

# **SURVEYING THE PULSE**

MMA India Survey: Industry's Outlook on ONDC

**MAY, 2023**

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# **EXECUTIVE SUMMARY**

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## EXECUTIVE SUMMARY

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The Open Network for Digital Commerce (ONDC) is an innovative network that has garnered the attention of stakeholders and professionals in the digital commerce space in India. A survey on ONDC was conducted by MMA India to capture the views of these individuals. The report covers several topics, including the audience profile of the respondents, an analysis of the factors and challenges for the implementation and utilization of ONDC by companies, ONDC's impact on digital commerce in India, and its compatibility with existing norms of the digital commerce industry.

The survey report emphasizes the importance of ONDC's compliance with established standards and practices of the digital commerce sector to ensure its success in India's digital economy.

Some of the key takeaways from this study were:

- 1. 90% of Respondents are likely to adopt ONDC in some form in their companies*
- 2. 73% Respondents believe that ONDC could help level the playing field for small and medium-sized businesses in the digital commerce space.*
- 3. 41% respondents believe ONDC can shape the future of digital payments by fostering the adoption of new payment methods and technologies, indicating its potential as an innovation driver.*
- 4. ONDC is likely to Transform Digital Commerce Through Market Expansion, Interoperability, and Cost Reduction as per respondents.*
- 5. Value Proposition, Technical Expertise and Cost & ROI are key factors influencing companies to adopt ONDC*
- 6. 69% respondents believe that compatibility with existing digital commerce standards and protocols to be highly important for ONDC.*

Overall, the survey report provides valuable insights into the perceptions and expectations around ONDC in the digital commerce landscape.

# AUDIENCE PROFILE

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INDUSTRY'S OUTLOOK ON ONDC

# AUDIENCE PROFILE

An online study was conducted to understand the Industry outlook towards ONDC. This online survey was conducted through from May-April '2023 across 177 key decision makers across industries such as ecommerce, retail, technology and a diverse mix of a few others.

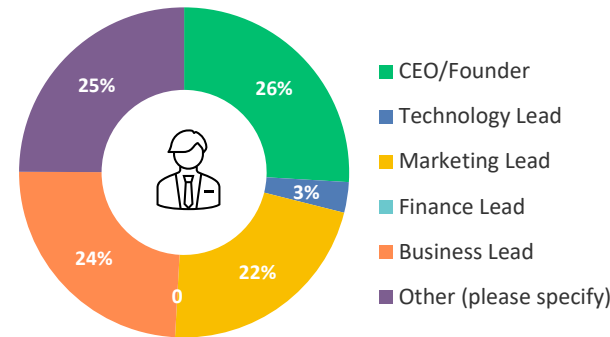
**Decision-Makers:** The largest percentage of participants (**26%**) **identified themselves as CEOs/founders**, indicating that they are likely decision-makers in their respective companies.

**Marketing and Business Leads:** **Marketing leads (22%) and business leads (25%)** also made up a significant portion of the participants, suggesting that there is interest in the potential impact of ONDC on marketing strategies and business operations.

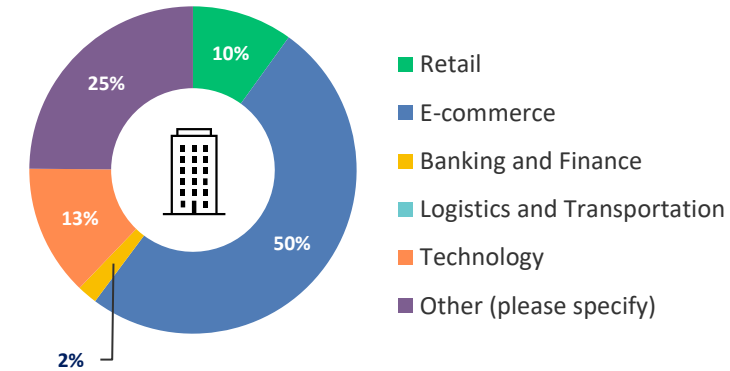
**Industry Focus:** The majority of respondents (50%) operate in the e-commerce industry, with a significant proportion (13%) from the technology industry. A smaller percentage operates in the retail industry (10%) and the banking and finance industry (2%). A diverse range of industries (25%) were also represented by the "Other" category.

More than 50% of respondent's companies have been operating on Digital Space for more than 5 Years.

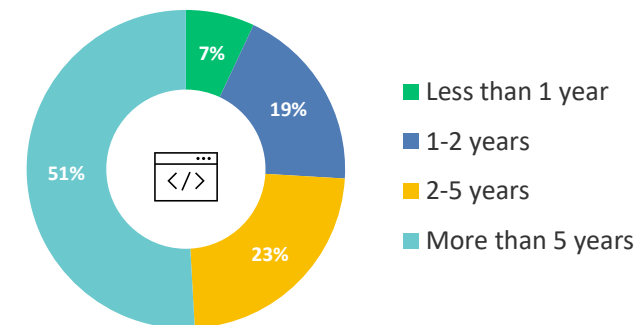
Respondent's Current Role



Primary Sector of the Company of Respondent



Company Tenure of Operating in Digital Space



# **INDUSTRY'S OUTLOOK TOWARDS ONDC**

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INDUSTRY'S OUTLOOK ON ONDC

## PERCEPTIONS ON ONDC'S POTENTIAL FOR ENHANCING THE DIGITAL COMMERCE ECOSYSTEM

### ONDC to Transform Digital Commerce Through Market Expansion, Interoperability, and Cost Reduction.

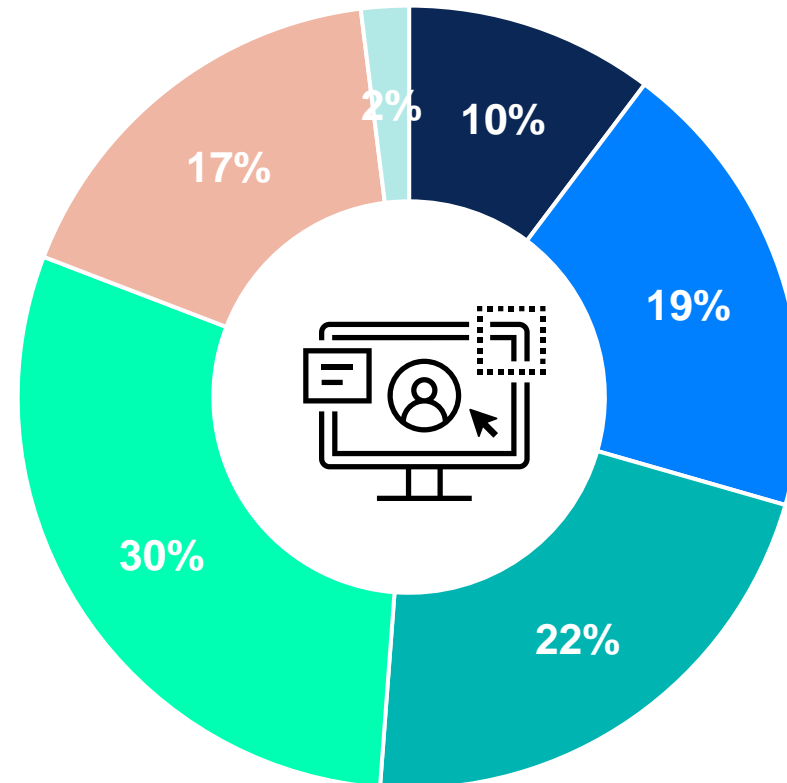
According to the survey results, the majority of respondents (30%) believe that ONDC can improve the digital commerce ecosystem by expanding market access and customer reach.

The second most popular response (22%) suggests that increasing interoperability and compatibility is important.

Improving efficiency and reducing costs (19%) and offering access to valuable consumer insights and data (17%) were also identified as key areas which could be improved by ONDC.

Enhancing security and privacy received the least support (10%), while a small percentage (2%) provided their own suggestions under "other."

- By enhancing security and privacy
- By improving efficiency and reducing costs
- By increasing interoperability and compatibility
- By expanding market access and customer reach
- By offering access to valuable consumers insights & data (such as 1PD)
- Others



## ASSESSING THE PROBABILITY OF ONDC ADOPTION AMONG COMPANIES

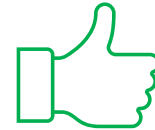
### 90% of respondents likely to adopt it in some form.

The survey results suggest that ONDC has a good chance of being adopted by companies in the future, as a majority of respondents believe that it is very likely or somewhat likely that their company will adopt it.

***A majority of respondents, 51%, believe that their company is very likely to adopt ONDC in the future, while 39% believe it is somewhat likely.***

This indicates that a significant proportion of respondents are optimistic about the potential benefits of ONDC and believe that their companies are likely to adopt it.

A smaller proportion of respondents, 8%, believe that their company is somewhat unlikely to adopt ONDC, while only 2% believe it is very unlikely. This suggests that there may be some challenges or barriers to adoption that need to be addressed, but overall, there is a relatively high level of interest and willingness to adopt ONDC among respondents.



51%

Believe that their company is **very likely to adopt ONDC** in the future



39%

Believe it is **somewhat likely**



8%

Believe it is **somewhat unlikely** their company will adopt ONDC



2%

Believe it is **very unlikely** their company will adopt ONDC.

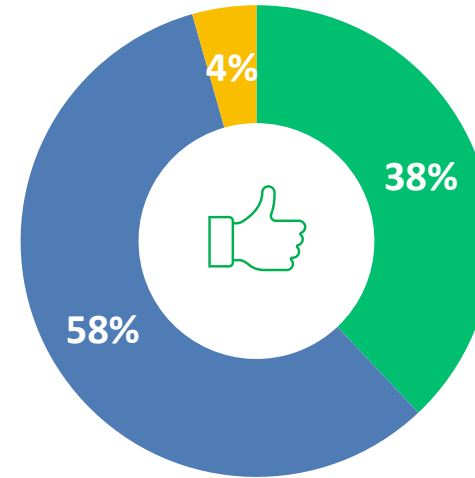
## FACTORS INFLUENCING COMPANY'S DECISION TO ADOPT ONDC

### Value Proposition, Technical Expertise and Cost & ROI are key factors influencing companies.

Based on the survey, **58% of respondents believe that the perceived benefits and value proposition of ONDC would influence their company's decision to adopt it.** 38% of respondents consider the potential impact on existing business processes and systems as an important factor. A small proportion (4%) mentioned other influencing factors.

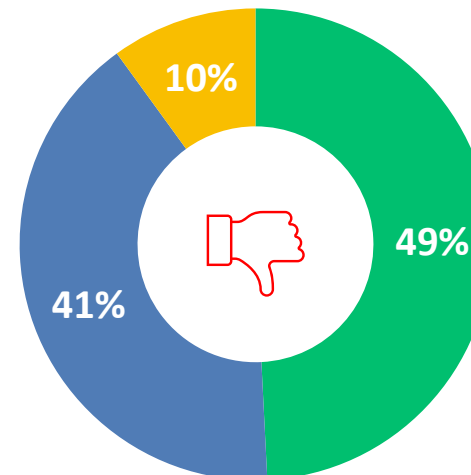
**For companies deciding not to adopt ONDC, 49% of respondents believe that cost and return on investment (ROI) considerations would be the main factor.** 41% of respondents think that the availability of technical expertise and resources would influence their company's decision.

A small percentage (10%) mentioned other factors.



### Factors Influencing Company's Decision To Adopt ONDC

- Potential impact on existing business processes and systems
- Perceived benefits and value proposition of ONDC
- Other



### Factors Influencing Company's Decision to Not Adopt ONDC

- Cost and ROI considerations
- Availability of Technical Expertise and Resources
- Other

## CHALLENGES IN IMPLEMENTATION AND ADOPTION OF ONDC

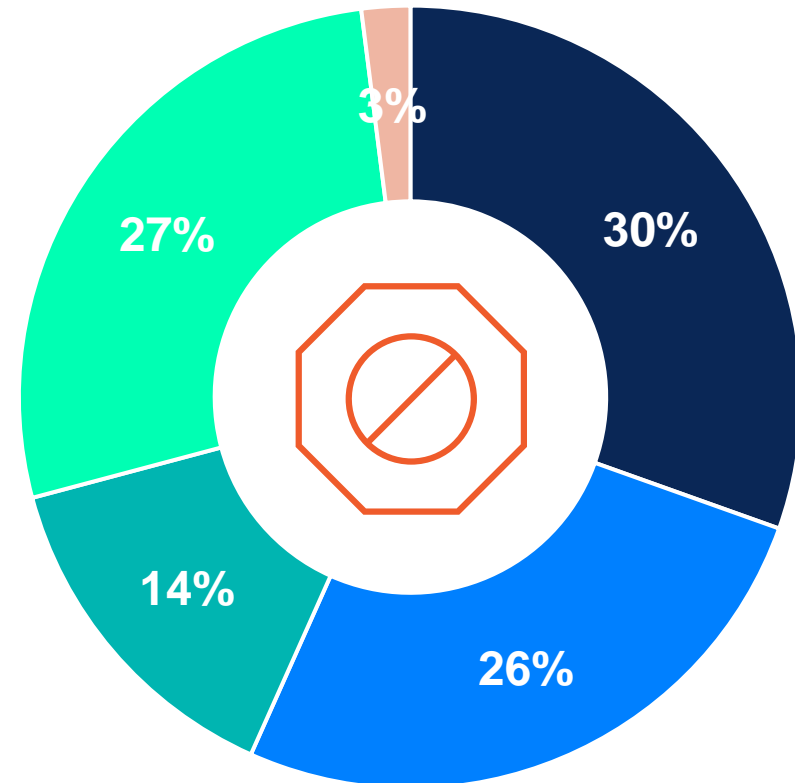
### Technical Complexity, Resistance from Existing Players & Lack of Awareness to be key challenges.

*The survey results indicate that 30% of respondents expressed concerns about technical complexity and integration issues.*

*Additionally, 26% of respondents cited resistance from existing players in the digital commerce ecosystem as a challenge.*

Lack of awareness and education among businesses and consumers was a significant concern for 27% of respondents. Regulatory hurdles and compliance requirements were mentioned by 14% of respondents.

Finally, a small percentage of 3% cited unspecified "other" challenges.



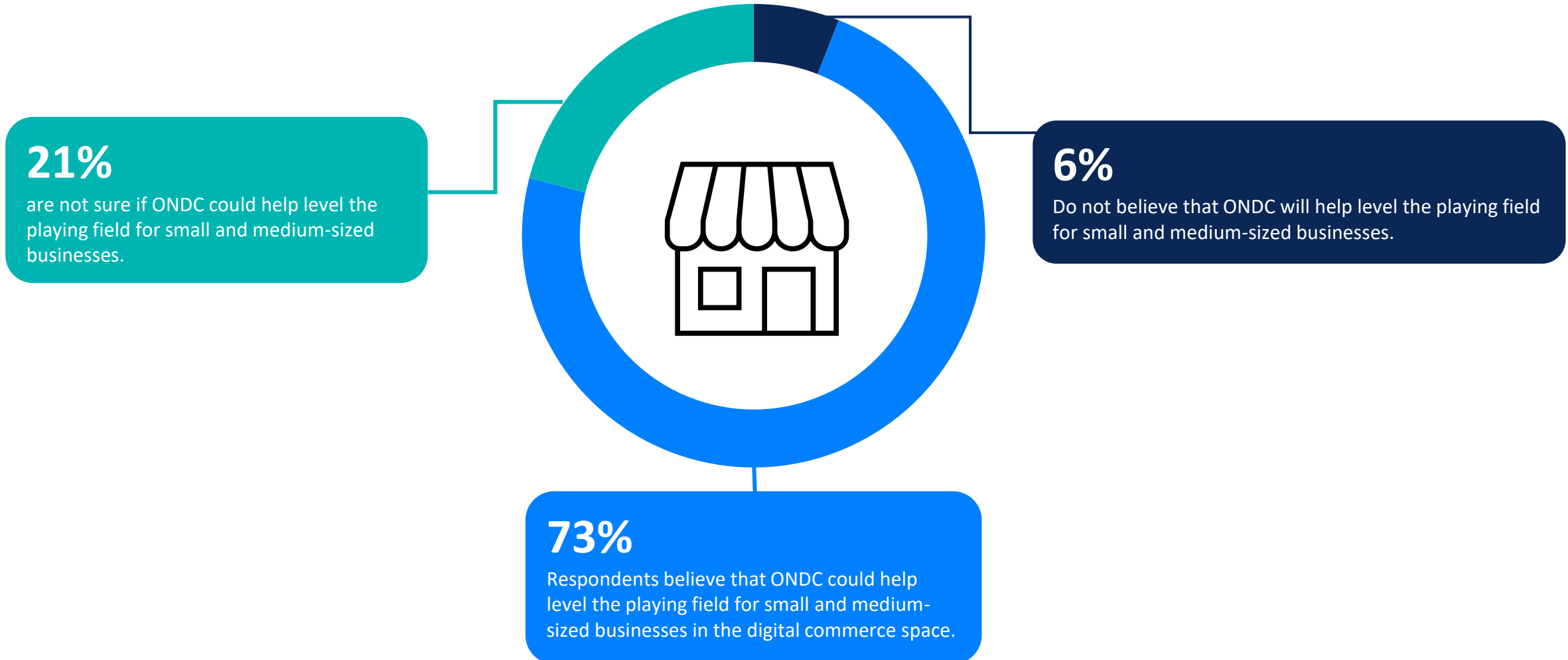
- Technical complexity and integration issues
- Resistance from existing players in the digital commerce ecosystem
- Regulatory hurdles and compliance requirements
- Lack of awareness and education among businesses and consumers
- Other

# **ONDC'S IMPACT ON DIGITAL COMMERCE IN INDIA**

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INDUSTRY'S OUTLOOK ON ONDC

# POTENTIAL OPPORTUNITY FOR LEVELING PLAYING FIELD IN DIGITAL COMMERCE



## ONDC'S IMPACT ON DIGITAL PAYMENTS

### New Payment Methods and More Competition among Fintech Companies likely on ONDC

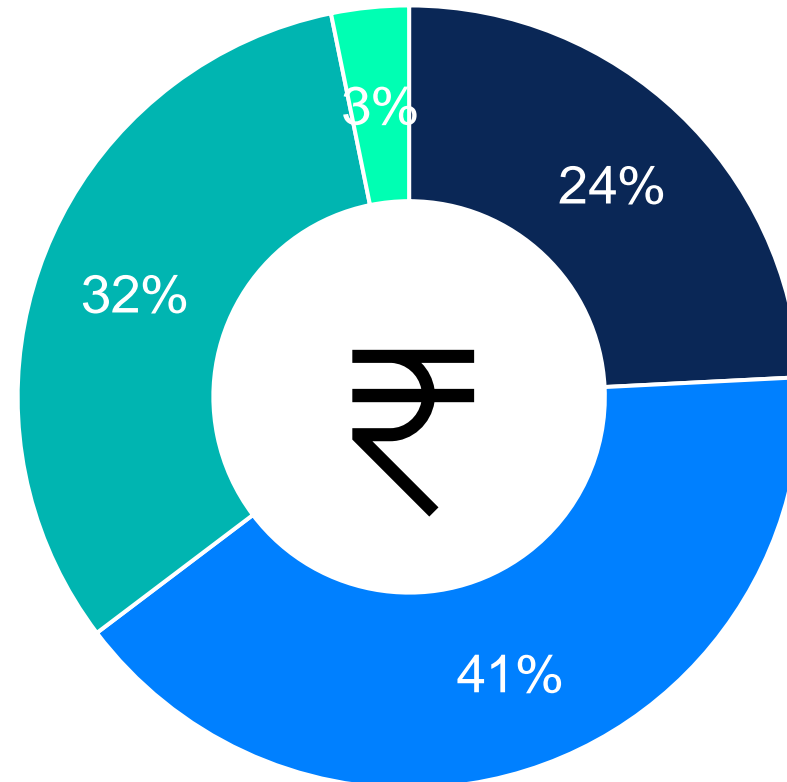
*The survey reveals that a significant number of respondents (41%) believe ONDC can shape the future of digital payments by fostering the adoption of new payment methods and technologies, indicating its potential as an innovation driver.*

Additionally, 32% of respondents believe ONDC can enhance competition among payment providers, potentially resulting in better pricing and more options for consumers.

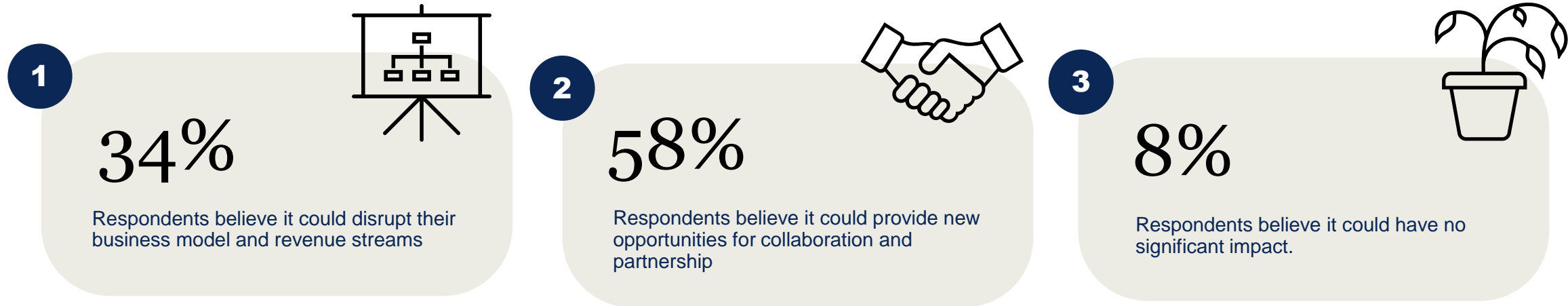
Furthermore, 24% of respondents view ONDC as a means to improve payment security and efficiency, addressing existing challenges in the digital payments landscape.

A small percentage (3%) provided unspecified suggestions for the impact of ONDC on digital payments.

- It could enable more secure and efficient payment processing
- It could facilitate the adoption of new payment methods and technologies
- It could increase competition among payment providers
- Other



## POTENTIAL IMPACT OF ONDC ON EXISTING PLAYERS IN THE DIGITAL COMMERCE ECOSYSTEM



### ONDC could have a significant impact on existing players in the digital commerce ecosystem.

The most popular response, selected by 58% of respondents, is that ONDC could provide new opportunities for collaboration and partnership. This indicates that there is potential for existing players to work with ONDC to create new business models and revenue streams.

However, 34% of respondents believe that ONDC could disrupt the business models and revenue streams of existing players. This suggests that there is concern among some respondents about the potential negative impact of ONDC on existing players in the digital commerce ecosystem, if they don't capitalize on ONDC opportunity.

Only 8% of respondents believe that ONDC will have no significant impact, which suggests that most respondents believe that ONDC will have some level of impact on the digital commerce ecosystem.



## POTENTIAL BENEFITS OF ONDC FOR CONSUMERS



### Wider Range of Products & Services a likely benefit to customers.

The survey results suggest that a **majority of respondents, 54%, believe that consumers would benefit from the implementation of ONDC by having access to a wider range of products and services.** This indicates that respondents believe that ONDC could increase consumer choice and provide access to products and services that were previously unavailable.

A significant proportion of respondents, 21%, believe that consumers would benefit from ONDC by having more secure and efficient payment options. This suggests that respondents see ONDC as a potential solution to some of the challenges currently faced by consumers in the digital commerce ecosystem, such as payment security and efficiency.

A smaller proportion of respondents, 20%, believe that consumers would benefit from ONDC by having greater control over their personal data. This suggests that some respondents see ONDC as a potential tool to improve privacy and data protection for consumers in the digital commerce ecosystem.

A small percentage of respondents, 5%, provided other suggestions for how consumers could benefit from the implementation of ONDC. It is not clear from the survey data what these other suggestions are.

## **ONDC'S COMPATIBILITY WITH EXISTING NORMS OF THE DIGITAL COMMERCE INDUSTRY**

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## IMPORTANCE OF ONDC COMPATIBILITY WITH DIGITAL COMMERCE STANDARDS AND PROTOCOLS

**Respondents believe compatibility with existing standards and protocols is essential.**

*The survey shows that a majority of respondents, 69%, consider compatibility with existing digital commerce standards and protocols to be highly important for ONDC.*

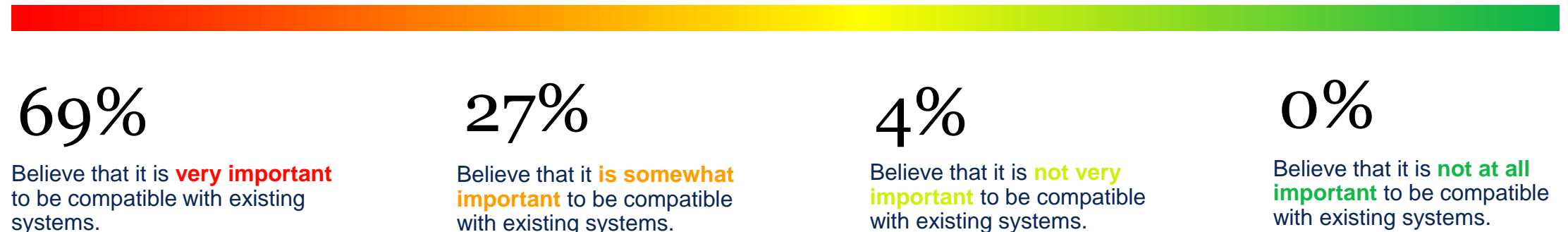
An additional 27% believe it is somewhat important, indicating a significant proportion that recognizes the significance of compatibility.

Only a small percentage, 4%, view it as not very important, suggesting a high level of awareness and recognition of interoperability and standardization in the digital commerce field. No respondents believe it is not important at all.

There are several potential reasons for this phenomenon, which can be attributed to the fact that brands typically possess a well-established framework for conducting eCommerce business on D2C & Marketplaces. Moreover, it is imperative for brands to prioritize the maintenance of a consistent brand experience and safeguard their reputation.

**VERY IMPORTANT**

**NOT AT ALL IMPORTANT**



# ABOUT MMA GLOBAL

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## **ABOUT MMA GLOBAL**

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Comprised of over 800-member companies globally and 15 regional offices, the MMA is the only marketing trade association that brings together the full ecosystem of marketers, martech and media companies working collaboratively to architect the future of marketing, while relentlessly delivering growth today. Led by CMOs, the MMA helps marketers lead the imperative for marketing change – in ways that enable future breakthroughs while optimizing current activities. The MMA is committed to science and questioning and believes that creating marketing impact is steeped in constructively challenging the status quo encouraging business leaders to aggressively adopt proven, peer-driven and scientific best practices, without compromise. The MMA invests millions of dollars in rigorous research to enable marketers with unassailable truth and actionable tools. By enlightening, empowering and enabling marketers, the MMA shapes future success, while also propelling business growth.

## DISCLAIMER

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The information contained in “Industry's outlook on ONDC” (Report) would serve as an educational tool to understand the level of awareness and understanding of ONDC amongst practitioners and experts in the digital commerce space.

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