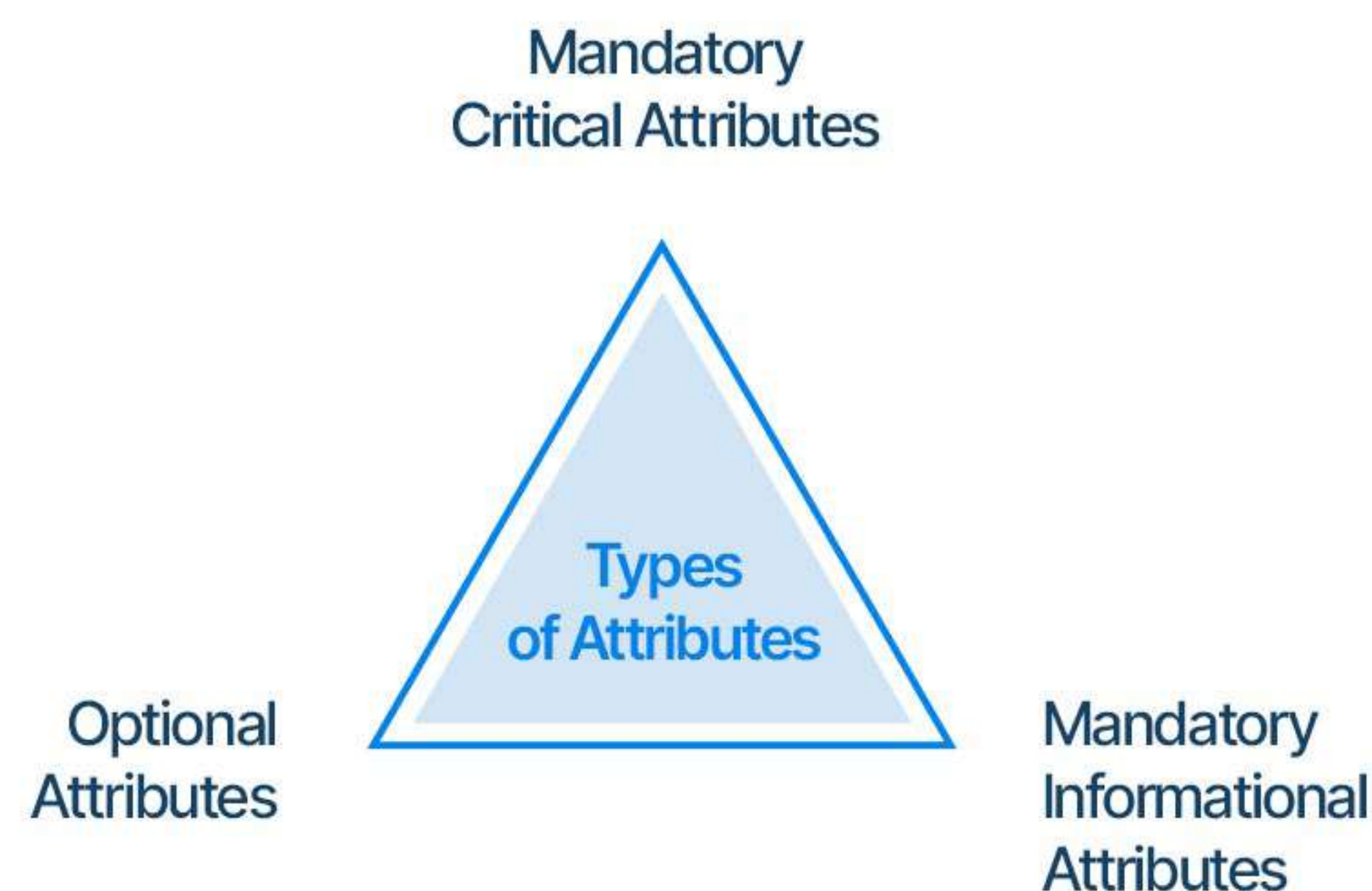
Defining attributes for products

Attributes are product features/information which helps define each unique SKU. These are defined at the time of catalog creation. These product attributes help

- Define the features of the SKU
- From the customer perspective they help customers understand the product better and make an informed decision about their purchase
- Attributes are used for creating filters by Buyer Apps which helps the buyers to narrow down the selection of products as per their requirement
- If a product does not have relevant attributes, it will result in buyers not being able to get the

complete information about the product and may decide not to purchase due to this lack of clarity

- In absence of important attributes, the product may not appear in the results post filters are applied on the Buyer Apps by the customer resulting in loss of sale for the Seller & Seller NP



Mandatory critical attributes:

These are features of the product without which the customer will not be able to make the purchase decision. For example, for Product type Shoes, shoe size would be a mandatory attribute. For an Air conditioner the tonnage of the AC would be a mandatory attribute. ONDC defines the mandatory attributes for each category and Seller Apps will be required to add values in mandatory attribute fields for each product. Also Buyer App can declare some mandatory attributes in order to manage their Buyer Experience. [\[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.3.3\(k\)\]](#)

Sample mandatory critical attributes: F&B

Attribute Name	Mandatory
Item Name	Yes
Type of food	Yes
Serves	Yes
Portion Size	Yes
Key Ingredients	Yes

Optional attributes:

These are attributes without which customers can make a buying decision but would be good to have in case a customer wants to understand the product in more detail or wants to compare products across attribute; for example while making a Mobile phone purchase a lot of customers like to compare different SKUs against all the attributes. It is suggested that the Sellers add as many attributes as possible to ensure that the catalog is sufficiently complete for all customer types/segments.

While listing the Attributes which will be displayed on the Product Page under key features or Product specifications it is suggested to list the Mandatory attributes first and then go into further details of Non mandatory attributes.

ONDC will suggest mandatory attributes to be added to the catalog for each category.

Mandatory informational attributes:

This is information mandated by the regulation to be shown to Buyers. Seller NP should refer to the guidelines in BIS labeling requirements, Legal Metrology rules and Consumer Protection (E - commerce Rules), 2020 for guidelines on these. Couple of examples of this would be details like seller name, country of origin.

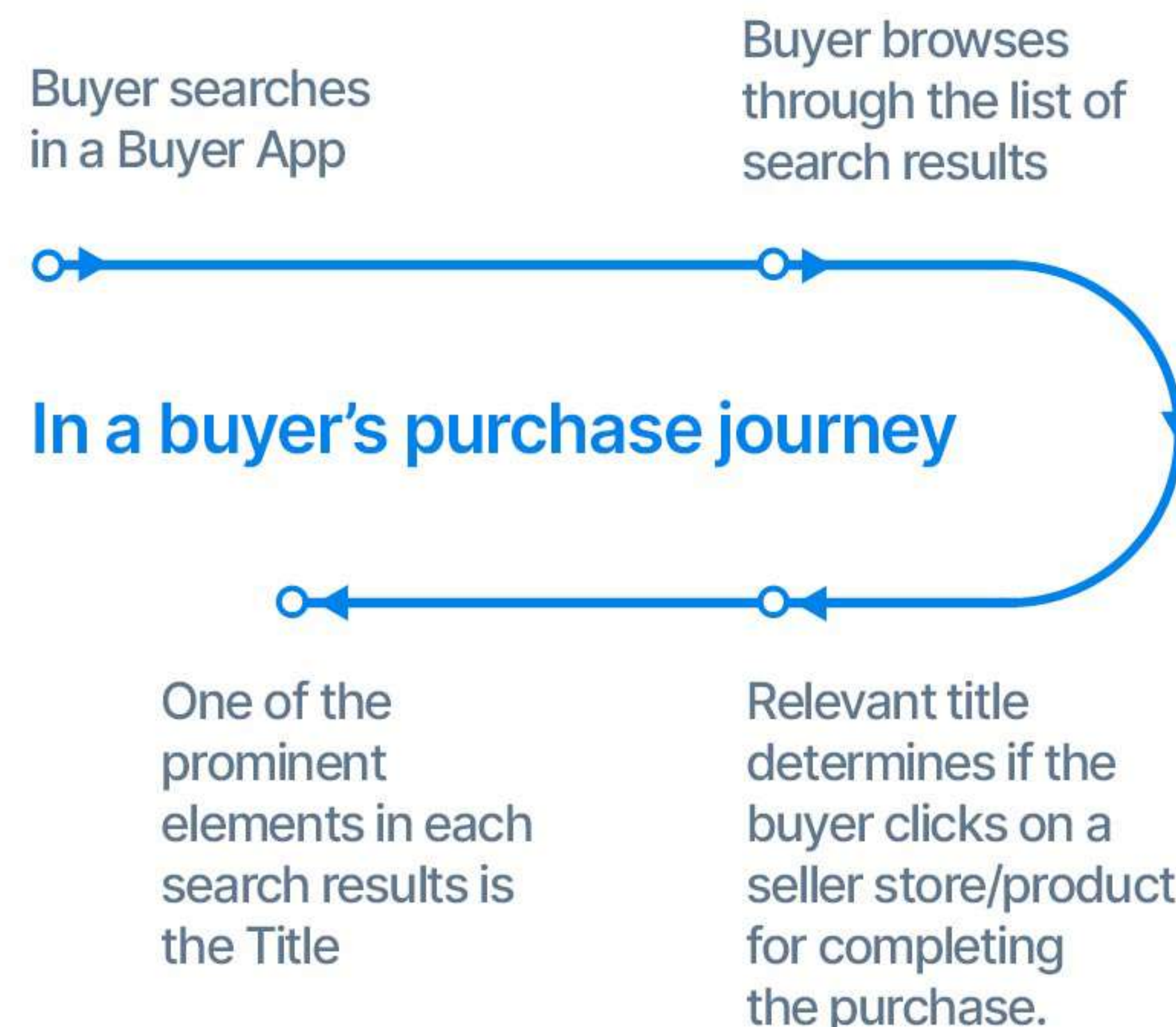
Catalog creation guidelines

As discussed, the catalog of a product has various sections like Images, Title, Key Features, Product description, Frequently Asked Questions. The below section describes what each of these sections is and the best practices for each of these sections.

Product title

It is the header of the product display page which represents the product for which the page has been created.

Why is it important to create a relevant product title?



How to create a title?

Title must include a combination of a few or all from the below elements:

- Brand/Make
- Product name
- Product ID/Model
- Most Critical Feature/Attributes (Color/size/gender/Style/USP etc.)
- Product Type (Casual Shoe, T shirt, Burger, Wheat)

The selection and then the arrangement of these elements will vary with category. As a generic rule it is important for the title creator to keep in mind the most relevant information which assures the customer that the listing represents what the customer is looking for and then select and align the elements to create the title.

Category	Product	Elements Selected by Relevance	Suggested Title
Grocery	Wheat	Product Name: Atta/Wheat Brand: PQR Feature: Whole Wheat, Size: 10 kg	PQR Atta – Whole wheat, 10 kg bag
Fashion	Shirt	Brand: AAA Attribute- Gender: Male, Fit: Slim, Colour: White Product type: Shirt	AAA, Men's Slim Fit White Shirt
Electronics	Mobile	Brand: ABC Model: XYZ PE Critical Features- Colour: Purple RAM: 8 GB Storage: 64 GB	ABC XYZ PE (Purple, 8GB RAM, 64 GB Storage)

Don'ts:

- ✘ Do not stuff words which do not add any value
- ✘ Do not make spelling & grammatical errors
- ✘ Do not try to force fit all the information, rather pick only relevant & critical information

Key features

This section highlights the unique selling proposition of the product/brand. Treat this section as a segment for sales pitch to the buyer in a bullet point format.

Recommendations (select as per the requirement of product type/category):

- Features valued by the end user for the product type: e.g., for Apparel – top quality fabric, sweat absorbent fabric, Easy to care. For Food/Grocery - Ingredients/ Consumption recommendation/ Benefits etc.
- Years of warranty or Guarantee for the product/Free services.
- Customer care contact number of the brand (if available & required).
- Details of installation from the brand with Brand contact details if available & required (e.g., Appliances)
- Important information: Key Specifications of the product

Try to Keep the section limited to 4-5 bullet points. If you have more points, pick the most important ones.

Images

Importance of images on product page

Product Images are the primary visual elements on the product display page to showcase the product. In addition to clearly showing what the buyer can expect from the purchase, a high-quality Image also helps build trust on the genuineness of the seller and quality of the product. This helps in getting more orders.

A Major e-commerce player in India has researched that 63% of customers think that images are more important than product reviews or descriptions.

Hence, it is important to have product pictures that are of high quality. Another major player has quoted that 80% of their sold items are with high quality images. Similarly, according to research conducted among eCommerce sellers of another existing e-commerce marketplace, incorporating product videos improved online marketplace profits by 144%.

Key suggestions:

- At Least 4 images of the product (Can vary by category, for certain categories 1-2 images can also work e.g., Food products like Burger). Front view & back view images need to be provided.
- Images of the product from different angles including front & back with an eye level view
- Product information image if required, e.g., Grocery product should have nutritional content, ingredients images
- Infographics showing product features if required. e.g., office chair back bend angles, size comparisons for products, size chart for Apparels.
- Infographic/Image representing relative size of the product. e.g., Phone against a pen
- Do not include additional elements/ products in the image, the image should represent only what the Buyer would receive.
- For Food, Grocery products FSSAI license number of the manufacturer/importer

Quality parameter for images:

- ✓ It should have good resolution & should be of right size (should not pixelate when zoomed in the Buyer app).
- ✓ It should have a contrasting background
- ✓ It should not have shadows or content in the background
- ✓ Product should be centrally aligned on the image
- ✓ It should be captured at an eye level angle
- ✓ First image should not be a close-up picture which is showing partial product

Product specifications/ technical details

To help buyers make informed decisions regarding their purchases it is important to provide all the technical details required for making the purchase, hence this section should incorporate all the technical specifications mentioned on the Brand box/Packaging. For example, in case of a Mobile phone purchase you can add the most important attributes like storage space, RAM in the title and the key features sections but this section should include not just these but all the technical details which are provided by the manufacturer, for example screen size, camera quality, number of cameras, processor details etc.

This section of the catalog is generally required for technical products like Machines, Appliances, Computer & Computer accessories, Mobile & Mobile Accessories, IT and Electronics categories.

Sample product specification table for a mobile phone

Operating System	Android ABC 12
Internal Storage	64 GB
RAM	8 GB
Product Dimensions	16 x 0.9 x 7.5 cm
Item model number	ABCD
Wireless technologies	Bluetooth, Wi-Fi
Special features	Rear Camera, Front Camera, Dualism, Dual Camera
Colors displayed	20:9 aspect ratio
Device interface - primary	Touchscreen
Camera	Dual Rear camera (13MP+4MP), Front camera 4 MP
Color	Black
Battery Power Rating	5000
What's in the box	ABCD brand phone, Power adapter, SIM ejector, Warranty card, User's guide
Manufacturer	ABCD
Country of Origin	India
Item Weight	150g

Product description

As the name suggests, product description is the brief description of the product in a paragraph format. The product description can be just 1 line or multiple lines depending on the complexity of the product. For a food product like 'Rajma' or 'Dosa' a single line can be sufficient while a product like a printer, security camera, or designer kurta, may require 4-5 lines to communicate completely about the product. Try to be complete but brief so that the customer understands the product while spending minimal effort in reading.

While product description highlights the benefits of the product, what it is not is just a re-writing of the product specifications instead it should be much more to appeal to the buyer's mind. The use of superlatives, being unique, storytelling, and social proof can help you while writing this section well.

While writing the product description focus on:

- What problem does the product solve for the buyer?
- Where and when is the buyer going to use the products?
- How is the product better than other products in the market for the buyer?
- How does the product work to solve the problem of the buyers?

Avoid doing the following while writing the description of the product:

- ✗ Using unnecessarily too many words
- ✗ Grammatical errors
- ✗ Using difficult to understand words
- ✗ Copying the description from somewhere else- avoid duplicate content

FAQ

The objective of this section is to directly target some of the common questions that customers have or might have regarding the product or product category. This helps retain the customer on the product page and prevent him/her from going on search engines or other portals to get answers for common queries. The risk of a customer bouncing off is that they may never return to the product page as they get lost in their search and drop off from the purchase journey.

To summarize, the FAQ format helps:

- Reduce customers time in finding answers to common queries
- Build confidence in the purchase decision
- Build trust on the seller by highlighting their understanding of customer queries
- Retain customers on the product page

Example FAQ questions

Category - Apparel

FAQ1: Is it a thick material?

FAQ2: Can I easily wash it?

FAQ3: Does it shrink after washing?

FAQ4: What is the length of the trouser?

Category - Printer

FAQ1: Does the printer have scanning capability?

FAQ2: Is the printer compatible with all laptops?

FAQ3: Can I connect this printer with my mobile?

Visual representation

Image background

Non-Contrasting background ❌



Contrasting background ✅



Image quality

E.g., Should not get pixelated on zooming in.

Low Quality image pixelates on zooming ❌



High Quality image does not pixelate on zooming ✅



Clarity of content

E.g., Nutritional value for Food products should be clearly visible

Picture with low visibility of Nutritional content ❌



Close up & clear picture of Nutritional content ✅

Nutrition Facts	
Your Sample Text Type your original text here	
Sample Text	0
Sample Text	140
Sample Text	0
	% Daily Value
Total Fat 0 G	0
Sample Text	0
Sample Text	0
Sample Text 0 Mg	0
Sample Text 120 Mg	5
Sample Text 5 G	12

First image

First image should not be a close-up and partial image

First image is close-up & incomplete picture of the product ❌



First image is complete picture of the product ✅



Important Do's

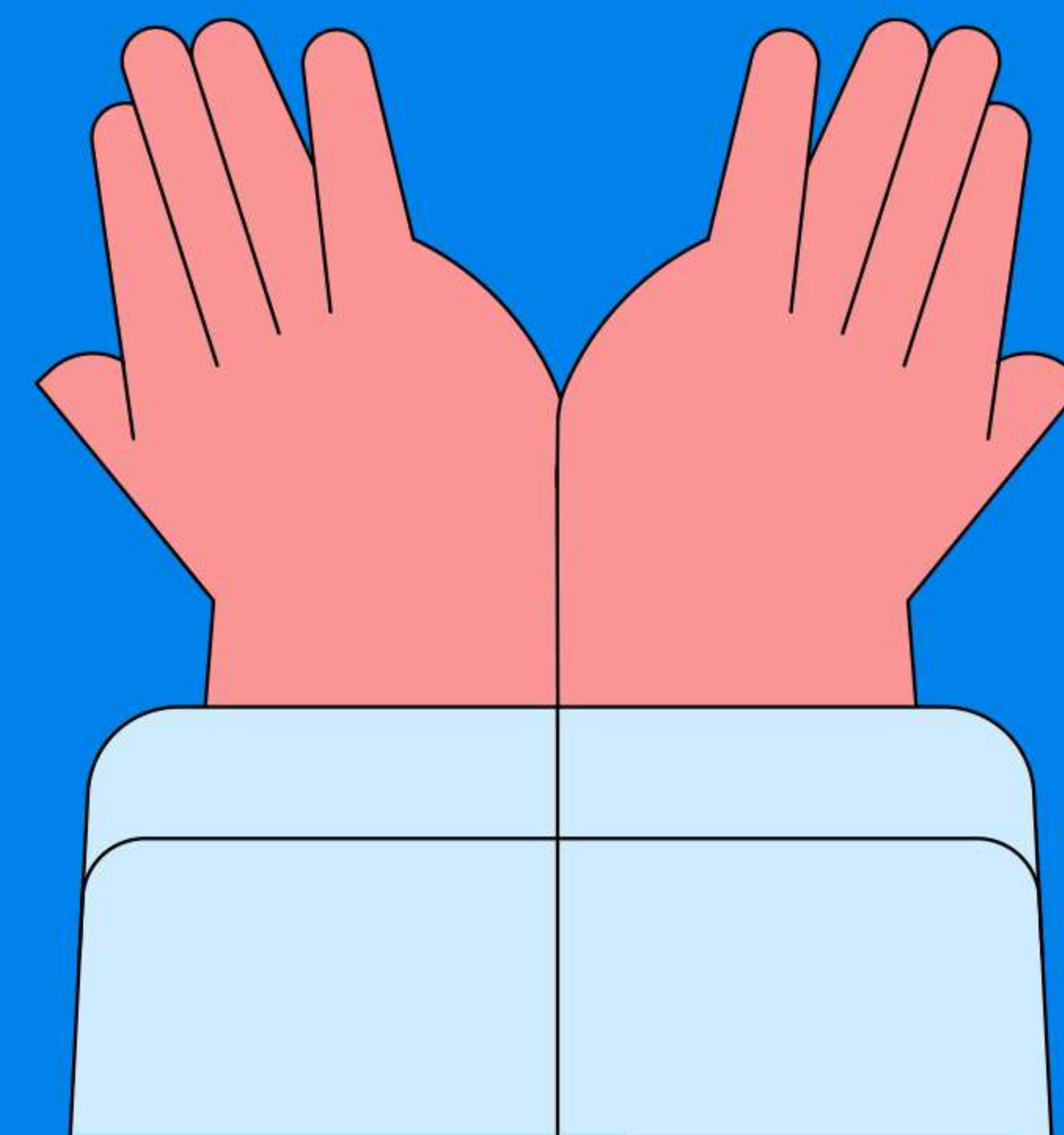
- Provide product USP upfront in title/bullet points/product description
- Use infographics in images like size comparisons
- Using keywords in title keeping in mind what the buyer would use for searching the products
- Ensuring correctness in catalog information passed

Please note Buyer apps may have some minimum standards for listing [[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.4.13, 2.4.14, 2.4.15](#)]

Please also refer to:

- FSSAI labeling requirements for food related products.
- BIS labeling requirements of Legal Metrology for cataloging

ONDC plans to provide support to Participants in Catalog Creation through its Catalog As A Service [CAAS] initiative. The participants will be informed about the service at the appropriate time.



CHAPTER 4

Order Management

Once the sellers have been onboarded and the catalog is LIVE, the sellers are ready for receiving orders from the buyers - the catalog will be visible for relevant searches of buyers on Buyer Applications.

The sellers must ensure that once an order is placed by the buyer for their product catalog, they are able to dispatch the material in a timely manner to the buyer. The entire process of managing the operations once an order is successfully placed by a customer till it gets delivered and then if returned comes under Order Management. In this section, we will cover best practices for managing orders.

Expected key takeaways from this section:

- Order Management Dashboard and Key features and reports of the dashboard
- Understanding and SOP for managing Seller cancellations of orders
- Understanding and Guidelines for Managing Returns in order management
- Understand which metrics to track for measuring and controlling order management performance

Order visibility to sellers: Order management dashboard

Once the order is placed on a seller's product, the order should be visible to the seller so that he can start the process of making the order ready for dispatch and hand over to the logistics partner for delivery to the buyer. For this to happen, the Seller App must provide a dashboard to the sellers where they can monitor live orders, mark them ready for dispatch and track the order status post-dispatch. [\[Visit Governance and Policies on ONDC Website: General obligation in Ch2 \(Business Rules\): 2.4.1\]](#)

There are two ways for Seller Apps to get the dashboard (Order Management system) created:

- Develop this through internal tech team
- In case the internal tech team has capacity or capability gaps for this, outsource to third party technical service providers and get it developed



Order management system capabilities guidelines

[\[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.4.1, 2.4.3, 2.4.9, 2.4.13\]](#)

The Order management system provided by Seller App to the sellers should have following functionalities for the seller:

- Visibility of new incoming orders being placed on seller inventory. Notification mechanism to the Sellers on the Order Dashboard/App for new incoming orders.
- Update of status of the order as it flows from receipt of order to the final delivery of order.
- Processing and packing orders and movement of stages in the system– downloading labels and invoices - For dispatch of a product, the seller should be able to print an invoice for the order to be placed inside the package and print the sticker with the shipping label with address details of the customer. The order dashboard should provide the functionality to generate and print these documents for each order.
- Tracking In-transit and delivered orders: post shipment of order and before delivery the updated status of the order should be visible to the seller.
- Tracking In return and returned orders: Once the order gets returned the seller should be able to track which orders are getting returned to the seller.

- Raising and tracking issues related to orders: The seller must be able to raise tickets against an order from the dashboard itself to the Seller NP.
- Updating Selling price and inventory quantity against each product live. The inventory needs to be

Recommended reports in seller panel

Fulfillment reports

- Order report: Detailed report of all orders and fulfillment status
- Pickup Report: All orders which must be picked up/ reattempted for pickup
- Returns: Details of all orders which are returned and tracking reverse shipment status

Invoice & payment reports

- Commission Invoices: All monthly commission invoices can be tracked here
- Commission invoice report with transactions: To check transactions level details of all orders linked to a commission invoice
- Payment reports with UTR details at a transaction ID level

- Pending, Canceled & Returned Order report: Details of all orders which are not yet payable due to order cancellation, payment window not closed, or return of order

Tax reports

Summary information to help file GSTR return

Inventory health report

Report with Current inventory in system, Rate of consumption, Days left, Inventory health status

Managing seller cancellation

Seller cancellations:

Reason for Seller Cancellation	Description of Issue	Guidance
Inventory not available	The seller may not have the inventory when the order comes. There can be multiple reasons for this including - inventory not updated, End of Life product, inventory sold out in other channels.	SOP issue at seller end. Seller training required: help define SOP, refer SOP 1 below
Tech Issue	In this scenario, although the seller has updated the correct inventory, if the inventory does not reduce on order placement from the dashboard the seller will continue to receive orders even if the actual physical inventory becomes zero. In such a scenario the seller might have to cancel the order.	Tech Issue. Seller NP to check why the inventory is not reducing on sales

Reason for Seller Cancellation	Description of Issue	Guidance
<p>Mistakes in Pricing the product</p>	<p>There is a minimum margin which a seller expects to earn from the sale of a product. If there is a pricing mistake which reduces the margin and makes it less than the minimum expected margin the seller will not be willing to fulfill the order and may cancel it.</p>	<p>SOP issue at seller end. Seller training required: help define SOP, refer SOP 2</p>
<p>Seller Issue</p>	<p>Some sellers may not respond/stop responding when an order is placed resulting in Seller NP to cancel the order.</p>	<p>Seller Intent issue. (Warning > Improvement Period > Deactivation)</p>

Seller NP to ensure that the seller can download Inventory status reports with relevant fields which are provided in the Seller Panel & seller is trained to create & read the reports, guidelines for creating inventory report and how sellers can use it.

Suggested SOP 1 a: Managing stock outs (non-immediate dispatch categories like apparel): at regular frequency sellers download the Inventory health report from the panel. All columns can be prefilled by Seller App and made available.

Report 1: Inventory status report

Product ID	Product Name	Category	Current Inventory (A)	Last n days/hours daily avg orders (B)	Expected n days/hours orders (C = B*no of days/hours)	Inventory Gap (D= A-C)	Inventory Status
ABC1	XYZ	F&B	100	8	80	20	
ABC2	PQR	Grocery	50	6	60	-10	
ABC3	RST	Apparel	75	7	70	5	

Seller NP should provide the inventory report from the seller panel.

Steps to create report:

Step 1

Column A: Download product level inventory from the seller panel. Check the number in column A against each product ID and correct it with actual physical inventory available in the same column. Seller to update correct inventory through the seller panel.

Step 2

Column B: This column is created by calculating daily average sale for previous n (days/hours) (Number of days or the number of hours can be decided from product/cat type and the operational factors like same day vs 2-day delivery. (= Total orders received in the last n days or hours/ n).

Step 3

Column C: Seller App can Calculate the total expected orders in the next n days/hours based on the last n days/hours average sale. (= Avg. daily sale of last n days X n). Seller to adjust for any expected spike or dip in sales (reasons for spike/dip can be coming/end of festive sales, decrease/increase in price, seasonal change). Adjusted no. to be added in the column.

Step 4

Column D: This represents the inventory shortfall/excess expected in the next n days/hours (Inventory available – expected sale). Wherever there is a shortfall is a Red (Issue)zone. Where there is excess is a green (Good) if inventory is sufficiently more, yellow (Sufficient) if inventory is slightly above the expected sales. The line between yellow vs Red to be defined at seller business/category level.

Step 5

For products which are in red take one of the below decisions:

- Order more at the right time, factoring in the time from ordering to actual delivery to the seller.
- Decide to take the sale loss.

Step 6

For products in yellow evaluate risk at product level and take call to

- Order more basis expected variability in sale of the product
- Do not order now

If followed at regular intervals this will ensure there are minimal to no Seller cancellations due to unplanned stock outs.

Suggested SOP 1 b: Managing stock outs (immediate dispatch categories like F&B)

There may not be an option to update the number of units of the food items available since the seller does immediate dispatch of products and it is difficult to map raw material of food with no. of units (Eg. batter/flour with number of dosa). These categories should have an option of marking products Available vs Not Available for sale in the seller panel. It is critical that the information flows in a timely manner to the person managing the inventory panel as soon as a product's raw material is finished. (E.g. from the kitchen for the F & B category)

It is important for the person managing the panel to follow below steps:

- Before the store opening hour, coordinate with the team and mark products available or not available for sale for the day.
- As soon as information is received of a SKU not available during the open hours, mark the product Not Available immediately.
- In the worst case if the information was not received on time and order couldn't be fulfilled, mark the product not available on the basis of this information. Capture the misses, identify patterns at product level and define stricter processes to ensure misses do not happen in future.

Suggested SOP 2 : Managing pricing

If the correct prices are not updated by the seller for a product one of the two scenarios may happen:

- If the prices are uncompetitive, then seller might not get potential orders for those products
- If the prices are competitive, however do not meet the desired margin expectation, then the seller may receive orders which the seller may not be able to fulfill resulting in seller cancellations. An extreme case may be that if the product is a high selling product and prices are incorrectly configured , the seller may get a high volume of orders for the product all of which may get canceled due to low margins.

The below steps are suggested for sellers to execute at regular intervals to ensure such scenarios are eliminated /minimized.

Seller to download below price mapping report (Columns A to D) from seller panel and seller to create the columns E to G. against this report.

Product ID (A)	Product name (B)	Category (C)	Current Selling Price (D)	Selling price of other sellers(E)	Buying price (F)	Current margin (D-F/D) (G)	Expected Profit Margin (H)

Seller to follow the below steps for correcting/changing prices:



Daily adherence to the exercise and especially for high selling items will minimize seller cancellations due to pricing issues.

Please note Refund in seller cancellation instances is governed by E-commerce rules 4(10), 6(3), 7(4), 8(10)

Also price manipulation not allowed under Consumer Protection (E-commerce) Rules, 2020 4(11); and [\[Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.4.13\(h\)\]](#)

Managing customer cancellations

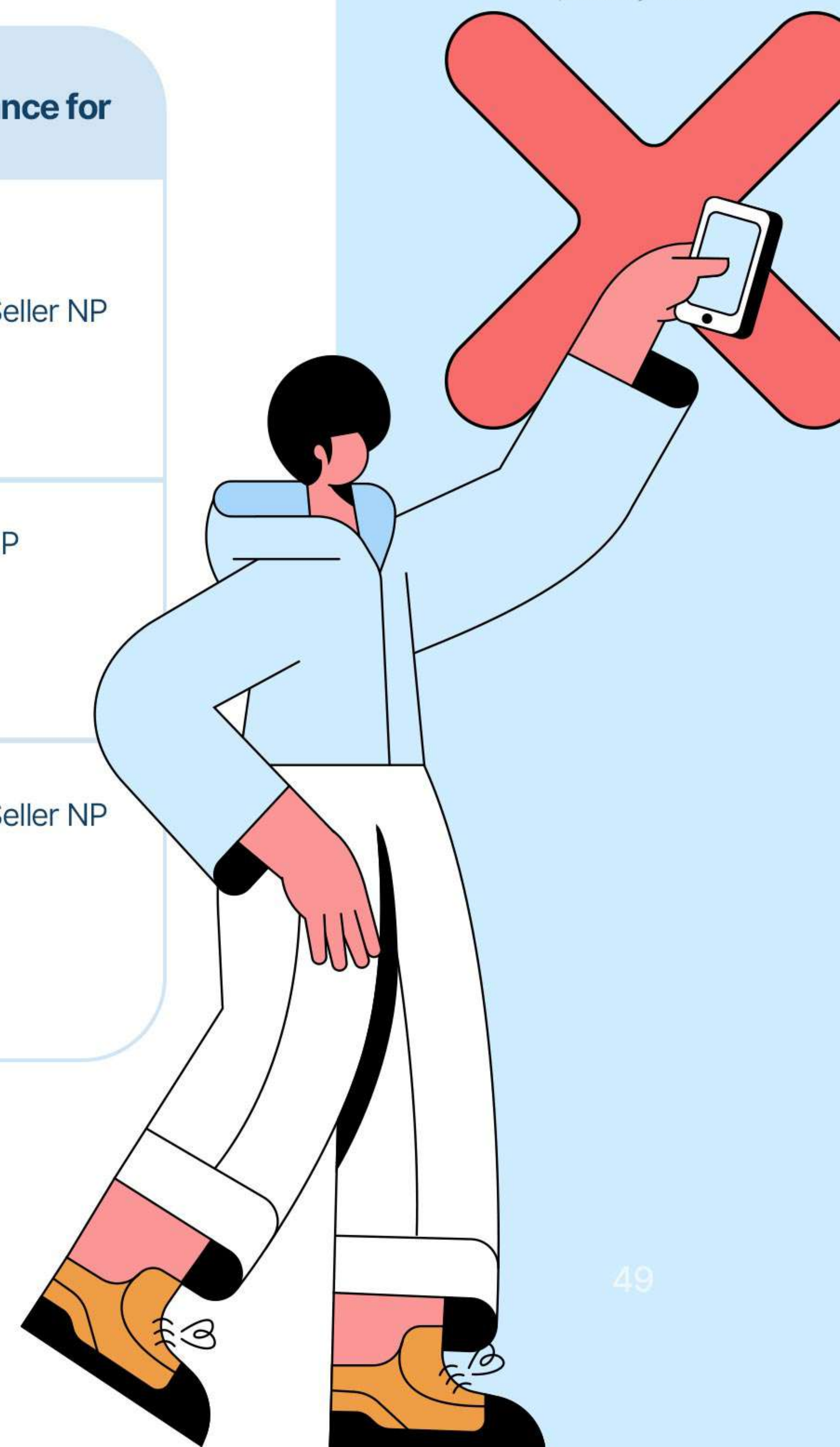
Customer cancellations are important to investigate as these are orders where the buying intent of the customer was very high before the buyer canceled the order. Some of the reasons might be uncontrollable from the seller or Seller App perspective but few actions can be taken to control and manage cancellations.

Reason for customer cancellation	Description of issue	Guidance
<p>Delay in Shipment</p>	<p>The buyer is committed to a timeline for delivery when the buyer places an order. If the order is not dispatched or does not get delivered within the timelines, the buyer may choose to cancel the order.</p>	<p>Work with the packaging & dispatch team to improve dispatch timelines. Check if inventory check SOP 1 is implemented and being followed.</p>
<p>Buyer found better price somewhere else</p>	<p>After placing the order, the buyer may browse through other Seller App listings or may explore the price of the same product in offline markets. If a buyer finds a lower price in any of these places, he may choose to cancel the current order and buy from these alternate sources at a lower price.</p>	<p>Check if selling prices are too high and change basis margins available, if required source at lower cost.</p>

Reason for customer cancellation	Description of issue	Description of issue
Timeline communicated in order confirmation was high	The buyer may not have checked the ETA of delivery before placing the order, after placing the order if the buyer checks the ETA of delivery and finds it to be high from his/her expectations, the buyer may choose to cancel the order.	Check if 'Time for Dispatch' communicated for dispatch is higher than actual and correct if required. If the actual time for dispatch is high, work on dispatch operations to reduce timelines and decrease time for dispatch. If the logistics partner has higher time for delivery, change partner for the category if it's a repeated issue.
Buyer changed his/her mind	The buyer may change mind about making the purchase itself at this point.	Uncontrollable
Buyer ordered by mistake	The customer may have ordered by mistake and may not have requirements for the product.	Uncontrollable
Buyer will reorder with promo-code/different address later	The buyer after placing the order sees some promotion/offer running for the product which he/she missed applying while placing the order. The buyer wants to place the order with promotion applied and hence cancels the current order.	Uncontrollable

While following the guidelines mentioned in this section, the seller NP can ensure that their sellers are performing, it is important to measure the performance with the help of metrics. In this section we will look at the metrics which can be used to measure and monitor the performance at seller and seller NP level and take corrective measures if the metrics worsen.

Metric	Why to Crack	Calculation	Relevance for
Seller cancellation rate	Helps identify the failure rate due to seller inefficiency	No of orders canceled by seller/ Total orders confirmed by seller	Seller, Seller NP
% of sellers with <x% seller cancellation (SC)	Measures seller quality	(Seller with <x% SC/Total sellers confirming orders) X 100	Seller NP
Customer cancellation rate	Helps track the cancellations by customers	(No of Orders canceled by customers/ Total orders confirmed) X100	Seller, Seller NP



Please note cancellation, return, refund policy has to be declared upfront.
Consumer Protection (Ecommerce) Rules, 2020 5(3)(c), 6(5)(g), 7(1)(a)

Also [\[Visit Governance and Policies on ONDC Website:
Ch 2 \(Business Rules\): 2.3.1, 2.3.10, 2.3.12, 2.4.1, 2.4.2, 2.4.8, 2.4.16\]](#)

Managing returns

Once the products are shipped by the seller, one of the below scenarios can happen:

- The product is delivered to the buyer, buyer is satisfied with the product, and accepts the product with which the return window closes
- When the product is delivered to the buyer the buyer wants to return it (can be due to multiple reasons such as buyer changed their mind, products do not match what was shown on catalog, product is damaged), these returns are called Customer Returns
- The product is not delivered to the buyer as the buyer refused to accept the order, Logistics partner was not able to reach/connect with buyer, buyer address was incorrect/incomplete. These returns are called Return to Origin (RTO)

This section looks at the returns taking place in last two points above, and the guidelines around how to manage these returns.

Process to be set for returns

When the return happens, the logistics partner will pick the product and deliver it back to the seller. The seller must then set up the process to carry out below activities for a smooth return handling process:

Process 1:

It is possible that when the product is returned to the seller, it is in damaged condition, either from the customer or while in forward or reverse transit. At the time of dispatch, the seller must ensure that he/she has sufficient proof to establish dispatch of the correct product and quality of packaging (through videos & images). This will help establish seller claims and act as proof incase a product is returned damaged.

Process 2 (a):

If a return order is received by the seller and there is visible damage to the outer packaging indicating mishandling and possible damage to the product, the same should be mentioned on the Logistics Proof of Delivery document (POD).

Process 2 (b):

In case there is no damage to the outer packaging, but later the seller realizes there is damage to the actual product/brand box, the seller needs to raise it in defined timelines with the Seller NP. Claims raised beyond a defined timeline may not be accepted. Seller NP to set timelines with respective sellers. Seller NP needs to raise the issue to the logistics partner as per logistics partner's timelines.

Customer returns

This section zooms into the reasons for customer returns and suggests guidelines for managing such returns. It is important to investigate and reduce customer returns as these result in zero sales while incurring cost of operations, logistics cost, and risk of in-transit damages.

Customer Return Reasons	Description of Issue	Guidelines for Improvement
Incorrect product getting delivered	In this scenario, due to a miss on the seller's end, an incorrect product got delivered	<ul style="list-style-type: none"> ○ Create a checklist for packaging associates before orders are dispatched. Put it up near the packaging area
Product getting Damaged	In this scenario the product received by the seller is damaged. Either the product dispatched by the seller was damaged or it got damaged in transit	<ul style="list-style-type: none"> ○ Check % of products damaged. If the % is on the higher side, it can be due to packaging quality issues – check the packaging guidelines section of the handbook ○ If packaging is good, check logistics level damages and shift to logistics where damages are less

Customer Return Reasons	Description of Issue	Guidelines for Improvement
Delivered product not as per product display page	The products delivered are different from the product seller has displayed on the product display page - this can be in terms of looks\ or product features	<ul style="list-style-type: none"> ○ Check the catalog data and information provided. If there is a gap, correct the product display page in line with the actual product
Product not working	Product received by customers is not functioning	<ul style="list-style-type: none"> ○ For branded products: Ensure the brand guidelines for defective products are mentioned with the brand helpline number for the issue ○ For private label sourced by supplier directly from manufacturer: If it is a one-off manufacturing defect, no process level action is required. If the issue frequency is high, check with the manufacturer to improve quality and discontinue selling till improvement is made
Incomplete order delivered	The customer had ordered multiple products or multiple units of the same products but received only a part of the complete order	<ul style="list-style-type: none"> ○ Create a checklist for packaging associates and before the product is dispatched. Put it up near the packaging area ○ For the specific case, discuss with the customer if he/she agrees for the remaining order to be dispatched separately to close the issue.
Customer Mind changed	Customers no longer feel the need for the delivered product	<ul style="list-style-type: none"> ○ No action required if return % is low ○ If the returns are very high, sellers may take a call to make the product only prepaid <ul style="list-style-type: none"> - Orders will decrease but the returns will also go down - Sellers can also make the product non-returnable
Fit/Size issue	This would be the case for the fashion category where the delivered product size does not fit the customer	<ul style="list-style-type: none"> ○ Accept returns ○ Allow only exchange ○ Check PDP to ensure the size chart is updated and correct for the product.

There can be two scenarios for customer returns defined at business rule level:

- Products which are non-returnable: Customer can raise issue through the Buyer App especially for cases 1, 2, 4, & 6
- Products which are returnable: All scenarios of customer return reasons are possible. Customers can directly raise return requests through the Buyer App
- In the first 5 points there is an obligation to return/refund under e-commerce rules

Managing return to origin (RTO)

RTO are orders returned to the seller without delivery to the buyer. It is important to keep a check on RTO numbers and percentage as it is a loss of sale, and the seller/seller NP must bear the cost of operations and logistics.

This section investigates reasons and suggests guidelines for what to check in each case and how to control it.

Reasons for RTO	Reason Description	Guidelines for Improvement
Delivery attempts delayed from ETA	If the order delivery was attempted late from the ETA communicated to the buyer at the time of placing order, the buyer may choose not to accept the order	<ul style="list-style-type: none"> ○ Delay in shipment - Follow SOP 1 ○ Delay post shipment - Check logistic level metric on post order delivery timelines. Solve with Logistics partner or shift to a logistics partner with better ETA of delivery
Customer address incorrect/incomplete	The delivery partner is not able to reach the customer due to incorrect address/unreachable or incorrect contact number	<ul style="list-style-type: none"> ○ Check at Buyer NP code level if the issue is coming from a particular buyer NP due to UI/UX issues of the address page to solve for the long term ○ Include it in the checklist at dispatch. Connect with customers to get a complete address before dispatch
Customer asking for open delivery - logistics denied	Customer asked for opening product at the time of delivery which the logistics partner denied and hence the order got returned	<ul style="list-style-type: none"> ○ Check for business rules of logistics ○ Declare in the product information if open delivery is not allowed

Reasons for RTO	Reason Description	Guidelines for Improvement
Customer does not have cash/payment capacity at delivery	Customer selected a cash on delivery (COD) payment mode but when the delivery agent reached the buyer the buyer did not have cash or the card for making payment at delivery	No action, cost of doing business
Customer denied - intent issue not related to operations gap	Customer denied as he/she changed his mind.	For non-returnable products, seller may choose not to refund complete or partial value

While following the guidelines mentioned in this section the seller NP can ensure that their sellers are performing, it is important to measure the performance with the help of metrics. In this section, we will look at the metrics which can be used to measure and monitor the performance at seller and seller NP level and take corrective measures if the metrics worsen.

Metric	Why to Track	Calculation	Relevance for
RTO%	Measures % of orders which were not delivered to the customer post shipment and return initiated to seller	$(\text{Order return initiated without delivery} / \text{Orders shipped}) \times 100$	Seller, Seller NP
Avg order to ready to ship time (O2S)	Helps identify delays due to inefficiencies in packaging timelines and gaps in availability of products post confirmation which results in increase in RTO at the end	Average of time taken between when the order confirmation by seller & order packaging to be kept ready for logistics to pick	Seller, Seller NP

Metric	Why to Track	Calculation	Relevance for
Order to ready to ship time breach %	Helps measure the failure due to delay in packaging timelines against the expected timeline. This results in an increase in RTO	No of orders packed post ETA/Total no of orders packed	Seller, Seller NP
Avg ready to ship to dispatch time	Helps identify time taken for pickup by logistics post packaging and made ready to ship. Delays result in an increase in RTO	Take average time for all orders between ready to ship stage and shipped stage	Seller, Seller NP
Orders ready to ship to dispatch ETA breach %	Helps identify rate of breach of timelines by logistics in pickups. These breaches result in increase in RTO	(No of orders picked after logistics expected ETA/Total orders shipped) X 100	Seller, Seller NP

Please note: Cancellation, return, refund policy has to be declared upfront. Ecommerce Rules 5(3)(c), 6(5)(g), 7(1)(a) ALSO [Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.3.1, 2.3.10, 2.3.12, 2.4.1, 2.4.2, 2.4.8, 2.4.16](#)

Important Do's

- Identifying key reports to maintain and update on regular intervals
- Keeping cancellations at minimum - Track inventory, pricing, catalog correctness
- Track delivery times and actual delivery date against promised time
- Keep track of customer returns and fix recurrent issues
- Keep track of ratings and fix controllable issues

CHAPTER 5

Packaging

The primary objective of packaging a product in e-commerce is to ensure that the product reaches the end consumer safely without any in-transit damages. The product after it is handed over to a delivery partner may move through multiple hubs of the logistics partner to reach the buyer and during this journey, it may get loaded and unloaded from vehicles multiple times. If the packaging is not of the required quality for the product type it may cause high in-transit damages of products resulting in a bad buyer experience, high returns, and loss to the seller.

Expected key takeaways from this section:

- Why it is important to have the right packaging

- What are the steps required in packaging
- Food & beverage and non-food items

- Types of packaging and their application

- How to identify, track, and improve packaging related issues

The packaging also contains other elements such as the delivery address of the consumer, the return address of the seller, and the product information. In e-commerce, this is taken care of using a shipping label put over external packaging.

The following points state the importance of packaging and the ways it can enhance e-commerce businesses:

- **Helps in reducing company costs:**
Good packaging helps in reducing losses due to transit damage and therefore reducing returns
- **Helps builds customer loyalty:**
Good packaging can influence customers to resonate with seller's brand and improve seller ratings
- **Creates brand Identity and promotes brand value:**
Proper packaging further helps to create a strong brand identity. High-quality printing, use of good packaging material, and distinctive design help in engaging users thereby differentiating one's brand from others. For e.g., a seller of premium products can use high-quality packaging to enhance the look and feel of their products.

Non-food packaging

This section highlights the best practices sellers can use to pack ordered goods for delivery. One of the key points to keep in mind is the need to record the packing of goods while making them ready to ship. Customer returns due to damaged products/missing items/items different from ordered are common in e-commerce and in order to effectively identify the source of miss, a video recording of the packaging of the item helps provide conclusive proof. This is also important since the logistics partner only provides limited liability for the order shipped. Hence, sellers are encouraged to set up this mechanism, especially for order value above a certain threshold (depending on category) and/or fragile items.

Steps in packaging for non-food packaging

1 Decide on the external packaging

The external package is the primary protection for the product and brand box. This packaging is generally a flyer bag or a corrugated box.

Sample criteria for deciding the external package:

Weight	Fragility	
	Fragile	Non-Fragile
0-1.5 kg	Corrugated box 3 plies	Flyer Bags/ Corrugated boxes 3 plies
1.5 kg – 3 kg	Corrugated box 3 plies	Corrugated boxes 3 plies
3-10 kg	Corrugated box 5 plies	Corrugated boxes 3 plies
>10 kg	Corrugated box 5 plies	Corrugated boxes 5 plies
>5 kg+ Liquid	Corrugated box 7 plies	Corrugated boxes 7 plies

The strength of packaging material will depend on the fragility & weight of the product being shipped.

- 2 Wrap the product in 3-2 plies or other cushioning material and place the product in the external box
- 3 In case of multiple small products separate the box with Cardboard pieces and then place each small product in each of the spaces created
- 4 In the empty spaces put filler material (crushed paper/air pillows/foam balls)
- 5 For fragile products on the internal surfaces of 6 sides of the external packaging you can place foam sheets or thermocol layer for cushioning
- 6 Place the product invoice inside the external box
- 7 Use at least a 3-inch tape to close the boxes
- 8 Stick the shipping label on the visible side of the external box
- 9 If the product is fragile, label the package with a 'Fragile' sticker and indicator label of which side is up

Types of internal packaging material

While shipping your products in an external packaging box, in many cases, you will have to add internal fillers/packaging to prevent products from moving around during shipping and getting damaged. Internal fillers help give extra cushioning and stability to the packet. There is no one size fits all guideline for this, below a broad guideline is provided for using inner fill material in your packaging.

	BUBBLE WRAP	THERMOCOL LAYER	CARDBOARD PIECES	KRAFT PAPER	FOAM / THERMOCOL BALLS	AIR PILLOWS
VOID FILLING	NO	NO	NO	YES	YES	NO
SEPARATION	YES	NO	YES	NO	NO	NO
CUSHIONING	YES	YES	NO	NO	YES	YES
COMMENTS	Helps protect fragile products of any shape.	Is light and does not add much to the weight of the package Used mainly to-protect flat surfaces of fragile products	These are mainly used to separate multiple fragile or small items	Most versatile and flexible infill. You can easily rip it into whatever size you need or crumple it to fit any infill need	Flexible to be used for different product sizes	Does not add much weight to the Package saving logistics cost

Few other generic guidelines

Pointed objects:

Wrap in multiple layers of bubble wrap

Fluid products:

Tighten the caps properly, seal in a plastic sheet & seal with tape

Fragile items:

Add bubble wrap in multiple layers, use strong external packaging, label which is the top side of package, label with 'Fragile' sticker

Food packaging guidelines

There are additional elements in the food & beverages category that make it unique from packaging perspective:

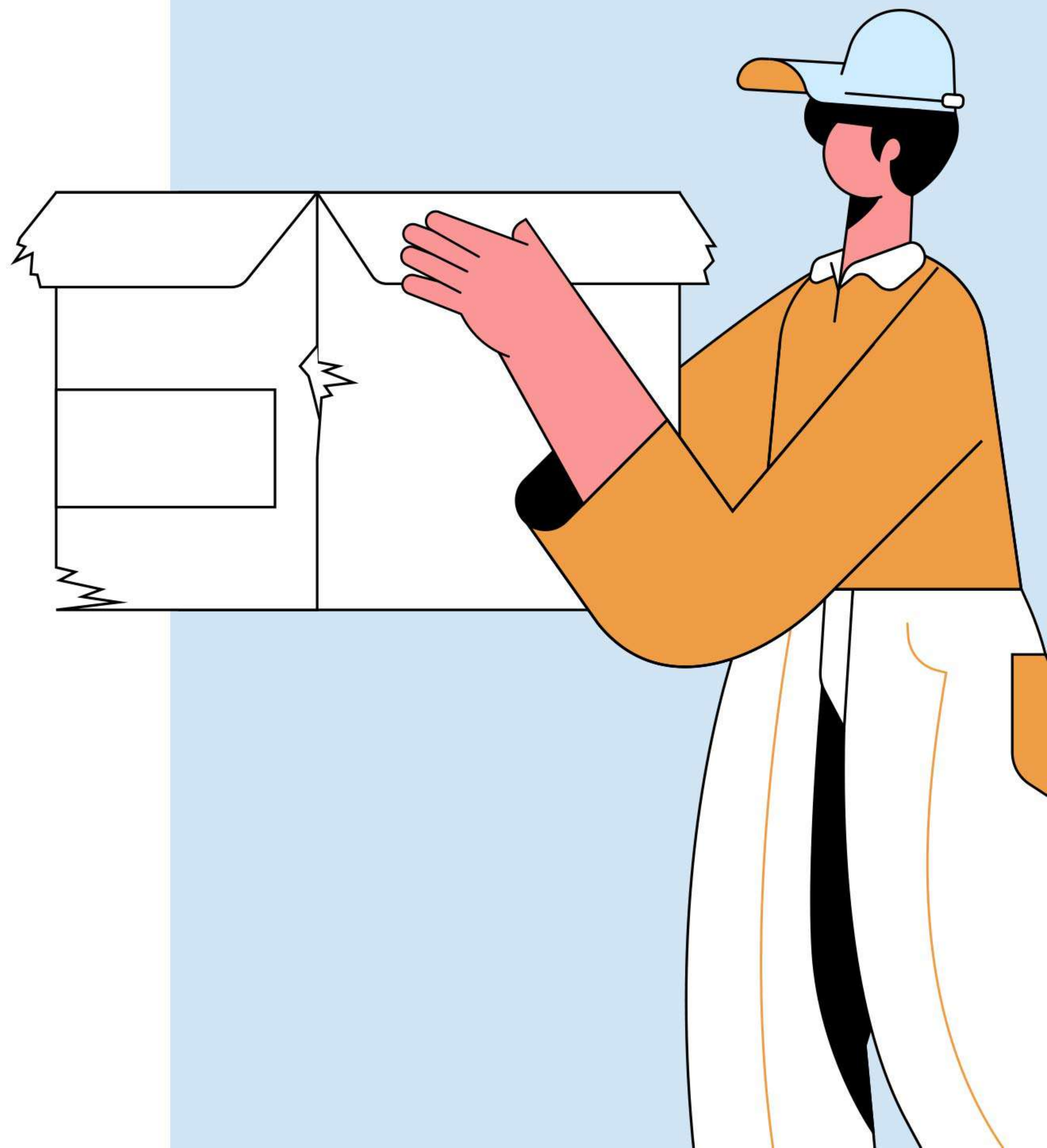
- There are packages in the F&B category which are ready to make and are packed in the restaurant and not machine packed. It is important to seal all the lids with tape to ensure no spillage in transport
- Food has an element of temperature - hot or cold, the packaging must take care of not just the protection but also maintaining the temperature of the food product as required. Insulated containers, ice packs- can be used. Also, the seller needs to ensure that hot and cold products are separated
- The shipped product will be consumed - hence it is suggested that the packaging material is appropriate for food items
- Please ensure your packaging in compliance with FSSAI and other legal guidelines

Identifying, tracking, & rectifying packaging-related damage issues

This section talks about how to look at damages data to draw insights for identifying actionable areas to reduce damages.

1 Check product level issues

- Create the below table for all SKUs:
- Calculate damage % at an aggregate level:
(Total damages/Total order shipped) X 100
- Compare the damage percent of each product with other products and also with the % at the aggregate level.
- Identify products where you see the percentage higher than others and the average. Deep dive further into this product to identify the reason for damages.



S.No.	Product name	Total shipped orders (A)	Total damaged orders (B)	% Damage (B/A)X100
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2 Check for logistics issues

After identification of the products with high damage %, deep dive into logistics level data (if you are using multiple third-party (on/off network) logistics partners).

Create the below table to identify if the problem is at a particular logistics service provider.

S.No.	Logistics partner name	Total Shipped	Total damage	% damage
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Discuss the issue for resolution or deactivate the logistics partner for the product.

3 Check packaging issues

For the products identified in step 1 if the issue is not specific to a logistics partner, check the packaging quality based on the fragility and the weight of the product, both the external and internal packaging. If you see areas of improvement change or improve the packaging to capture the issues.

Checklist to be used at the time of packaging

S.No.	Activity	
1	The product weight is correctly captured	<input type="checkbox"/>
2	All the correct SKUs in the order are packed	<input type="checkbox"/>
3	At the SKU level check the number of units ordered VS packed	<input type="checkbox"/>
4	Ensure the invoice is placed in the external package	<input type="checkbox"/>
5	Ensure the correct shipping label is put on the correct package	<input type="checkbox"/>
6	Ensure shipping label text/QR code/barcode is clear and avoid sticking it where the box opens	<input type="checkbox"/>

Checks for packed orders

Area	Description Of Reason
Flaps	There should be no damage on the flaps of the external boxes
Bulge	There should be no bulges on the external package due to the product placed inside
Disoriented shape of carton	The carton should not be disoriented due to the shape of the product inside. The shape should remain square or rectangular
Other conditions of carton	Carton should not be soggy, torn, or with dents
Taping	The adhesion quality of the tape should be good and not come out from different places

While following the guidelines mentioned in this section the seller NP can ensure that their sellers are performing, it is important to measure the performance with the help of Metrics. In this section, we will look at the metrics which can be used to measure and monitor the performance at seller and seller NP level and take corrective measures if the metrics worsen

METRIC	WHY TO TRACK	CALCULATION	RELEVANCE FOR
Damage %	Measure the products damaged in transit forward or reverse	$(\text{Total no of orders damaged \& returned} / \text{Total orders shipped}) \times 100$	Seller, Seller NP

Important Do's

- In case of outer package damage mentioning it on the 'Proof of delivery'
- Ensure right packaging for product which can reflect the brand value
- Sticking 'Fragile' label where required



CHAPTER 6

Seller Management

Over time the Seller NP will be onboarding many sellers and maybe across categories. This section looks into how sellers can classify these sellers and optimally align resources (people and time) for the maximum return on Seller NP time invested.

Expected key takeaways from this section:

Guidelines on classification of sellers, planning engagement with the sellers and driving Seller NP goals through the sellers

Seller evaluation & classification

The first step in Account Management is to classify your sellers into different buckets. The classification can be done basis:

<p>Seller performance</p>	<p>Performance of Sellers on metrics such as:</p> <ul style="list-style-type: none"> ○ In stock SKU ○ Catalog quality ○ Handling of customer escalation ○ Cancellations ○ On time dispatch
<p>Seller current scale</p>	<p>Scale can be looked at as the contribution of seller sales to the overall sales happening through seller NP</p>
<p>Seller potential</p>	<p>Sellers may be at a low scale or low performance currently but may have high potential. This can be measured against:</p> <ul style="list-style-type: none"> ○ Category growth - Seller in a fast-growing category ○ Seller trainability - readiness to accept changes/improvement ○ Seller past experience ○ Seller's current business size in other channels ○ Seller's current digital understanding ○ Investment made by the seller: Assortment size, team size, and quality etc.

Classify the sellers basis the above 3 areas into high, medium, and low.

Deciding key engagement objectives

Post classification the next step is to define the key objectives for driving engagements with each classification type of seller:

CLASSIFICATION	KEY OBJECTIVES
High	<ul style="list-style-type: none"> ○ Next phase of expectations: 6 to 12-month planning ○ Resolving challenges for future growth ○ Understanding success factors for replication for medium sellers
Medium	<ul style="list-style-type: none"> ○ 3-6 month planning to push these sellers to high rating ○ Suggestion & assortment planning for growth ○ Review of metrics and discussion on resolution ○ Feedback & recommendation on gaps in processes ○ Training on best practices for moving to high classification seller category
Low	<ul style="list-style-type: none"> ○ 1-3 month planning to push these sellers to medium rating ○ Goal & expectation re-alignment ○ Training of seller and team ○ Guidance on metrics - Defining SOP, creating checklists/To do's ○ Specific insights for improvements ○ Warnings/ Implications in case of consistent failures

Deciding engagement frequency

Once the objectives for engagement have been defined, Seller NPs need to define the frequency of engagement. Although there cannot be a black and white criterion for number of engagements below examples will help you with the direction to be taken for this decision:

Example	Type	Engagement Frequency
1	Low performance + high potential	Engage more frequently - Area of high growth
2	High in all factors	Work as Business As Usual - Intervene when needed
3	Low performance + low potential	Engage as per bandwidth



Driving the key objectives and agenda

Seller NP may choose to use below tools to drive performance with the sellers:

Incentives:

Incentivizing the sellers for performance can motivate sellers to grow and improve performance. The incentives can vary from certificates/trophies, gifts, or other monetary benefits like discounting when sellers meet a certain criterion of performance - growth/scale or operational performance

Trainings:

It is important for the Seller App to train the sellers on the basics of operations like order management process, inventory management, pricing, catalog creation etc. as and when a need is identified by the App

Warnings:

It is important for sellers to understand the consequences of not being able to perform as per the expectations and Seller App should send timely warning to them so that they get time for making improvements

Penalization:

Despite all efforts of training, guidance and warnings from Seller App if the seller fails to improve performance then Seller NP might have to take the route of penalization like delisting for a certain period till the required changes are done by the sellers and verified by the NP

Monitoring performance and increasing key accounts

- While it is important to continuously monitor the performance and move sellers across classifications, it is even more important to measure the performance of each seller account across defined metrics (Refer metrics section in the Order Management section of this handbook)
- Measure the gap in the metrics from the next level and work with the sellers on specific areas to move them to a higher classification
- The aim is to continuously work towards moving sellers to a higher classification in a planned manner

Drive process change with key accounts

There will be learning for Seller NPs as a result of working with different sellers. It is critical to continuously assimilate all the good practices of different sellers and develop processes and guidelines to be shared with other sellers.

This will help in continuous performance improvement for the Sellers working in the Seller NP network.

Important Do's

- Identify sectors of high growth, provide recommendations to sellers on missing selection, pricing, and operational metrics
- Identifying gaps in capabilities, and train/guide sellers for improvement

CHAPTER 7

Customer Support

Once the orders are received there can be instances wherein the customer is not satisfied. The dissatisfaction can be related to the product's timely delivery, refunds, or delay in responses. This section delves into the aspect of effectively managing and measuring buyer issues.

Expected key takeaways from this section:

- Where buyers will be raising issues
- Process of issue resolution for customers
- What metrics to track in order to measure the performance
- What is a CRM tool (Customer Relationship Management) and basic functionalities the CRM tool should have

How will buyers raise issues?

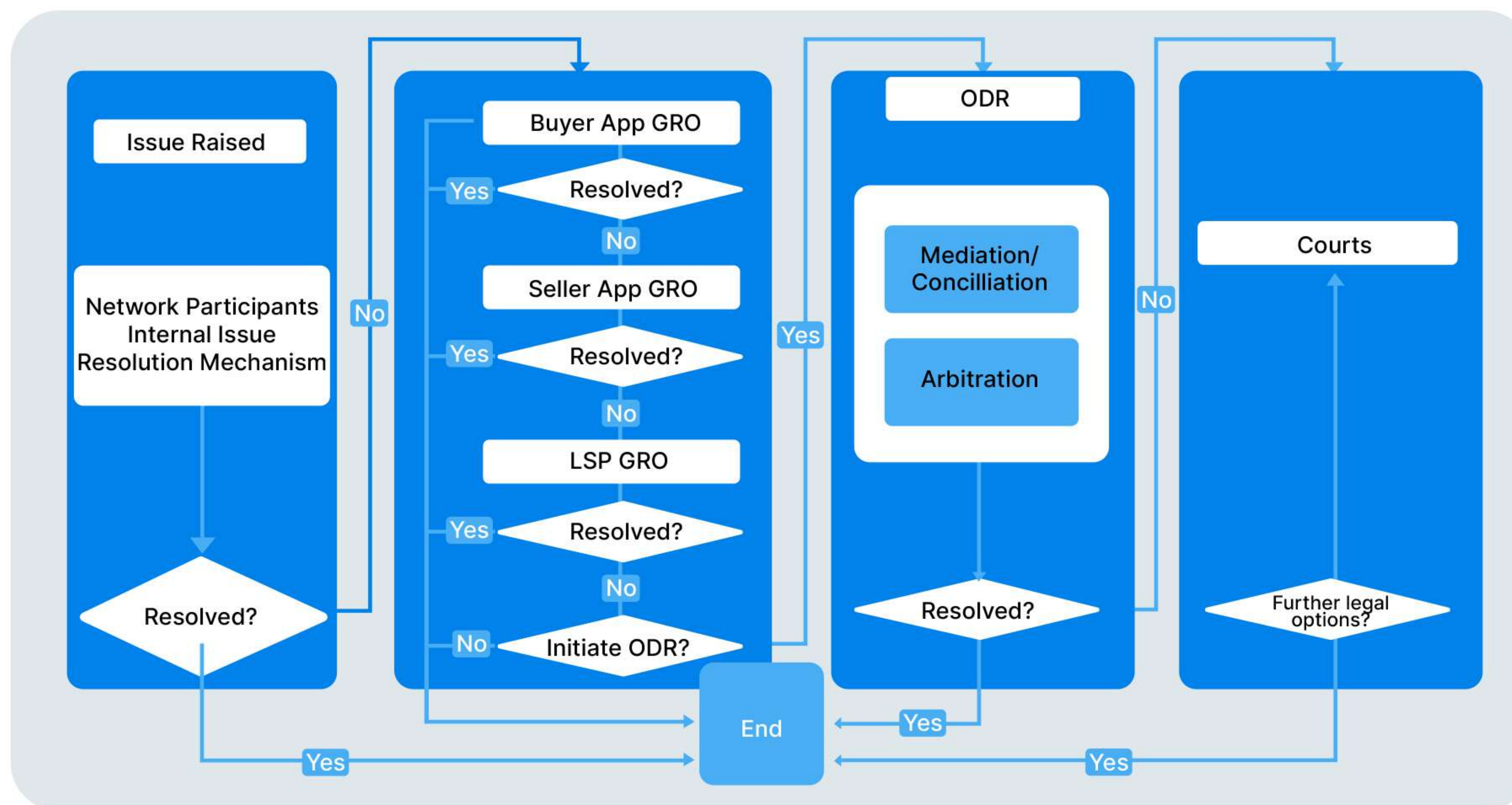
Buyer Apps must ensure that the buyer is able to select the concerned item(s) or an order for which an issue is sought to be raised or in case the buyer is not provided with transaction or order details due to any technical failures such as payment failure, the buyer must be provided with an option to raise the issue either through chat support on the application, buyer App will collect and process all Issues raised by the buyer (buyer issues). Buyer App must provide the buyer with functionalities to initiate cancellation, refund, return or exchange (whenever applicable) of an order or raise other issues, as applicable, regarding products and services purchased by the buyer through the Buyer App, over the ONDC Network.

Please refer to Consumer Protection (e-commerce) Rules, 2020 4(2); [Visit Governance and Policies on ONDC Website: Ch 2 \(Business Rules\): 2.1.10, 2.3.3\(a\)to\(c\), 2.3.11, 2.3.12, 2.4.3, 2.4.10, 2.4.13\(a\)to\(c\), 2.4.16\(a\)](#)



Process of resolution of issues raised by buyer

If the buyer issue is raised through the previously discussed mechanism the issue will pass through this resolution mechanism.



LEVEL
1

Buyer raises the issue through the Buyer App

Buyer raises the issue through Buyer App, Buyer App either resolves and shares the resolution with the customer else if the issue is related to another participating Application in the transaction, the information will be passed on to them for resolving, and the resolution will be shared to Buyer App which then is sent to to the buyer.

LEVEL
2

Redressal offices

Redressal Offices: The issue if not resolved at Level 1, the buyer may escalate to the Grievance Redressal Officers appointed by each NP. Each NP needs to share the details of the Grievance Redressal Officer at the time of registering with ONDC.

LEVEL
3

ODR

If not resolved at Level 2 the buyer may move the issue to ODR service providers: these will be NPs who would be providing dispute resolution mechanisms such as mediation, conciliation, and arbitration.

LEVEL
4

Approach the court

After this, if the issue is unresolved, the complainant may approach a court with the appropriate jurisdiction.

[Please also refer to Ch 6 \(Issue and Grievance Management Policy\), visit Governance and Policies on ONDC Website](#)

Metrics NPs should track from customer service operations perspective

- The number of buyer issues received
- The number of buyer issues responded on time
- % buyer issues responded on time = $\frac{\text{Total issues responded on time}}{\text{Total issues received by NP}}$
- Average response time: $\frac{\text{Time at which responded with a resolution or the next step} - \text{Time at which the issue was received from Participating NP}}{\text{Number of issues}}$
- Average acknowledgement time: Time taken to acknowledge receipt of an issue
- Average resolution time: Time taken to send resolution communication to the participating NP
- % buyer issues not acknowledged on time = $\frac{\text{No of issues not acknowledged on time}}{\text{Total issues received}}$
- The number of buyer issues received and closed with buyer approval
- % buyer issues resolved satisfactorily: $\frac{\text{Buyer issues resolved with Buyer approval}}{\text{Number of buyer issues received}}$
- The number of issues moved to GRO (Grievance Redressal Officer)
- % Issues moved to GRO = $\frac{\text{No of issues moved to GRO}}{\text{Total issues received}}$
- The number of issues closed against the NP at GRO level
- % Issues closed against NP at GRO level = $\frac{\text{Issues closed against NP at GRO level}}{\text{Total issues raised}}$
- The number of issues moved to ODR (Online Dispute Resolution)
- The number of issues closed against NP at ODR level
- % issues closed against NP at ODR level = $\frac{\text{No of issues closed against NP at ODR level}}{\text{Total no of issues raised}}$

CRM suggested functionalities

- 1** It is suggested NPs have an active CRM for acknowledging the receipt of the issues in required timelines.
- 2** The CRM should have the functionality to respond to queries and forward the Issue Packet to other Network Participants as required through the mode of communication shared by other NPS. (e.g. an email ID)
- 3** NPs are suggested to develop logics to divert issues automatically where it is certain that it is not the fault of the NP but of other participants. For example, if the buyer raises an issue under the bucket of 'Delayed Delivery', a Buyer NP can direct it to the Seller NP automatically and immediately.

These CRM functionalities will help NPs avoid misses in responding to issues or in getting delayed in responding to issues.

Important Do's

- Ensuring timely resolution/acknowledgement/response to buyer issues
-
- Ensuring operational rigor: timely dispatch, minimize cancellations, right product dispatch, right packaging to reduce number of issues raised to buyers

CHAPTER 8

Improving Buyer Experience on the Buyer Applications

This section covers aspects of Buyer Journey on the Buyer App.

Expected key takeaways from this section:

- Understanding the Buyer Journey and how to track Buyer Journey through the funnel
- How to improve Buyer journey by using elements such as Filters, recently bought together section, and wide payment options

What is a buyer journey?

Buyer Journey is the buyer experience through different stages from the moment the buyer lands on the Buyer App page till final placement of the order. Here we are focusing on journey till order placement and not the post order aspect which has already been covered in the previous sections.

Tracking user journey through funnel

What is a funnel?

All the customers who come to the Buyer App will not end up placing orders. Between the journey from when potential buyers search to the final checkout and payment stage the buyers drop off at various stages and only a

small percentage of the initial potential buyers who had searched finally complete the transaction and get an order placed. This successive drop off of customers through the journey is called a funnel.

It is important for Buyer NP to track this entire journey and measure the drop-offs at various stages of this journey. One view of this data can be a static view wherein the Buyer NP looks at the drop-off percentages at each stage and goes deeper to identify high drop-offs at any stage. Another view can be a comparative view where a Buyer NP looks at comparative drop-off at various stages across two periods and looks for any spike in drop-off to identify potential issues which might have occurred in the later period.

It is important to reduce drop-offs as a lower drop-off % at each stage implies a higher number of orders and hence more sales on the platform.

Major pages where dropout should be checked are:

- Search listing page

- Product display page

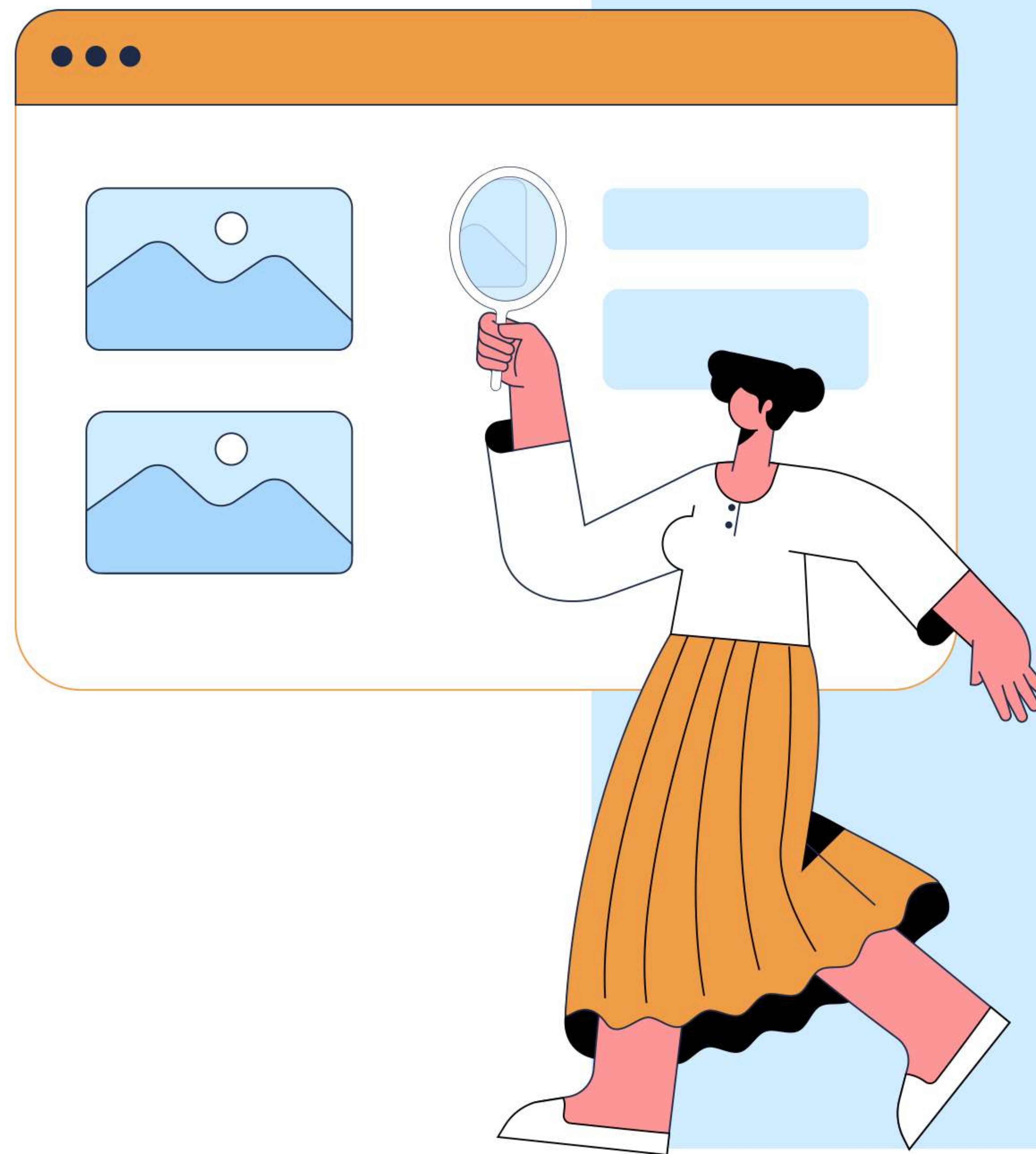
- Cart page

- Shipping and billing address page

- Payment page

Deep dive and understand reasons for drop-offs. Identify gaps/possible issues at each stage. For registered customers connect with the customers to understand the reasons and correct them to reduce drop-offs.

Special attention should be paid to drop-off rates after any product release. The pre-product release VS post-product release drop-off percent data should be closely monitored.



Filters

Filters are elements that help buyers narrow down the available options on the Buyer App to a more relevant shorter list for the buyer. The filter can be done on the basis of various criteria such as product attributes, prices, distance of the seller, and time of delivery.

Which filters a Buyer App activates will depend on the product categories and also business model. For example, in a hyperlocal model it is critical for a Buyer App to have a distance filter activated so that the buyer who would want faster delivery are able to easily narrow down the options and select a seller/seller store that is nearest.

For a category like apparel prices may vary widely for a product type like a shirt hence it is important for the Buyer App to provide a filtering basis price range.

It is suggested that Buyer App enable filters at least for the Mandatory Product attributes defined by ONDC.

FBT

Frequently Bought Together is a section displaying products on the product page or the check-out pages and the products are selected based on the data on sales or understanding of products and categories which are bought generally together by buyers. This helps increase the average order value of the order and increases overall sales value.

Recently viewed

The recently viewed section as the name suggests displays to your customers the products they had recently viewed and prompts them to purchase. The customer can find the products they are interested in and have already viewed on the Buyer App from this section rather than going through the entire navigation/search journey again.

The section is generally shown on the home page and sometimes on the product display page as well.

Grouping

Products which are similar but differ in a few attributes can be grouped together and shown as options to the customer. An example of this would be when a buyer visits a product display page of apparel that have different variations of colors, the buyer would see an option of colors below the product image section. As the buyer clicks on each color element (image or color name) the images and product details of the product also change on the product display page.

The grouping of products helps display all alternate product variations available to the customer on the same page without the need for customers going through the search or navigation journey individually for each product. Another possible scenario if the grouping is missing is that the customer does not want the product variation on which he/she lands through search, he/she sees the product and drops off without searching for other variations which he/she might have purchased. Therefore, this ultimately helps in conversion which results in more orders getting placed on the Buyer App.



Login/Signup

Ensure that the login process is made easy for the buyers. It should have registration logic options such as OTP, Facebook login, Google login which are much easier for buyers.

Importance of promotions

Running promotions in the form of discounts is a key which Buyer Apps can use to get traffic onto the platform and increase the number of orders getting placed. It also makes the Buyer App more lucrative for the end buyers when compared to other buyer app options available to the buyers.

Types of payment options

Making the payment is the last leg of the customer journey just before final order confirmation. The customer reaching this stage has crossed all the previous stages and is a very high-intent customer, there is a very high likelihood of this customer placing the final order.

Therefore, to avoid losing this customer it becomes critical for a platform to have all the relevant payment options available that a customer can use.

A buyer app may integrate with a payment aggregator to take payment processing services. The options provided are Net Banking, Debit Card, Credit Card, and UPI by the payment aggregators.

The buyer NP should ensure:

- COD is available for products where the seller has activated COD
- EMI & Buy Now Pay Later (BNPL) options are available. These options are especially relevant for high-value categories where the customers would need credit support in a purchase
- In NB, Credit Card and Debit Card options from all the major banks are provided to the buyers
- In case of UPI - options to all the major UPI apps are available to the customers

Payment failures and pendency

The Buyer NP should also track the payment failure rate for each payment option and work with payment aggregators if the failure rates are high for any of the payment options.

Important Do's

Providing the right filters for each product category to the buyers

The payment aggregators would provide a dashboard with login credentials to the Buyer App for tracking this data.

CHAPTER 9

Defining Rules for Operations

Seller NP must define certain business rules in order to effectively operate on the ONDC network. This section looks into the rules which the seller NP must define at both policy and tech levels.

**Expected key takeaways
from this section:**

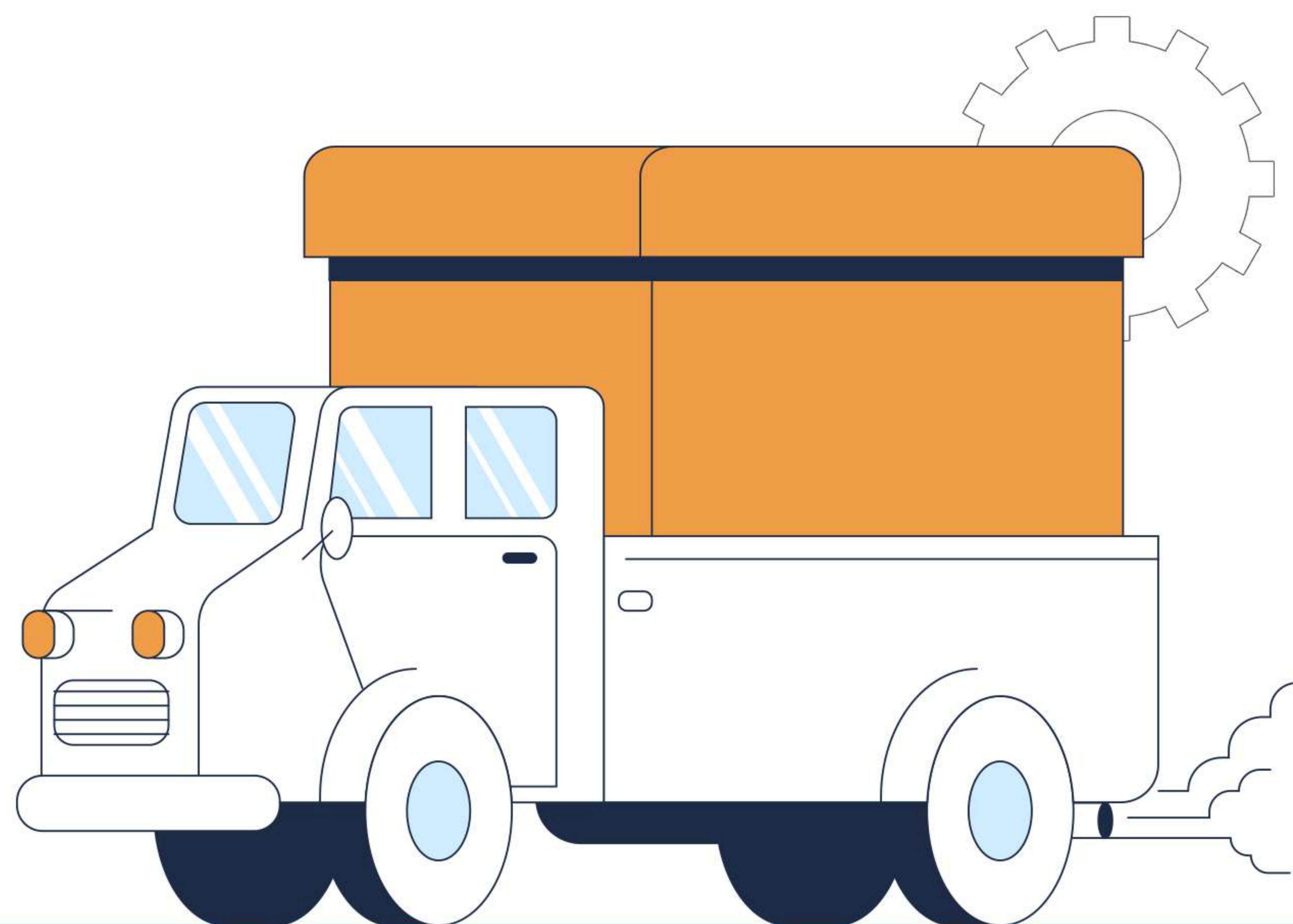
- Understanding which rules to define for running operations effectively
- Defining Seller Shipping model: Off Network vs On Network Delivery Partners

Defining shipping model

The delivery responsibility can be taken either by the Seller App or Buyer App. In most cases we expect the Seller App to take responsibility for shipping the product. The Seller App will have the below options for shipping the products:

- Either the seller can decide to ship on its own through its employee/agent, have an off-network arrangement with third-party logistics providers (off network) to ship the product OR

- Purchase the logistics service through the protocol from the logistics provider apps listed on the Network (on network). In the case of on network logistics option, the seller app will get the list of all logistics providers with terms of the transaction including delivery timeline and charges, the Seller App then can select the services of one of the options to get the product delivered.



Defining minimum order value

Minimum Order Value: Implies the minimum value of the order placed by a buyer on a seller for which it will be unviable for seller to ship to the buyer due to high logistics cost % compared to the margins on the product.

Policy implementation:

If the cost of fulfilling the order is non profitable below a certain order value, then the Seller NP should define rules for decisions to be taken in such scenarios. In case the order value is below the threshold the logic can be built to prevent the buyer from placing the order or pass on the higher cost to the buyer in the form of a delivery charge.

The decision of the buyer to buy in the second scenario will depend on multiple factors such as:

- Individual buyer and her/his need at the point of purchase
- The total value passed on as delivery fee
- The charges in comparison to the order value
- Whether other options in the search result are available and if available what is the comparative price and other charges in those options

Defining buyer finder fee

Buyer finder fee:

The Buyer Apps will charge a percentage fee on the product selling price of sellers to the Seller Apps. The Seller App can decide to accept or not accept the order basis the buyer fee charge compared. Seller App charge is decided between the seller and seller NP. Hence it is important to define the buyer fee acceptable to Seller App for making this decision.

Policy implementation:

If the buyer finder fee is resulting in Seller App not earning sufficient margins, then the business logic can be built to either reject the order or else accept the order while passing the entire buyer finder fees or part of the value as delivery fee in its pricing to the buyer. In the second scenario, the buyer has the choice to either proceed ahead with the transaction or not proceed if the buyer finds the delivery fee to be too high for the transaction value.

The acceptance or rejection will depend on multiple factors such as:

- Individual buyer and her/his need at the point of purchase
- The total value passed on as delivery fee
- The charges in comparison to the order value
- Whether other options in the search result are available and if available the relative price and other charges in those results

Defining seller serviceability

Policy implementation: At the policy level, the seller NP must decide with sellers whether the products will be available for shipment across the country or hyperlocal (restricted to nearby pin codes). In case of a hyperlocal mode, the seller must define the shop opening time (All time VS specific time) and the radius from the seller location up to which the order will be serviced. This will ensure that orders are not placed that the seller cannot fulfill/ship.

Mapping taxonomy

Each product falls under a particular sub category, the sub category may be part of another broader category. ONDC defines this structure for each category.

Policy implementation:

ONDC will define the taxonomy for each category. Each of the seller product in catalog needs to be mapped under ONDC taxonomy.

CHAPTER 10

Payments & Settlement

Any order facilitated by the ONDC Network shall involve the following commercial components [\[Visit Governance and Policies on ONDC Website: Ch:3 Commercial model\]](#)

1 Buyer price:

It is the final price of a transaction on the ONDC Network payable by the buyer. Buyer price will be the net cumulative price of:

- **Declared Price(per item/service):** The declared price [inclusive of Goods and Services Tax (GST)] is the final price declared by the seller listed on the Seller App. The declared price should not exceed the maximum retail price (MRP) of the specific product. Other charges such as delivery, packaging, as well as discount provided by Seller App can be charged separately or be a part of declared price.
- **Delivery Fee:** Fee charged for logistics services
- **Other Charges such as Convenience Fee/ Packaging Fee:** Seller App/Buyer App can include other charges such as packaging fee or convenience fee.
- **Discounts provided by the Seller App**
- **Markup/ discounts provided by the Buyer App**

For clarity, the Network Participant offering a discount will bear the cost of such a discount. For example, if the Buyer App offers a discount of 5% on the total order value, such cost will be the responsibility of the Buyer App alone.

The Buyer App must ensure that all components of the buyer price will be displayed as separate line items for every Order.

2 Buyer App fee:

The Buyer App may charge a finder fee as a percentage of the **total order value (cumulative of the first four sub-points)** or a fixed amount per successful order from the Seller App. If the Seller App disagrees with the proposed Buyer App fee, Buyer App may refuse to complete the transaction.

3 Seller App fee:

The Seller App may charge a fee per Successful Order from the Sellers for listing their catalog items, the terms of which will be decided between the Seller App and the Seller, and ONDC will not be involved in such determination. Sellers can decide to include such charges in their declared price if they wish to do so.

An example to illustrate the above pointers is as below:

Logistics services may be procured by the Buyer App or Seller App and will be settled with the Logistics Service Provider accordingly.

MRP	₹100.00
Declared price by Seller NP (Price includes margin expectation of seller factoring all costs)	₹70.00
Delivery Fee by Seller NP	₹10.00
Packaging Fee by Seller NP	₹5.00
Total Order Value	₹85.00
Buyer Finder Fee (%age of order value)	10%
Buyer Finder Fee (Value)	₹8.50
Discount from Buyer NP	-₹5.00
Final Buyer Price- Price paid by customer	₹80.00

4 Gateway fees:

Gateways may charge a fee from the Buyer App or Seller App or both, as per the agreement with the respective Buyer or Seller App. The gateway fees will not be included in the Buyer Price and will be separately paid by the Buyer Apps and/or Seller Apps.

Buyer App and Seller App will mutually agree on the following terms (collectively, Buyer App collection and settlement terms):

- **Buyer App Fee:** As a percentage of the total order value or a fixed amount per successful order to be paid by the Seller App
- **Event Trigger:** The specific event defined for settling of payment with the Receiver (in part or fully), including events such as order delivery, order return, completion the of the return period, etc
- **Settlement Window:** Time duration between the event trigger and settling of payments. Comprising of a specified number of working days from the date of collection, shipment, or delivery, or end of the return window
- **Withholding Amount:** Withholding amount is the percentage amount held back by the collector of the payment until an event triggers. For e.g., a buyer NP can choose to disburse 50% post-delivery and the remaining 50% post-end of the return window
- **Return window:** Number of calendar days from delivery or shipment or collection (as applicable) within which the buyer may choose to return the product (if returnable)

Cancellation and refunds:

Refund in cases of returns, cancellations, damaged items, will be initiated as follows:

- Prepaid Order:** The entity that collects the Buyer Price from the buyer (i.e., Buyer App or Seller App) will be responsible to refund the Buyer Price, less any cancellation charges as agreed with the buyer, at the time of order confirmation, in full to the Buyer. All settlement terms, including but not related to the Buyer App fee and Seller App fee, for such refunds will solely be between the Network Participants involved.
- COD Order canceled before delivery:** For cancellation before delivery, the Buyer price will not be paid by the buyer and hence, there is no refund. All charges related to shipping and RTO will be based on the terms and conditions between the Logistics Service Provider and the Network Participant availing the services of the Logistics Service Provider.
- COD Order after delivery:** If a buyer initiates a refund for COD order after acceptance of delivery, the entity procuring the services of the Logistics Service Provider and receiving the Buyer price from the Logistics Service Provider will initiate the refund to the buyer. All settlement terms, including but not related to the Buyer App fee, Seller App fee, logistics cost, for such refunds will solely be between the Network Participants involved.

Once the settlement has happened for a transaction including any refunds as required the order journey is closed.



CHAPTER 11

Taxation

Any business operating within the country needs to be compliant with tax laws and discharge its tax obligations in a timely fashion. So every Network Participant needs to assess its tax liabilities and compliance requirements.

The two main types of tax compliance applicable to Network Participants, in relation to their activity on the ONDC Network, are (i) Tax Deduction at Source (TDS) obligations under the Income Tax Act 1961, and (ii) the GST Laws. Of the GST Laws, all NPs have to comply with the provisions of the CGST Act 2017 (and the rules made under it). While state GST laws will also apply, and NPs have to be mindful of them, these obligations will vary from state to state.

Expected key takeaways from this section:

- Tax compliance applicable to Network Participants
- Seller-side business models and Transaction-level characteristics

For the benefit of the Network Participants, ONDC has released an indicative guidance on tax compliance which covers the broad applicability of and requirements under the Income Tax Act and GST Laws. Broadly, any transaction on the ONDC Network tax obligations can be split into two heads:

1 Tax implications on the actual supply

These are tax compliances that the e-commerce entities i.e. the Buyer App and Seller App have to undertake in relation to the taxes payable by the seller of the product/service, purchased by the buyer.

2 Tax implications on the commissions/fees charged by the various network participants

These are the tax compliances that the e-commerce entities i.e. the Buyer App, Seller App, and Logistics Service Providers have to undertake in relation to their earnings in relation to the facilitation of the supply

mentioned above. In other words, these are the taxes applicable to the Buyer App fee, Seller App fees, and Logistics fees.

A reading of the tax laws in the context of e-commerce and examining existing rules indicates that tax compliance for the two heads mentioned above are affected by two categories of considerations viz. seller-side business models, and transaction-level characteristics. Both of these are discussed briefly below.

1 Seller-side business models

Seller-side models are of three types viz.

- Inventory model - In this model, the seller has its own platform where its goods/services are listed. In the ONDC context, this includes all the Inventory Seller Apps. From the perspective of tax laws, the supply of goods/services is by the e-commerce operator.

- Marketplace model - In this model, sellers can list their goods/services on the platform of the e-commerce operator that connects buyers and sellers. In the ONDC context, this includes Marketplace Seller Apps, except those in the mobility and F&B categories. From the perspective of tax laws, the marketplace charges fees for its service, and the actual supply of the goods/ services is from the seller to the buyer.
- Aggregator model - The aggregator model is similar to the marketplace model i.e., sellers can provide goods/services to the buyers using the platform of the e-commerce operator. However, under the GST law, on certain specified services, the liability to pay GST is on the e-commerce operator, provided certain conditions are met. In business parlance, these service providers are referred to as aggregators. In the context of ONDC, these are Marketplace Seller Apps who operate in the F&B or mobility sectors.

2 Transaction-level characteristics

Many transaction-level attributes can have a bearing on the tax liabilities such as:

- Who collected payment?

- Is the supply intra-state or inter-state?
- Who procured logistics?
- If a discount was offered, was it offered by the Buyer App or the Seller?

These are some of the questions the NP has to answer to assess their tax liability with respect to any given transaction.

Buyer Apps and Seller Apps being e-commerce entities, have to be particularly mindful of their compliance burdens under Sec 194-O of the Income Tax Act, and Section 52 of the CGST Act.

For more detailed guidance on tax compliance, please refer to the tax guidance documents made available by ONDC on the ONDC website. However, to avoid issues with tax authorities, the NP must always consult a Chartered Accountant and/or a tax consultant to find out their tax obligations. ONDC's guidance in this matter cannot be exhaustive or regularly updated.

Conclusion

In order to efficiently manage e-commerce operations the Network Participants should set up internal processes and take actions at various stages of an order journey. The intent of the handbook has been to highlight participants the advantages of setting up digital store with ONDC and give the ONDC Network Participants guidance and best practices at each of the below stages of e-commerce operations:

- Onboarding Sellers
- Catalog Management
- Order Management
- Packaging
- Customer Issue Management
- Operations Planning
- Improving Buyer Experience on the Buyer Applications
- Payment & Settlement

Network Participants following best practices in their operations should see improvement in operational performance. The Participant should refer back to this handbook in case performance dips or improvement in performance is required in any of the above stages of operations.

Below is the list of daily activities that we recommend Seller NP and sellers should be practicing on a daily basis to minimize operational misses.

DAILY OPERATIONS SELLER NP CHECKLIST			
S.No.	Monitoring Area	Impact	Daily Activity Checklist
1	Order Pendency	Delay in Shipments will result in: <ul style="list-style-type: none"> ○ Cancellation of order by customer resulting in loss of sale ○ Impact on rating on Network which will impact future sales through Network. 	<ul style="list-style-type: none"> ○ Check Seller level order pendency (No of orders & average aging of pending orders) ○ Coordinate with sellers where pendency is high for faster shipment.
2	Seller Cancellations	High Cancellation will result in: <ul style="list-style-type: none"> ○ Impact on rating on Network which will impact future sales through Network. ○ Buyer Apps can apply criteria to filter out non- performing sellers who will then not be visible to buyers resulting in loss for Seller NP as well 	<ul style="list-style-type: none"> ○ Check seller cancellations (number of cancellations, % cancellations for seller, seller wise % share of cancellations for Seller NP) ○ Align discussions with the sellers basis the data ○ Understand issues & recommend process improvements, checklists, conduct training on inventory management, order management or pricing as required ○ In case of repeated failures issue warning and then deactivate unless corrective actions taken by seller and verified by Seller NP
3	Assortment check	<ul style="list-style-type: none"> ○ If the assortment of sellers go down it will result in a decrease in sales/potential future sales for the Seller NP 	<ul style="list-style-type: none"> ○ Check seller level assortment status and comparison with past data of assortment ○ Identify gaps & discuss with sellers to maintain/increase width and depth of inventory

DAILY OPERATIONS SELLER NP CHECKLIST			
S.No.	Monitoring Area	Impact	Daily Activity Checklist
4	Buyer Escalations	<ul style="list-style-type: none"> ○ Not reverting on time will result in a breach of SLA for such requests ○ Breach of SLA will result in compliance breach wherein buyer can escalate the issue as per the IGM policy of network 	<ul style="list-style-type: none"> ○ Check Buyer escalated open cases aging, where the seller has not reverted timely/appropriately on buyer return/refund/cancellation requests ○ Discuss/work with sellers for resolution.
5	Receivables	<ul style="list-style-type: none"> ○ Delay in receivables will result in seller NP investing higher working capital to run the business. Cost of doing business will go up proportionately 	<ul style="list-style-type: none"> ○ Create/Download pending payments to be received from Buyer NP ○ Escalate to Buyer NPs where there are delays ○ Follow up on older open payment pending escalations
6	Payments	<ul style="list-style-type: none"> ○ Not paying timely to sellers will result in sellers delisting with the seller NP or going to an alternate Seller NP 	<ul style="list-style-type: none"> ○ Check seller pending payment cases ○ Align for payment as per SLA and update where UTR received
7	Seller Escalations	<ul style="list-style-type: none"> ○ Not resolving issues will lead to seller dissatisfaction & possible exit from NP ○ Higher bandwidth of Seller NP will go on issues rather than working on growth 	<ul style="list-style-type: none"> ○ Check escalation received from sellers: payment delays, in-transit damages, delivery delays by on network logistics and ensure closures
8	Managing low Performers	<ul style="list-style-type: none"> ○ It is important for Seller NP to track and work with top non-performing sellers ○ Improving operations of such sellers will result in a greater impact on Seller NP performance 	<ul style="list-style-type: none"> ○ Create seller-level data to draw insights on top sellers dragging down operations at Seller NP level. ○ Set up meetings with top non-performing sellers (high time of shipment, high seller cancellations, high out of stock) ○ Help resolve issues faced by seller ○ Communicate warnings ○ Disable as per the severity of the issue ○ Follow up on previous discussions

DAILY OPERATIONS SELLER NP CHECKLIST			
S.No.	Monitoring Area	Impact	Daily Activity Checklist
9	Seller Training	<ul style="list-style-type: none"> ○ Training helps Sellers improve their operations which will result in the better overall performance of Seller NP 	<ul style="list-style-type: none"> ○ Identify gaps in the skills of sellers ○ Conduct training sessions for sellers in order management, inventory management, using order management dashboard
10	Seller Expansion	<ul style="list-style-type: none"> ○ This exercise will help NPs to not just be dependent on current sellers and their assortment for sales and help reduce seller dependency. This will also increase sales through the new assortment 	<ul style="list-style-type: none"> ○ Identify gaps in the skills of sellers ○ Align BD team for new seller onboarding ○ Review pipeline and movement in the seller acquisition funnel ○ Train new seller boarded with the Seller NP for business operations
11	Account Management	<ul style="list-style-type: none"> ○ This will help Seller NP to work with high potential sellers and develop them to extract maximum business for these sellers and Seller NPs. ○ Working closely with such sellers will also provide seller NP with feedback to streamline and improve Seller NP processes. 	<ul style="list-style-type: none"> ○ Identify key accounts sellers (basis current performance, assortment, scale in ONDC and other channels, financial strength, and experience in digital sales) ○ Set up discussions for growth with these sellers ○ Follow up on updates on previous discussions

DAILY OPERATIONS SELLER CHECKLIST			
S.No.	Monitoring Area	Impact	Daily Activity Checklist
1	Order Pendency & Cancellations	<p>Delay in Shipments will result in:</p> <ul style="list-style-type: none"> ○ Cancellation of order by customer leading to loss of sale <p>Increase in Seller cancellations will:</p> <ul style="list-style-type: none"> ○ Impact rating of seller on Network which will impact future sales through Network 	<p>Check orders pending for dispatch and align for shipment:</p> <ul style="list-style-type: none"> ○ Get orders ready for dispatch: printing invoices, packing with invoice, stick shipment label ○ Mark ready for dispatch for logistics through the marketplace or ○ Coordinate with logistics in case of self-shipment <p>If inventory not available, then</p> <ul style="list-style-type: none"> ○ Source inventory as per the timeline of order dispatch ○ Cancel the order and solve for the reason of cancellation for future orders
2	Customer Requests & Escalations	<ul style="list-style-type: none"> ○ Not reverting on time will result in breach of SLA for such requests. ○ Breach of SLA will impact the rating of the seller and it will also be a compliance breach wherein the buyer can escalate the issue as per the IGM policy of Network 	<ul style="list-style-type: none"> ○ Check buyer return & cancellation requests & act basis terms of the transaction ○ Accept / reject return request ○ Accept / reject cancellation request
3	Inventory/Raw material Check & Update	<ul style="list-style-type: none"> ○ Not updating inventory/availability will lead to orders being placed in out of stock inventory ○ Will result in delays and cancellations and consequences mentioned in Step 1. 	<ul style="list-style-type: none"> ○ Map Physical inventory available with the inventory in panel ○ Update the correct inventory/availability in the Seller panel.
4	Inventory Planning & Ordering	<ul style="list-style-type: none"> ○ If planning for inventory is not done, the seller will face an out of stock situation ○ This will result in loss of sale for the seller for the duration of the stock out 	<ul style="list-style-type: none"> ○ Map current inventory/raw material to order volume to find inventory shortfalls ○ Order inventory/raw material for business as per the gaps identified ○ Follow up on delivery of older orders made with your suppliers

DAILY OPERATIONS SELLER NP CHECKLIST			
S.No.	Monitoring Area	Impact	Daily Activity Checklist
5	Monitoring Cost & Modifying Price	<p>If the price of a product is not changed in a timely fashion with changes in cost one of the two scenarios will happen:</p> <ul style="list-style-type: none"> ○ Sale at a low margin resulting is loss for seller or ○ Cancellation of order, resulting in consequences mentioned in Step 1. 	<ul style="list-style-type: none"> ○ Review SKU/product wise price list ○ Revise price where there are any changes in cost ○ Check and correct any pricing errors
6	Increasing Sales	<ul style="list-style-type: none"> ○ Non competitive price will result in sales loss ○ Applying offers helps the chances of buyer choosing the seller 	<ul style="list-style-type: none"> ○ Check SKU/product wise sales volume ○ To increase sales decrease price/apply offer wherever possible
7	Receivables check	<ul style="list-style-type: none"> ○ Delay in receivables will result in sellers investing higher working capital/ money to run the business. ○ This may also result in seller not being able to fund purchase of inventory to continue sales on the network 	<ul style="list-style-type: none"> ○ Verify pending payments ○ Escalate to Seller App where there are delays ○ Follow up on previous open payment escalations
8	Payables check	<ul style="list-style-type: none"> ○ Not paying timely to the suppliers can impact future supply of products ○ Not getting timely supply will result in loss of sale on the network during the period of no supply. 	<ul style="list-style-type: none"> ○ Check your supplier pending payments ○ Initiate Payments where required ○ Share UTR where payments are done with your suppliers
9	Damage Escalation	<ul style="list-style-type: none"> ○ There are defined timelines for raising the damage case. If issues are raised after the timelines the requests will get rejected ○ In cases of rejection there will be no support from the Logistics App and seller will have to accept the complete cost of damage 	<ul style="list-style-type: none"> ○ Check returns received and check for any damages ○ Escalate to Seller App for in transit/customer side damages ○ Follow up on older open damage escalated cases ○ Check issues in packaging quality resulting in damage ○ Take steps to improve packaging
10	Return Analysis	<ul style="list-style-type: none"> ○ Looking at long term return data helps identify process level or repeated issues for one time resolution reducing such issues for future. 	<ul style="list-style-type: none"> ○ Check customer returns issues for a longer duration (1 month) and identify patterns at product /category level for taking actions.

Please note, the frequency & sequence of a few steps may slightly change for a few categories. For example, for F&B category Seller will have to first check for live SKU inventory and mark products out of stock before orders start flowing in during the operating hours and also be active continuously on the order panel.

Operations metric list

Shared below is a consolidated table of the metrics discussed in the Order Management section. The Network Participant can track operational performance against this list of metrics.

CHECKLIST SELLER/SELLER NP			
Metric Name	Why To Track	Calculation	Relevance For
Seller Cancellation rate	Helps identify the failure rate due to seller inefficiency	No of orders canceled by seller/ Total orders confirmed by seller	Seller, Seller NP
% of Sellers with <X% Seller cancellation (SC)	Measures seller quality	(Seller with <X% SC/Total Sellers confirming orders) X 100	Seller NP
Customer Cancellation rate	Helps track the cancellations by customers	(No of orders cancelled by customers/ Total orders confirmed) X100	Seller, Seller NP
Order Pendency%	Helps track pendency for operations, packaging & dispatch	(Total orders not canceled and not shipped/Total orders confirmed-canceled) X100	Seller, Seller NP
Avg Order to Ready to Ship time (O2S)	Helps identify delays due to inefficiencies in packaging and gaps in the availability of products post confirmation	Average of time taken between when the order is confirmed by seller & order is packed and kept ready for logistics to pick	Seller, Seller NP
Order to Ready to ship time breach %	Helps measure the failure due to delay in packaging against the expected timeline	No. of orders packed post ETA/Total no of orders packed	Seller, Seller NP
Avg ready to ship to Dispatch time	Helps identify the time taken for pickup by logistics post packaging and made ready to ship	Take average time for all orders between ready to ship stage and shipped stage	Seller, Seller NP
Orders Ready to Ship to Dispatch ETA breach %	Helps identify rate of breach of timelines by logistics in pickups	(No. of orders picked after logistics expected ETA/Total orders shipped) X100	Seller, Seller NP

CHECKLIST SELLER/SELLER NP			
Metric Name	Why To Track	Calculation	Relevance For
Orders Dispatch to Delivery ETA breach %	Measures % of orders where Logistics partner was not able to meet the committed timelines for the order	(No. of orders where ETA breached/Total no of orders shipped) X 100	Seller, Seller NP
RTO%	Measures % of orders which were not delivered to the customer post shipment and return initiated to seller	(Orders return initiated without delivery/Orders shipped) X 100	Seller NP
Customer Return%	Measure orders returned by customer post acceptance of delivery	(Orders returned post-delivery/Total orders shipped) X 100	Seller, Seller NP
Damage %	Measure the products damaged in transit forward or reverse	(Total no of orders damaged & returned/Total orders shipped) X 100	Seller, Seller NP
Active Sellers%	Measure sellers who are active	(Seller's shipping at least 1 orders/Total sellers) X100	Seller NP
SKU In Stock %	Measure availability of SKU for sale	(SKU with >=1 stock unit/ Total SKU) X 100	Seller, Seller NP
Active SKU%	Measures assortment relevancy	(SKU received >=1 order last 30 days/TOTAL SKU with inventory >=1) X 100	Seller, Seller NP
Seller Depth	Measures sellers dependency for NP	Number of Sellers/ (Category or Sub Cat/Brand/Pin code)	Seller NP
Payment Pendency (Receivables)	Measures Payment Pendency	Order value where due date breached but payment not received	Seller, Seller NP
Payment Pendency (payables)	Measures Payment Pendency	Order value where due date breached but payment not made	Seller, Seller NP

Definition

Buyer App fee shall mean the finder fee a Buyer App charges as a percentage of the Total Order Value or a fixed amount per Successful Order from the Seller App.

Buyer price shall mean the cumulative net price payable by the Buyer of the Declared Price and/or the price for logistics services and/or any markup or discount offered by the Buyer App.

Buyer side applications / buyer apps means all platforms or applications which enable the Customer to purchase any goods or avail any service on the ONDC Network.

COD shall mean cash-on-delivery payments.

COD order shall mean an Order for which the Buyer makes payment through COD.

Consumer has the meaning as under the Consumer Protection Act, 2019 (CPA)



Customer / buyer shall mean the registered users of the Buyer App accessing the ONDC Network to purchase any goods or avail any service offered by Sellers on the Seller App.

Declared price shall mean the final price declared by the Seller listed on the Seller App.

End user shall include a customer, seller, or a service provider who is registered with the respective Participant.

Gateway shall mean the technology provider that will ensure the discoverability of all sellers in the ONDC Network by multicasting the search request received from Buyer App to all Seller App and vice-versa, based on criteria, including but not limited to, location, availability, and other customer preferences as provided for in the Network Policies of ONDC

Gateway fee shall have the meaning ascribed to it in Chapter 3, Clause 3.2.1 (ii)

Grievance refers to an issue that does not receive a response from the party who is supposed to respond, or an issue that is not satisfactorily resolved. The entity who raised the issue can escalate it to a Grievance.

Grievance redressal officer is an individual appointed by every e-commerce entity, as mandated by e-commerce Rules 2020, for redressal of consumer disputes which are to be acknowledged within 48 hours and resolved within 30 days.

GST laws shall mean the Central Goods and Services Tax Act, 2017, the relevant State Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the relevant Union Territory Good and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017 and the rules and regulations framed thereunder.

INR shall mean Indian Rupee.

Issue refers to a query that an end user has, or a problem that an end user or a Network Participant has in relation to a product or service purchased through the ONDC Network. The query or complaint may require resolution from a Network Participant or end user in the form of a response or action.

Logistic service providers are Seller Apps providing any one or more types of carriage services, which includes rail/road/sea/air transportation, or any other such services, engaged by the Network Participant for the purpose of delivery and fulfillment of orders placed through the ONDC Network.

Network participants / participants shall mean the participants on the ONDC Network including Gateways, Buyer Side Application, Seller Side Applications, NP-ISN, NP-MSN, and NP-BN.

Network policy shall mean the policy framework developed by ONDC in consultation with various Network Participants to lay out the rules and code of conducts that all Network Participants must ensure compliance with. ONDC may update the said Network Policy from time-to-time.

Online dispute resolution service provider (ODR service provider) is an entity that administers and facilitates the online resolution proceeding and provides an ODR platform to resolve disputes through electronic methods. ONDC will empanel ODR Service Providers as per the guidelines as formulated by ONDC.

Application programming interface (API) shall mean application programming interface compliant with ONDC Specifications, including protocols, specifications and related documentation provided by ONDC.

ONDC network shall mean the open, interoperable network established, facilitated, managed, made available and owned by ONDC for enabling digital commerce

Order shall mean all purchases made by the Buyer on the ONDC Network through the Buyer App, Seller App and Seller, Gateway and Logistics Service Provider, as applicable.

Party shall mean either ONDC or the Participants that enters into the Agreement and shall collectively be referred to as the Parties.

Prepaid order shall mean an order for which the buyer makes payment before the shipment of the order.

Product Product shall mean any goods made available for sale and purchase by the Participants through ONDC network.

Return window will be the number of calendar days from delivery or shipment or collection (as applicable), after which withholding amount will have to be settled, in case of no returns.

Seller shall mean any seller registered with a Seller Side Network Participant to offer products or services through ONDC network, including service provider as defined under the Consumer Protection Act, which can be searched for, discovered, and procured by buyers registered with Buyer Side Applications.

Seller App fee shall mean the fee charged by the Seller App as a percentage of the total order value or a fixed amount per successful order from the sellers for listing their catalog items.

Seller side applications / Seller App means all platforms or applications of Network Participant NP

- ISN/ MSN that allows the sellers to publish their product/ service inventory, pricing, and other terms of transaction and enables the sellers or any other service providers, including but not limited to logistics service providers, to transact on the ONDC Network.

Settlement window shall mean the specified number of working days from the date of collection, shipment or delivery or end of the Return Window, within which the Network Participants will settle the amounts owed to each other and other participants such as the buyer, Seller or ONDC, as applicable.

Successful order shall mean all orders that are completed or delivered to the buyer.

Tax or **Taxation** means all forms of taxation, impositions, duties, imposts, contributions and levies in the nature of taxation including without limitation income tax, transfer taxes, withholding tax, value added tax, sales tax, central sales tax, service tax, goods and services tax, customs and excise duties, other legal transaction taxes, real estate taxes, other

municipal taxes and duties, and any other type of taxes and duties, or any future tax which is in lieu of, or supplants or replaces any such tax together with any interest, penalties, surcharges, cess or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed by any Competent Authority and Taxes means all of them.

Total order value: The Total Order Value will be the buyer price not including the mark-ups/discounts offered by the Buyer App.

For clarity, the Total Order Value shall include logistics and other service charges that the Seller or Seller App levies, whether such charges are included in the declared price or indicated separately.

Transaction fees shall have the meaning described in [Chapter 3, Clause 3.1.2, visit Governance and Policies on ONDC Website.](#)

Withholding amount shall be a fixed percentage of the total order value or a fixed percentage of the cumulative sum of the declared price of all products shipped or delivered on a particular day or a definite period vis-à-vis a particular Seller App withheld by the entity collecting the buyer price until the closure of the return window.





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