

PRUF: A platform Using One Time Mandate block and release of funds to ease the trust deficit between seller and buyer using blockchain smart contract. This solution provides way of accepting payments (through UPI Mandate Process) and allows monitoring of shipments. (by integrating API of Logistic companies) On integration stage with Yes bank and On agreement stage with ICICI along with Worldline.

PROBLEM STATEMENT

Ecommerce Challenges: RTO (Return to Origin) and COD (Cash on Delivery) are indeed some of the biggest challenges that merchants face in the e-commerce industry. On the other hand, non-delivery of prepaid orders is a significant challenge for customers. Also it is a Revenue Opportunity loss for PG/PA/Bank in case of COD/UPI orders:

RTO & COD is the biggest challenge for merchants:

RTO is a situation where the shipment is returned to the merchant's origin due to several reasons such as undeliverable address, unavailability of the recipient, or refusal to accept the package. This results in additional shipping charges for the merchant. COD is another challenge as the payment is collected only when the product is delivered, and merchants have to deal with the risk of fraud, fake orders, or customer refusal.

Non-delivery of prepaid orders is a challenge for customers:

Non-delivery of prepaid orders is a significant challenge for customers as they have already paid for the product, but it is not delivered on time or at all. This can lead to frustration, inconvenience, and financial loss for the customer. In such cases, customers have to follow up with the merchant or the courier company to track the shipment and seek a refund or replacement.

Opportunity Loss to PA/PG/ Banks:

COD orders pose a revenue opportunity loss for PG/PA/ Banks as they do not make any Revenue in COD. Acquiring individuals and non-setup merchants is challenging as they may not meet eligibility criteria, limiting revenue potential. PG/PA companies have less control over shipment, which can lead to customer complaints, disputes, and impact their reputation, requiring a robust dispute resolution mechanism.

SOLUTION:

In an effort to address the trust deficit between sellers and buyers, Plada is Developing a new platform PRUF that leverages blockchain technology to facilitate the secure release of funds. Using OTM (On-Time Mandate) block and release of funds, this platform offers an alternative to COD, which is a widely-used but risky payment method in e-commerce. By using blockchain smart contracts, the platform provides a secure and transparent way of monitoring shipments, which enhances the overall trustworthiness of the transaction. In this way, the platform aims to make e-commerce transactions safer and more efficient for both buyers and sellers.

USP:

Our platform has incorporated blockchain smart contracts to enable the use of the OTM block and release of funds model, which assures the security of payments until the delivery of goods is confirmed. The platform thus provides a seamless alternative to COD, which is known to be a risky payment method. With the funds being blocked until the delivery partner confirms the delivery of the items, the trust deficit that often exists between buyers and sellers is significantly reduced. This presents an investment opportunity in a growing market where the platform aims to revolutionize the way e-commerce transactions are conducted, while enhancing security and trust. Phase 2 will be to offer same solutions on Credit cards and net banking.

REVENUE OPPORTUNITIES

PRUF will increase revenue for payment gateway/payment aggregator (PA/PG) companies, Banks, and merchants while solving the trust deficit by leveraging OTM UPI 2.0 technology. PRUF's platform allows for secure and transparent monitoring of shipments, which mitigates the risk associated with cash-on-delivery (COD) payments. The use of OTM enables the blocking and release of funds model, ensuring that funds are only released to the merchant after delivery is confirmed. By reducing the trust deficit between buyers and sellers, PRUF's platform offers an alternative to COD payments, increasing revenue for PA/PG companies and merchants.

OTHER MARKET ENABLERS:

Global data predicts that e-commerce sales in India will grow by 21.5% in 2022 and reach \$120 billion by 2025.

Due to low internet penetration in 2-4 tier cities, nearly 90% of new buyers in India opt for cash on delivery (COD) as their preferred payment mode, as of 2020.

The return rate for COD orders is higher compared to pre-paid orders, with customers returning between 10% and 30% of COD orders, as opposed to 5% to 15% for pre-paid orders.

Delivery partners in India typically charge a minimum of Rs. 100 or up to 4% of the transaction amount for cash handling and service, which retailers may pass on to their customers.

According to a study by Bluestek, UPI (Unified Payment Interface) accounts for over 80% (Overall) of digital payments in India, which also makes it a viable option for availing PRUF's services.

Tentative timeline for Completion of the product : 1st September,2023