THE BECKNING

Why you should pay attention to an early-stage tech protocol in Bengaluru

Venkat Ananth

What if instead of selecting a product listed on a shopping platform, you could go to a delivery platform of your choice and order the same item? Or, select it from a chat app?

To imagine another scenario, what if instead of hailing cabs at both ends of a metro ride, you could book an end-to-end journey encompassing cabs, metros and buses even before you leave home?

These could be among the use cases enabled by Beckn, an early-stage protocol backed by tech heavyweights, which seeks to promote openness and interoperability across clusters involved in the customer journey in domains such as ecommerce and mobility, people familiar with the project say. It could bring together service providers under one protocol, which means choice for the customers would expand, and consequently, so could demand for ecommerce companies.

The project is noteworthy at this stage mainly due to the people involved. It's owned by the Bengaluru-based not-forprofit Open Shared Mobility Foundation and the cofounders have a track record for building widely used platforms and protocols. Nandan Nilekani, former chairman of the Unique Identification Authority of India (UIDAI) and Infosys cofounder; Pramod Varma, chief architect of Aadhaar, Unified Payments Interface (UPI) and applications such as DigiLocker and eSign under the India Stack; and management consultant and mobility expert Sujith Nair.

Among early partners, it is being pitched as a UPI-like protocol for locationaware ecommerce and mobility. This means that like it happened with UPI, third parties can potentially build large apps on the back of the protocol. And just as chat apps expanded to payments using UPI, different apps could expand into mobility and ecommerce using this protocol. This means potentially using a chat window to order groceries or to book a cab and to pay for them.

Raj Subramaniam, CEO of Paisool, a retail platform for kirana stores, says, "Beckn is a truly transformational idea for small businesses. It will finally deliver the promise of technology to a segment of the economy that has remained underserved." He adds, "Paisool builds simple, high-impact tech solutions for kiranas and small pharmacies. Beckn can help our customers realise the true potential of their businesses."

The initial hypothesis of the foundation was around fixing urban mobility. Mobility systems were operating in silos, and the share of personal vehicle usage was very high. At its core, it felt interoperability across mobility platforms would help customers access mobility services from public and private transport organisations in a seamless, integrated manner to search, book and pay for a door-to-door ride.

Fundamentally, Beckn is a set of specifications (think SMTP for email or HTTP for the internet) that allows for commerce to take place between a provider and a consumer. Recently, Beckn also identified verticals around hyperlocal commerce (food delivery, health or grocery delivery) and electric vehicles as its core focus area. Its philosophy seeks to unbundle the existing approach to internet commerce — which

is broadly described as "centralised and platform-based", and move to a more "open, network-based and marketplace approach".

Other than Paisool, early adopters include Bengaluru-based companies like online hyperlocal concierge Dunzo, the restaurant PoS company Peppo; Micelio, a seed fund for clean mobility; and retail operating system ShopX.

Praveen Khandelwal, secretary-general of the Confederation of All India Traders (CAIT), says the protocol could lead to attractive propositions for small retailers. "It's an open protocol which empowers consumers to exercise their choice for sourcing online purchases not only from the ecommerce seller but also the logistics provider. If we adopt this protocol in a strategically planned manner, we shall be able to ensure more and more onboarding of retailers on this protocol."

The $200 Billion Opportunity

Beckn also comes at a unique time in India's consumer and business-to-business internet space. According to a Statista report, the Indian ecommerce market has been "growing at an exponential rate", valued at $50 billion in 2018. That number, owing to factors like greater digitisation of the economy and an increasing internet user base, is expected to rise to $200 billion by 2027.

Besides market potential, the ongoing pandemic has also triggered behavioural changes, with a strong preference for ondemand services like grocery, which only furthers the idea of Beckn. There is also a growing realisation that a "platform-based" approach may not be the right one for India, with a vast majority of small businesses and retailers left out of the ecommerce revolution. Inclusivity, Beckn's Nair says, is at the heart of its concept. "Beckn is a way to make the internet small business-friendly."

And Beckn's open-source nature makes it easier for adoption and democratisation of commerce — anyone can create a storefront, accept payments digitally and enable logistics and last-mile delivery. Nair adds, "Beckn protocol's open specifications allow customers to choose any consumer app (across mobile apps, smart devices, virtual assistants or even a web browser) to discover local merchants/providers, obviating the need for both buyers and sellers to be present on a single digital platform."

Varma, the other Beckn cofounder, adds: "UPI showed us how lightweight open specifications can enable massive market expansion around digital payments and Beckn is a way to enable digital commerce transactions at scale to help location-aware local commerce and drive inclusive growth of the market."

Khandelwal of CAIT says working with trade associations will accelerate the adoption of the protocol. "The fundamental questions are, how will it be taken down the line and how will it motivate retailers to adopt the technology of this protocol? There is only one way — to integrate trade associations across the country that are already working on the ground and enjoy the trust of their respective traders."

venkat.ananth@timesgroup.com

::

"Beckn protocol's open specifications allow customers to choose any consumer app to discover local merchants/ providers, obviating

*the need for both
buyers and sellers to
be present on a
single digital
platform"* **Sujith
Nair**,

cofounder & CEO,
Beckn

All about Beckn

Started by: Nandan Nilekani,
Sujith Nair and Pramod Verma

Founded: September 2019

What it plans to do: Become a
distributed marketplace for
service providers by using the UPI
mould — basically, it will become
a system that supports all apps

USP: Nonprofit gives new players
low-cost access to UPI-like tech;
focus to be on mobility and last-
mile delivery

How it plans to do it:
Use open source
specifications to
allow discovery,
ordering and
payments between
a company and a
consumer —
basically, a user can
order from a food
delivery platform
without having to
download the app

Early adopters: Juspay, Peppo, ShopX, Dunzo, Paisool, WRI India Ross
Center, Framewirk.com, Micelio, iSPIRT, RMI India