

E-com growth shift earns ONDC Modi's praise

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Prime Minister Narendra Modi praised the Open Network for Digital Commerce (ONDC) for contributing to the growth of e-commerce platforms. Responding to a post by Piyush Goyal, Union Minister for the Ministry of Commerce and Industry, on X, Modi wrote, "ONDC has contributed to empowering small businesses and revolutionising e-commerce, thus playing a vital role in furthering growth and prosperity." He added that the platform is playing a key role in driving growth.

In a post outlining the government's vision for ONDC, Goyal mentioned some statistics highlighting the platform's growth. He shared that the platform has a network of over 200 participants, along with more than 700,000 sellers and services from 600 cities across the country.

"Over the past three years, it has not only achieved numerous milestones but also empowered

GROWTH TRAJECTORY

Since 2021

- 150 mn+ transactions
- 200+ network participants
- 700,000+ sellers and service providers
- Sellers from 600+ cities
- Consumers from 1,100+ cities, towns transacted

Source: Data shared by Piyush Goyal on X

businesses, especially small enterprises, by creating a level playing field for them on the network," Goyal wrote.

Since its inception, consumers from over 1,110 cities and towns have transacted through the network, totalling more than 150 million transactions, Goyal shared in his post. Launched in 2021, ONDC aimed to democratise the e-commerce ecosystem in the country, bridging the gap between



TOTAL TRANSACTIONS

(in million)

Source:
Media reports,
BS research



buyers and sellers.

Earlier in 2024, ONDC Chief Executive Officer (CEO) Thampy Koshy had said that the platform expects 30-40 million monthly transactions by March 2025. As of November 2024, the monthly transactions stood at 14.4 million.

Several platforms across various domains, including food delivery, e-commerce, and cab-hailing, have signed up for the platform. Ola Consumer

(formerly Ola Cabs), for instance, recently piloted its quick food delivery service in Bengaluru via the platform.

In 2024, ONDC announced the onboarding of several startups to its network. The unicorns that signed the letter of intent to partner the platform included Zerodha, EaseMyTrip, Cars24, Physics Wallah, PolicyBazaar, OfBusiness, WinZO, Livspace, and GlobalBees. True Elements, one of India's

leading healthy breakfast and snack startup brands, began selling its products on ONDC in January 2023. The company's Co-founder and CEO Puru Gupta shared that the brand started on a run rate through the platform in 2023. However, in 2024, the brand saw a sharp decline in its run rate across categories, with sales dropping considerably compared to the previous year.

While comparing the sales on ONDC to other platforms, Gupta said, "It is much lower than any of the other platforms, where our current gross merchandise value is exponentially higher than that in ONDC."

Sharing the growth prospects and challenges of ONDC, Janhavi Jaltare, the direct-to-consumer head of True Elements, shared, "While it helps brands reach a mass audience at a much lower cost than other marketplaces, there is a lack of platform awareness as customers are not aware of the existing ONDC presence."