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Flipkart, Amazon Can Help ONDC Scale Ops: Report

Etail majors will add credibility, says report

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Bengaluru: The best-case scenario for ONDC — the government's e-commerce initiative — would be to work along with incumbents Amazon and Flipkart, JM Financial has said in a report. This, despite Open Network for Digital Commerce

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THE REPORT SAID

(ONDC) being initially perceived as a "giant killer". Onboarding some of the larger incumbents early might actually provide ONDC the much-needed scale as well as credibility with buyers

and sellers, it said. "From these companies' perspective, we advocate them joining the network as any lowering of take rates (due to sharing with other network participants) can be amply compensated by boost in volumes along with the option value in case ONDC picks up traction similar to UPI," according to the report.

ET was the first to report that Flipkart, Amazon and Reliance may join the network in May. Flipkart's e-kart, its payment app PhonePe, and Reliance's Grab has already integrated with ONDC.

JM Financial did a data analysis based on the pilot and found that the median overall take-rates are expected to be 20-30% lower for ONDC compared to e-commerce platforms.

