Government e Marketplace

GeM Quality Report (GQR)

(January-March 2019)

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Report History

Sr. No.	Report	Published Date
1.0	First Quarter - Apr-Jun'18	12th July 2018
2.0	Second Quarter - Jul-Sep'18	12th October 2018
3.0	Third Quarter - Oct-Mar'19	12th January 2019
4.0	Fourth Quarter -Jan-Mar'19	17th April 2019

Report Metadata

Sr. No.	Data elements	Value
1.	**Title**	GeM Quality Report
2.	**Target Audience**	Stakeholders of GeM including Buyers, Sellers, Industry Associations, Partners etc.
3.	**Source** *(This report is part of GeM Quality Framework)*	This report provides the statistics on overall health and quality of GeM platform during the reporting period using KPIs mentioned in GeM Quality Framework which has been further derived from the overall GeM Analytics Framework 'Analytics on GeM V0.8'
4.	**Publisher**	GeM
5.	**Document Number**	GeM/QR-2018-19/4.0

Executive Summary

On quarterly basis GeM Quality Report (GQR) is published by GeM to provide status of overall health and quality of the platform on the parameters defined in the GeM Quality Framework (GQF). The report also highlights the milestones achieved in terms of platform Performance including availability of platform services, volume and ease of operations and quality of products and services offered on the marketplace.

Quality on GeM has three key stakeholders i.e. GeM SPV, Buyers and Sellers who need to collaborate and ensure quality on the dimensions mentioned in Figure 1 and Table 1. GeM SPV solely is responsible for platform availability, its ease and use of functionalities, capacity building of users, trainings and hands on user support.

Being the last quarter of the financial year, the period of a January-March'2019 was very critical from Buyers' perspective, as they had to utilize the allocated budget for procurement for the year. Keeping this in view, GeM ensured availability of platform services, higher responsiveness and availability of new products & services on the portal. Due to the special focus on user assistance services, the quarter has added close to 1,90,000 new products on the portal. Several new services have also been enabled on the portal. The availability of the platform was at 99.98%.

Product Quality has been an important KPI for overall market health and sanitization. Product approval teams have been ensuring that only quality products get added to the portal. This is reflected by the higher product rejection rate of 36.63% during the period under consideration as compared to 36.19% in the last quarter. It is also being ensured that sellers registered on the portal provide complete profile information. All these interventions have led to reduction in average time taken for direct purchase from 13.34 to 11.46 Hours. Also, cart abandonment ratio has been reduced from 18% in Oct-Dec'18 quarter to 11%, which indicates that buyers are able to buy the desired goods and services on GeM portal with ease and satisfaction. Like any other e-commerce platform cart abandonment is also partially attributed to delay in decision making by buyer. At GeM, if a buyer does not make purchase within 10 days of adding a product in cart then the cart is automatically emptied.

Timely payments to sellers are important from their cash flow perspective and making GeM popular amongst sellers for offering reasonable prices. However, the ratio of the payments made within the SLA period vis-s-vis total payments made, is continuously going through a downward spiral. Percentage of total payments made within SLA period of 10 days in the report period of Jan-Mar'19 stands at 17.54%, while in the last reported period of Oct – Dec' 2018 the payment

percentage within SLA period was 37.14%. A part of this significant drop is due to the huge backlog of delayed payments cleared in the month of March 2019.

Vendor rating helps buyer to find quality sellers on the portal. While average seller rating has improved in the last quarter as compared to the previous one, buyer ratings are continuously going down, primarily due to the delays in payments. The average seller rating for Jan-March 2019 is 4.14 and buyers' rating is 3.55.

Responsiveness of customer care operations is critical for customer experience and timely resolution of issues reported by buyers and sellers. Being the last quarter, large volumes of calls have been coming from the users. Timely user support is ensured, so that, transactions are completed in time. Call centre capacity has been augmented and also for fast track assistance to buyers and sellers, 'Sahyog' on GeM campaign was undertaken at walk in centre. Above interventions have led to significant increase (~15%) in % ticket resolved within defined SLAs leading to overall customer satisfaction.

GeM ensures price reasonability and savings in procurement for government departments. The savings have improved from 31% in Oct-Dec'18 to 34% in this quarter. The order rejection percentage has reduced from 0.87% to 0.79% and order acceptance rate has increased from 86.62% to 89.30%.

Onboarding of OEMs and introduction of Quadrant based categorisation of products has contributed to sanity coupled with wider range of catalogues in the marketplace. This has led to improvements in quality of catalogue and seller performance on portal. Incidents raised precontract against products are 31% of the total incident raised while major chunk of 69% is of incidents raised post order placement. Incidents against buyers continue to be mainly over delayed payments and against sellers due to products listed in wrong categories and Fake Authorizations.

As General Election are taking place during April-May 2019, new categories on the portal have been introduced for election needs. Mission SWAYATT has been launched to promote young entrepreneurs, MSEs and Woman Self-help groups to sell on GeM. 'Start-up Runway' has been launched with Start-up India to facilitate availability of innovative products and services of start-ups on GeM.

Improvement in quality KPIs is a constant endeavour and a journey to be travelled together by GeM SPV, buyers and sellers.

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1. Purpose of the Report

This document is the GeM Quality Report (GQR) for the fourth quarter of the Financial Year 2018-19. The Report aims to provide status of overall health and quality of GeM platform on the parameters defined in GeM Quality Framework (GQF). The quality parameters identified in Quality Framework consist of both qualitative and quantitative KPIs.

The primary purpose of GQR is to capture and analyse the trends for various KPIs identified in the GQF. Trend analysis for few KPIs have been captured as illustrative output. Additionally, as the GeM platform functionalities and its usage further evolves, inputs will be collaboratively captured from GeM buyers and sellers and more KPIs will be iteratively added to the Quality Report.

2. Stakeholders in ensuring GeM Quality

As India's national public procurement platform, GeM aspires to become a world-class online marketplace, that offers quality experience to its buyers and sellers. Since measuring 'quality' is a highly contextual exercise, it is critical to first define what is meant by 'quality' on GeM.

Quality on GeM has two broad dimensions:

I. **Health of the online platform –** The online GeM platform needs to be available, stable and easy to use in order to ensure seamless operations of the marketplace.

II. **Quality of the product/service procured through the platform –** Various products/services which are being procured through the platform, should meet buyer expectations.

GeM has three key stakeholders who need to collaborate and ensure quality along the dimensions mentioned above. These stakeholders are GeM SPV, buyers and sellers on GeM. The figure below lays down various responsibilities of GeM SPV, buyers and sellers to safeguard high quality on GeM.
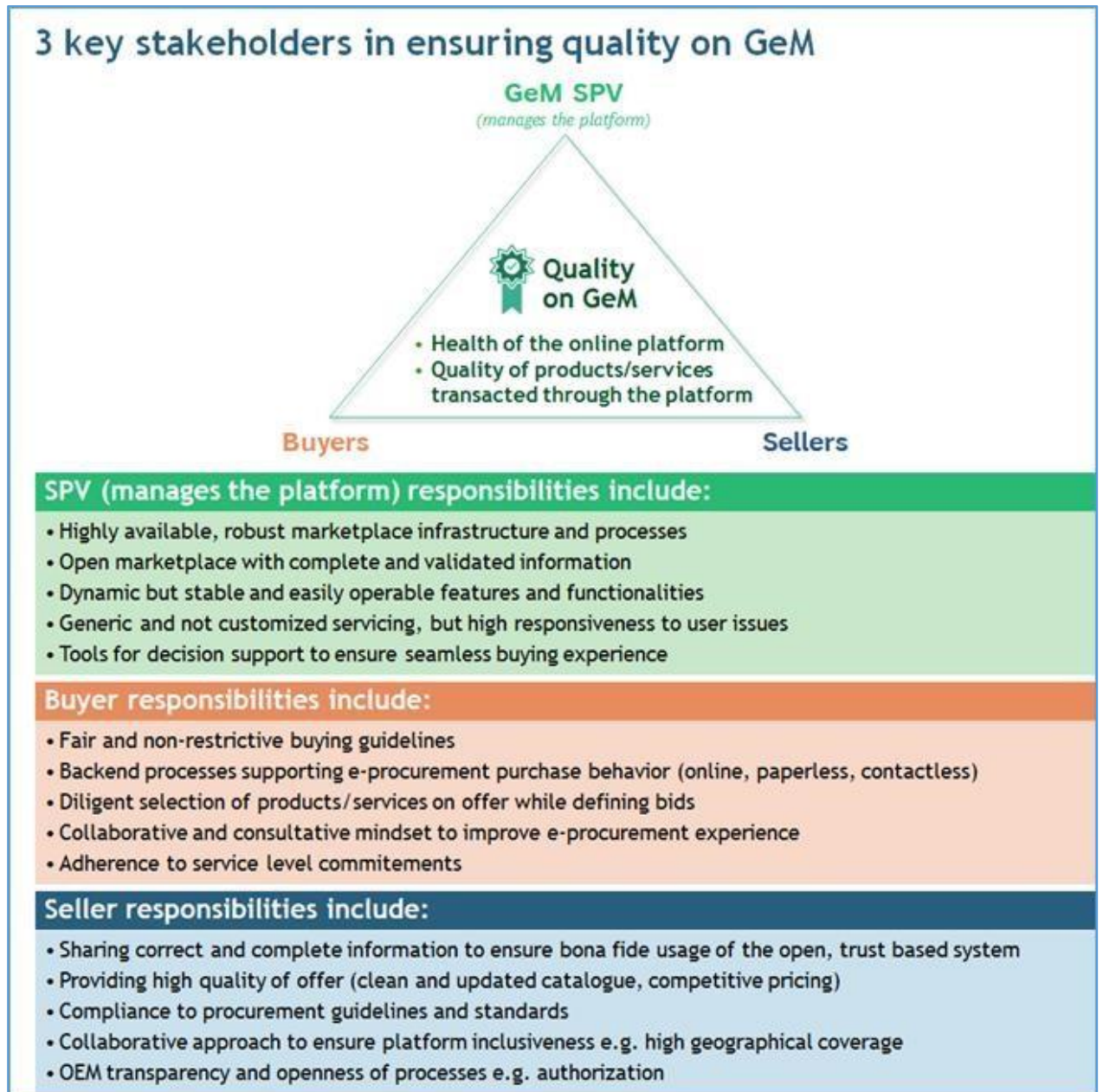
Figure 1: Key Stakeholders for Quality

3. GeM Quality Framework (GQF)

Based on the aforementioned understanding of various aspects of quality on GeM, as well as roles of different stakeholders involved, a 'Quality Framework' has been put together to highlight the key aspects that define quality on GeM.

The framework defines aspects to measure quality on GeM along two broad dimensions:

1. **Aspects related to health of the online platform**
2. **Aspects related to quality of products/services transacted through the platform**
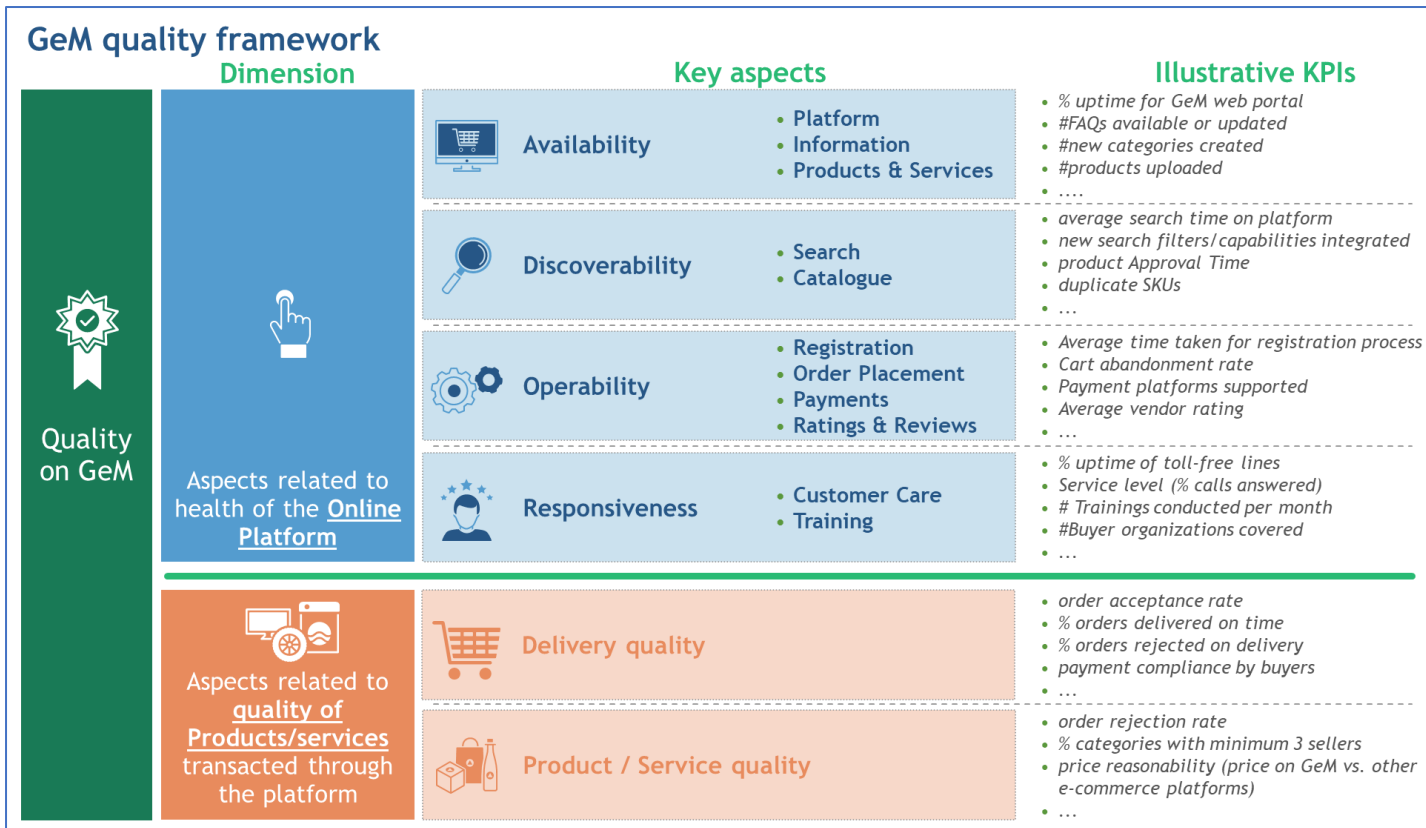
Figure 2: GeM Quality Framework

4. Ownership matrix for Quality Framework

GeM SPV, buyers and sellers are the stakeholders responsible for ensuring high quality on GeM. It is critical to define the ownership of various aspects of quality on GeM amongst these stakeholders. This will help in ensuring that the right cause for reduction in quality is identified and measured for quality improvements can be streamlined accordingly.

The following table deconstructs the responsibility of KPIs of GeM Quality Framework among the three stakeholders. The level of responsibilities is defined as:

1. **P – Primary responsibility:** Stakeholder is directly responsible for ensuring the success of this KPI

2. **S – Secondary/Shared responsibility:** Stakeholder is not directly responsible for success of this KPI but will build tools/decision support mechanisms to improve this KPI

SN	Aspect	KPI	SPV	Buyer	Seller
		Aspects related to Platform Health			
1	Availability (Platform)	% uptime for GeM web portal	P		
2	Availability (Platform)	% uptime for critical GeM services	P		
3	Availability (Platform)	Average page loading time	P		

4	Availability (Platform)	Transaction response time	**P**		
5	Availability (Information)	FAQs easily available and regularly updated	**P**		
6	Availability (Information)	Training videos easily accessible and updated	**P**		
7	Availability (Products & Services)	#products available on marketplace	**S**	**S**	**P**
8	Availability (Products & Services)	#services available on marketplace	**S**	**S**	**P**
9	Availability (Products & Services)	#new sub-categories added	**S**	**S**	**P**
10	Availability (Products & Services)	Geo coverage of available products and services (%pin codes with 10K+ products having 3+ sellers)	**S**		**P**
11	Discoverability (Search)	Average search time on platform	**P**		
12	Discoverability (Search)	New search filters/capabilities integrated	**P**		
13	Discoverability (Search)	#screens navigated before adding a product in cart	**P**		
14	Discoverability(Catalogue)	Product approval time	**P**		
15	Discoverability(Catalogue)	%product uploads rejected	**P**		**P**
16	Operability (Registration)	Avg. time taken for registration (buyer/seller)	**P**	**P**	**P**
17	Operability (Registration)	%buyer & seller profiles with complete data		**P**	**P**
18	Operability (Order)	Average time taken for bid creation	**P**	**P**	
19	Operability (Order)	Average time taken for direct purchase	**P**	**P**	
20	Operability (Order)	Cart abandonment rate	**P**	**P**	
21	Operability (Order)	Bugs fixed/enhancements in Bid/RA or Direct	**P**		
22	Operability (Payments)	Payment platforms supported	**P**		
23	Operability (Payments)	ERP integration/other adapters launched	**P**		
24	Operability (Payments)	% of payments on-time		**P**	
25	Operability (Payments)	% payments made online	**S**	**P**	
26	Operability (Ratings)	Average vendor rating	**S**		**P**
27	Operability (Ratings)	Vendor profiles verified	**S**		**P**
28	Operability (Ratings)	% vendors with rating above 3	**S**		**P**
29	Operability (Ratings)	Average buyer rating	**S**	**P**	
30	Responsiveness (Cust Care)	% uptime of toll-free lines	**P**		
31	Responsiveness (Cust Care)	Customer satisfaction score	**P**		
32	Responsiveness (Cust Care)	Service level (%calls answered)	**P**		
33	Responsiveness (Cust Care)	%tickets responded within 15 minutes	**P**		

SN	Aspect	KPI	SPV	Buyer	Seller
34	Responsiveness (Cust Care)	%calls answered within 2 minutes	P		
35	Responsiveness (Cust Care)	Abandon rate	P		
36	Responsiveness (Cust Care)	% tickets resolved (by severity level within defined target)	P		
37	Responsiveness (Cust Care)	Size of call centre / number of agents	P		
38	Responsiveness (Training)	#trainings conducted per month	P	P	P
39	Responsiveness (Training)	#buyer organizations covered	P	P	
40	Responsiveness (Training)	#sellers covered	P		P
41	Responsiveness (Training)	#states covered	P		
42	Responsiveness (Training)	#special events/conferences per month	P		
43	Responsiveness (Training)	Training feedback score	P		
Aspects related to quality of products/services transacted through the platform					
44	Product/service quality	SKUs with missing or wrong information	S		P
45	Product/service quality	Price reasonability (savings from GeM)	S	P	P
46	Product/service quality	%products with validated certificates (within categories requiring quality assurance)	S		P
47	Product/service quality	%order rejected post delivery		P	P
48	Product/service quality	% categories with minimum 3 sellers	P		P
49	Delivery Quality	order acceptance rate			P
50	Delivery Quality	% orders delivered on time			P
51	Delivery Quality	% orders cancelled before delivery		P	

Table 1: Ownership of KPIs in The GeM Quality Framework

5. Quality KPIs

The following table captures the data for last quarter i.e. Jan-Mar 2019[1] with respect to baseline data of Oct-Dec 2018 quarter for all KPIs in the GeM quality framework. Some of the KPIs (such as %age of Payments On-Time) related to previous quarter have been changed due to data reconciliation of delayed payments.

A few KPIs that have been excluded from the table below are:
• Qualitative KPIs which cannot be measured quantitatively using data
• A few KPIs, which are not being measured currently, will be measured and reported in subsequent quality reports.

Details on KPIs such as Fraud detection and Incident Management are given in subsequent Section.

⬆	Improvement compared to the Baseline
➡	No Change
⬇	Lower than the Benchmark. Needs improvement
⬇	Number higher than the Benchmark means lower performance. Needs improvement

S.No.	Dimension	KPI	Baseline	Baseline Value	Jan-Mar'19	Current Value	Units	Trend
1	Availability (Platform)	% uptime for GeM web portal	Avg. for 1st Oct- 20th Dec 2018	99.93%	Avg. for 1st Jan- 20th Mar 2019	99.98%	%	⬆
2	Availability (Platform)	% uptime for critical GeM services	Avg. for 1st Oct- 20th Dec 2018	99.84%	Avg. for 1st Jan- 20th Mar 2019	99.96%	%	⬆
3	Availability (Platform)	Average page loading time (The lower the better)	Avg. for 1st Oct- 20th Dec 2018	2.09	Avg. for 1st Jan- 20th Mar 2019	1.9	Sec.	⬆
4	Availability (Prod. & Ser.)	#products available on marketplace	Total as of 20th Dec'2018	6,84,559	Total as of 20th Mar'2019	8,78,483	#	⬆
5	Availability (Prod. & Ser.)	#services available on marketplace	Total as of 20th Dec'2018	34	Total as of 20th Mar'2019	42	#	⬆
6	Availability (Prod. & Ser.)	#new sub-categories added	Total for 1st Oct- 20th Dec 2018	500	Total for 1st Jan- 20th Mar 2019	770	#	⬆

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[1] Data available for most of the KPIs is tilll 20th Mar 2019

S.No.	Dimension	KPI	Baseline	Baseline Value	Jan-Mar'19	Current Value	Units	Trend
7	Discoverability (Catalog)	Product Approval Time (Days) (The lower the better)	Avg. for Oct-Dec 2018	1.74	Avg. for 1st Jan- 20th Mar 2019	1.54	Days	⬆
8	Discoverability (Catalog)	%product uploads rejected	Avg. for Oct-Dec 2018	36.19%	Avg. for 1st Jan- 20th Mar 2019	36.63%	%	⬆
9	Operability (Registration)	Avg. time taken for registration (seller) (days)	Avg. for 1st Oct- 20th Dec 2018	12.96	Avg. for 1st Jan- 20th Mar 2019	14.79	Days	⬇
10	Operability (Registration)	Avg. time taken for registration (buyer) (days) (The lower the better)	Avg. for 1st Oct- 20th Dec 2018	3.77	Avg. for 1st Jan- 20th Mar 2019	4.32	Days	⬇
11	Operability (Registration)	%Seller (Active) profiles with complete data	Total as of 20th Dec'2018	84.45%	Total as of 20th Mar'2019	91.40%	%	⬆
12	Operability (Order)	average time taken for direct purchase(hours) (The lower the better)	Avg. for 1st Oct- 20th Dec 2018	13.34	Avg. for 1st Jan- 20th Mar 2019	11.46	Hours	⬆
13	Operability (Order)	Cart Abandonment Rate (%)(The lower the better)	Avg. for 1st Oct- 20th Dec 2018	18.11%	Avg. for 1st Jan- 20th Mar 2019	11.95%	%	⬆
14	Operability (Payments)	% of payments on-time (10 Days SLA)	Avg. for 1st Oct- 25th Dec 2018	37.14%	Avg. for 1st Jan- 20th Mar 2019	17.54%	%	⬇
15	Operability (Ratings)	average vendor rating	Avg. for 1st Oct- 20th Dec 2018	4.04	Avg. for 1st Jan- 6th Feb' 2019	4.14	#	⬆
16	Operability (Ratings)	Vendor profiles verified	Total as of 20th Dec'18	3440	Total as of 20th Mar'2019	5148	#	⬆
17	Operability (Ratings)	Average buyer rating	Avg. for 1st Oct- 25th Dec 2018	3.62	Avg. for 1st Jan- 20th Mar 2019	3.55	#	⬇
18	Responsiveness (Cust Care)	% uptime of toll-free lines	Avg. for 1st Oct- 20th Dec 2018	100%	Avg. for 1st Jan- 20th Mar'2019	100%	#	➡
19	Responsiveness (Cust Care)	customer satisfaction score (Out of 5)	Avg. for 1st Oct- 20th Dec 2018	3.74	Avg. for 1st Jan- 20th Mar 2019	3.75	#	⬆
20	Responsiveness (Cust Care)	service level (%calls answered)	Avg. for 1st Oct- 20th Dec 2018	97.88%	Avg. for 1st Jan- 20th Mar 2019	96.85%	%	⬇

S.No.	Dimension	KPI	Baseline	Baseline Value	Jan-Mar'19	Current Value	Units	Trend
21	Responsiveness (Cust Care)	%tickets responded within 15 minutes	Avg. for 1st Oct- 20th Dec 2018	100%	Avg. for 1st Jan- 20th Mar 2019	100%	%	→
22	Responsiveness (Cust Care)	% calls answered within 2 minutes	Avg. for 1st Oct- 20th Dec 2018	99.73%	Avg. for 1st Jan- 20th Mar 2019	99.55%	%	↓
23	Responsiveness (Cust Care)	abandon rate (The lower the better)	Avg. for 1st Oct- 20th Dec 2018	1.83%	Avg. for 1st Jan- 20th Mar 2019	2.65%	%	↓
24	Responsiveness (Cust Care)	% tickets resolved (by severity level within defined target)	Avg. for 1st Oct- 20th Dec 2018	83.32%	Avg. for 1st Jan- 31st Mar 2019	97.58%	%	↑
25	Responsiveness (Cust Care)	size of call centre (number of agents)	Total as of 20th Dec' 18	71	Total as of 20th Mar' 19	74	#	↑
26	Responsiveness (Training)	#trainings conducted	Total for 1st Oct- 20th Dec 2018	426	Total for 1st Jan- 20th Mar 2019	332	#	↓
27	Responsiveness (Training)	#buyer organizations covered	Total for 1st Oct- 20th Dec 2018	324	Total for 1st Jan- 20th Mar 2019	288	#	↓
28	Responsiveness (Training)	#buyers covered	Total for 1st Oct- 20th Dec 2018	16571	Total for 1st Jan- 20th Mar 2019	10128	#	↓
29	Responsiveness (Training)	#sellers covered	Total for 1st Oct- 20th Dec 2018	2024	Total for 1st Jan- 20th Mar 2019	2055	#	↑
30	Responsiveness (Training)	#states covered	Total for 1st Oct- 20th Dec 2018	21	Total for 1st Jan- 20th Mar 2019	22	#	↑
31	Responsiveness (Training)	#special events/conferences per month	Total for 1st Oct- 20th Dec 2018	90	Total for 1st Jan- 20th Mar 2019	190	#	↑
32	Product/service quality	Price reasonability (Avg. Savings)	Avg. for 1st Oct- 25th Dec 2018	31.44%	Avg. for 1st Jan- 20th Mar 2019	33.97%	%	↑
33	Product/service quality	%order rejected post delivery (The lower the better)	Net value as of 25th Dec'18	0.87%	Net value as of 20th Mar'19	0.79%	%	↑
34	Product/service quality	% subcategories with minimum 3 sellers	Net Value as of 20th Dec '18	90.85%	Net Value as of 20 Mar '19	85.93%	%	↓

S.No.	Dimension	KPI	Baseline	Baseline Value	Jan-Mar'19	Current Value	Units	Trend
35	Delivery Quality	order acceptance rate	Avg. for 1st Oct- 25th Dec 2018	86.62%	Avg. for 1st Jan- 20th Mar 2019	89.30%	%	⬆
36	Delivery Quality	% orders delivered on time	Avg. for 1st Oct- 25th Dec 2018	74.11%	Avg. for 1st Jan- 20th Mar 2019	80.85%	%	⬆
37	Delivery Quality	% orders cancelled before delivery (The lower the better)	Avg. for 1st Oct- 20th Dec 2018	1.00%	Avg. for 1st Jan- 20th Mar 2019	0.68%	%	⬆

6. Detailed Analysis of GeM Quality

This section covers the status of six aspects defined in GeM Quality Report Framework which are:

Availability, Discoverability, Operability, Responsiveness, Delivery Quality and Product/Service Quality.

6.1 Factors contributing to KPI health

Before delving into deep-dive analysis of current measurable KPIs and their values/trends, it is critical to understand the factors that contribute to success of various KPIs.
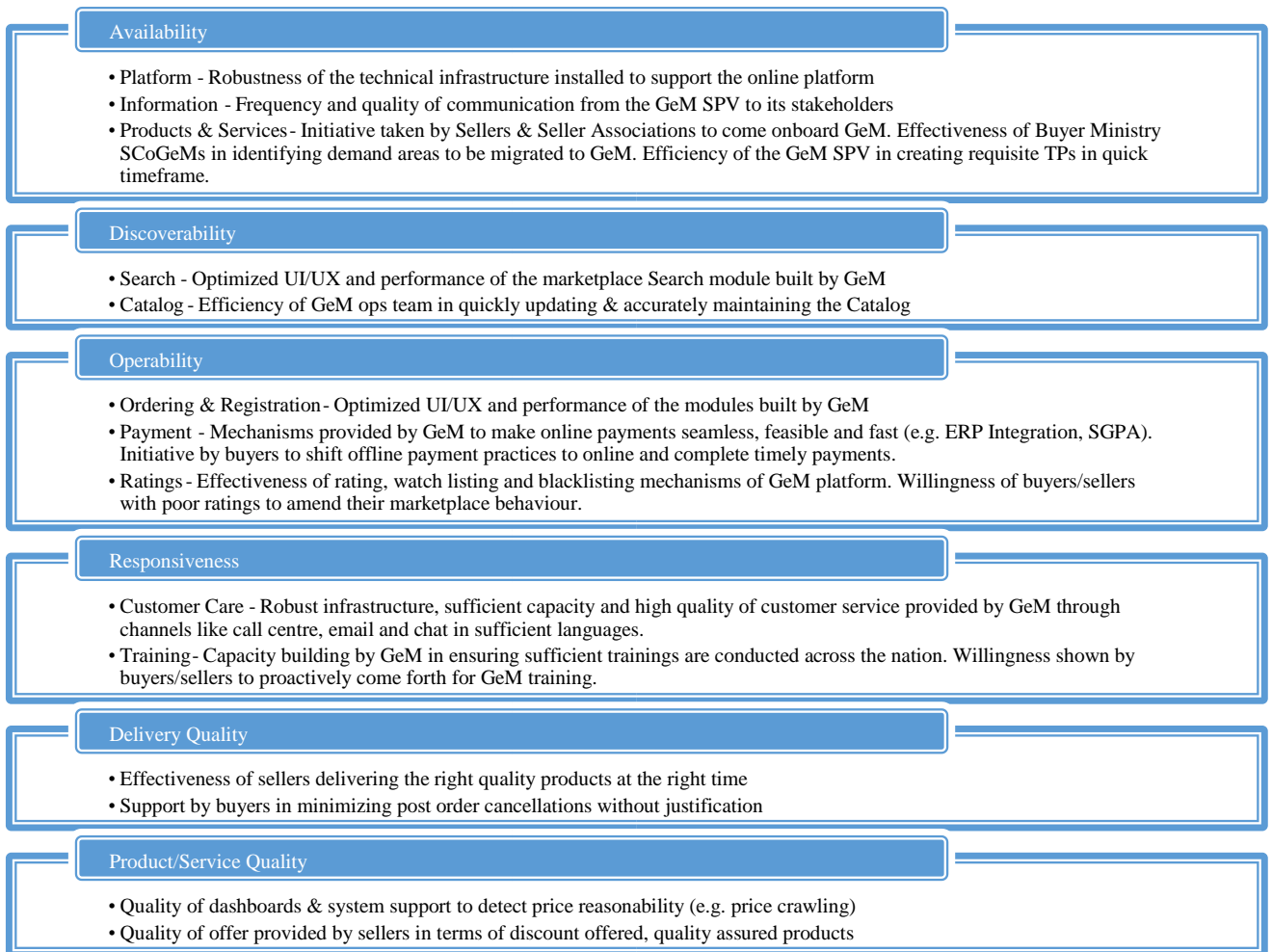
Availability
- Platform - Robustness of the technical infrastructure installed to support the online platform
- Information - Frequency and quality of communication from the GeM SPV to its stakeholders
- Products & Services - Initiative taken by Sellers & Seller Associations to come onboard GeM. Effectiveness of Buyer Ministry SCoGeMs in identifying demand areas to be migrated to GeM. Efficiency of the GeM SPV in creating requisite TPs in quick timeframe.

Discoverability
- Search - Optimized UI/UX and performance of the marketplace Search module built by GeM
- Catalog - Efficiency of GeM ops team in quickly updating & accurately maintaining the Catalog

Operability
- Ordering & Registration - Optimized UI/UX and performance of the modules built by GeM
- Payment - Mechanisms provided by GeM to make online payments seamless, feasible and fast (e.g. ERP Integration, SGPA). Initiative by buyers to shift offline payment practices to online and complete timely payments.
- Ratings - Effectiveness of rating, watch listing and blacklisting mechanisms of GeM platform. Willingness of buyers/sellers with poor ratings to amend their marketplace behaviour.

Responsiveness
- Customer Care - Robust infrastructure, sufficient capacity and high quality of customer service provided by GeM through channels like call centre, email and chat in sufficient languages.
- Training - Capacity building by GeM in ensuring sufficient trainings are conducted across the nation. Willingness shown by buyers/sellers to proactively come forth for GeM training.

Delivery Quality
- Effectiveness of sellers delivering the right quality products at the right time
- Support by buyers in minimizing post order cancellations without justification

Product/Service Quality
- Quality of dashboards & system support to detect price reasonability (e.g. price crawling)
- Quality of offer provided by sellers in terms of discount offered, quality assured products

Figure 3: Factors Contributing to Success of Quality KPIs

6.2 Availability

This dimension covers the availability of the platform, availability of all requisite information as well as availability of a comprehensive set of products & services for the buyers to choose from and procure.

1. **Platform –** GeM has been able to setup a robust infrastructure for the platform. This reflects in the %uptime for the portal as well as critical services. This is instrumental in adding to the buyer as well as seller experience. As shown in the figure below, the %uptime for the portal as well as all critical services for Jan – Mar'19 quarter is above 99.9%. The %uptime of the portal (99.98%) and %uptime of services (99.96%) has improved with respect to Oct-Dec'18 quarter.

There have been considerable improvements in performance of GeM website; the average page load time for all services has reduced from 2.09 seconds in Oct-Dec'18 quarter to 1.9 seconds during the report period. Similarly, the transaction response time has improved to

1.14 seconds in Jan-Mar'19 quarter in comparison to 1.23 seconds in Oct-Dec'18 quarter, thus leading to better user experience.
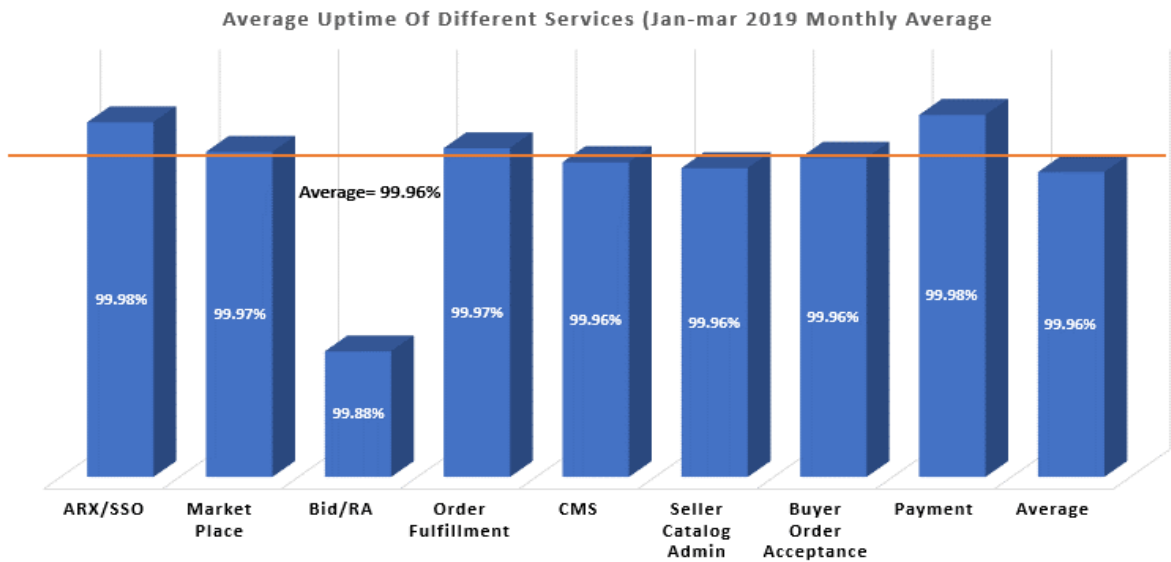

Figure 4: %Uptime of GeM Platform

2. **Information –** Availability of requisite information is necessary for buyers and sellers to be able to effectively use the platform. GeM recognizes this need and has created a FAQ section where answers are available covering typical queries ranging from registration to payment. As of now, more than 380 FAQs have been made available in Twelve Indian languages. The GeM team is striving to further improve the frequency of updates of FAQs and keeps on updating the FAQs based on the changes in the system. In addition, there is a rich library of videos covering training related to different aspects for users. More than 36 videos available in English and Hindi language and there is regular update/addition of training videos across different platforms viz. GeM portal, YouTube etc.

3. **Products & Services:** With a catalogue of more than eight lakh seventy thousand products across 3000+ sub-categories and 900+ categories, GeM aims to cover almost all aspects of the needs of Central and State government departments and bodies. During report period, 770 Subcategories were created at an average rate of 257 sub-categories per month. In Oct-Dec'18 quarter this rate was around 170 sub-categories per month. GeM also caters to the services and outsourcing needs and has 42 services categories available in its portfolio (Till 20th March 2019). As shown in the graph below, the number of products on GeM 3.0 platform has increased approximately by a quarter. Following categories for services were created in the report period:

- Vehicle Tracking Services
- IT Professional Outsourcing Service

- Licenses
- Security Services
- Non-IT Professional Resource Outsourcing Service
- Add-on Cloud Service
- Health Care Sanitation
- Vehicle Hiring Service – SUV/ MUV
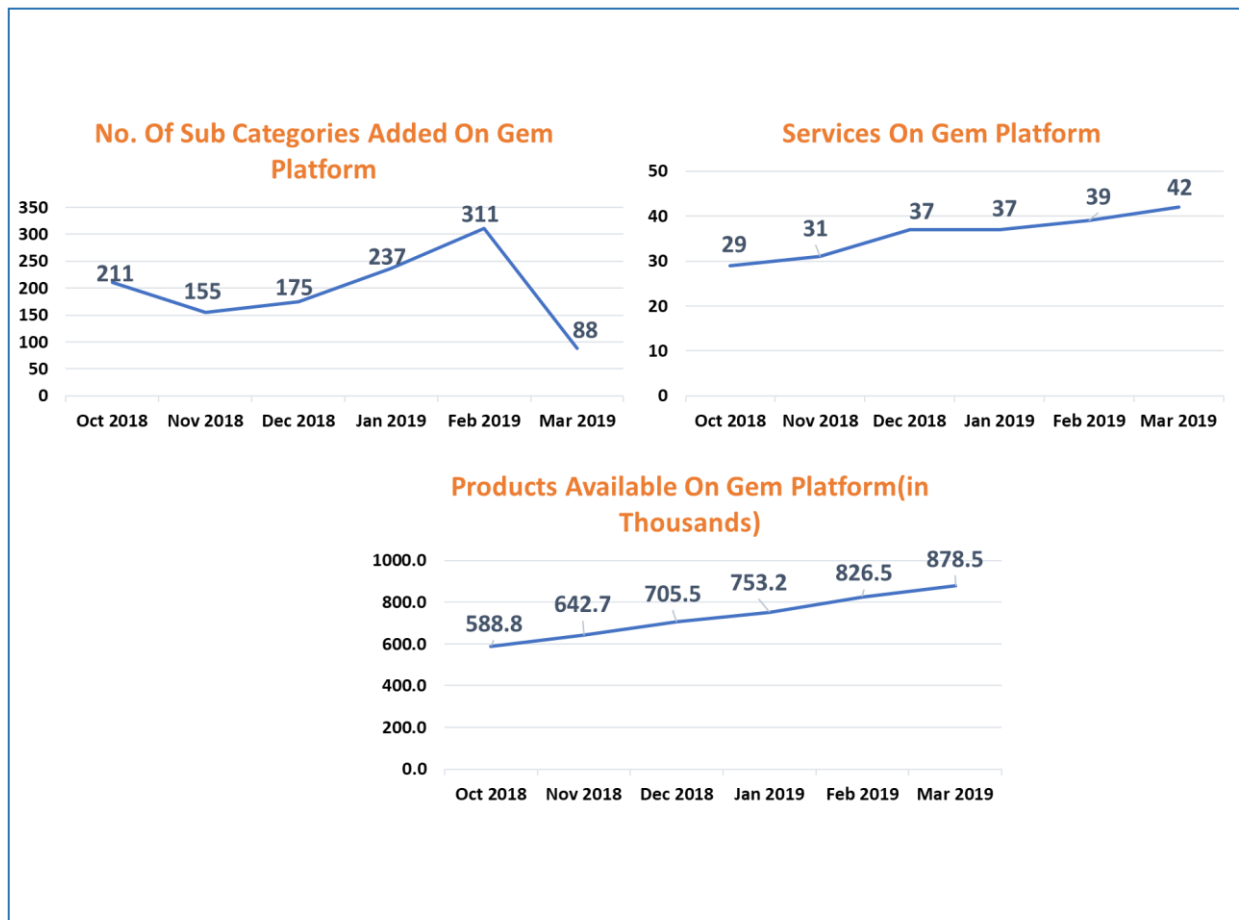
FIGURE 5: Number of Products, Services Available on Gem and New Sub-Categories Added

In terms of geographical coverage, all the 36 states and union territories have more than 80% of total products available, while 85%+ listed categories having more than 3 sellers. Geographic Availability is captured from states at two levels: All India availability and State specific availability. Delhi has the highest product availability of 90.93%, while even far flung areas of India such as North-eastern States, Lakshadweep, Andaman & Nicobar Islands have more than 80% products availability. Thus, GeM has contributed towards the goal of better connectivity of these areas with the rest of India from government procurement point of view. Geographical spread of products availability is shown in the image below:

Geographical spread of Products Availability
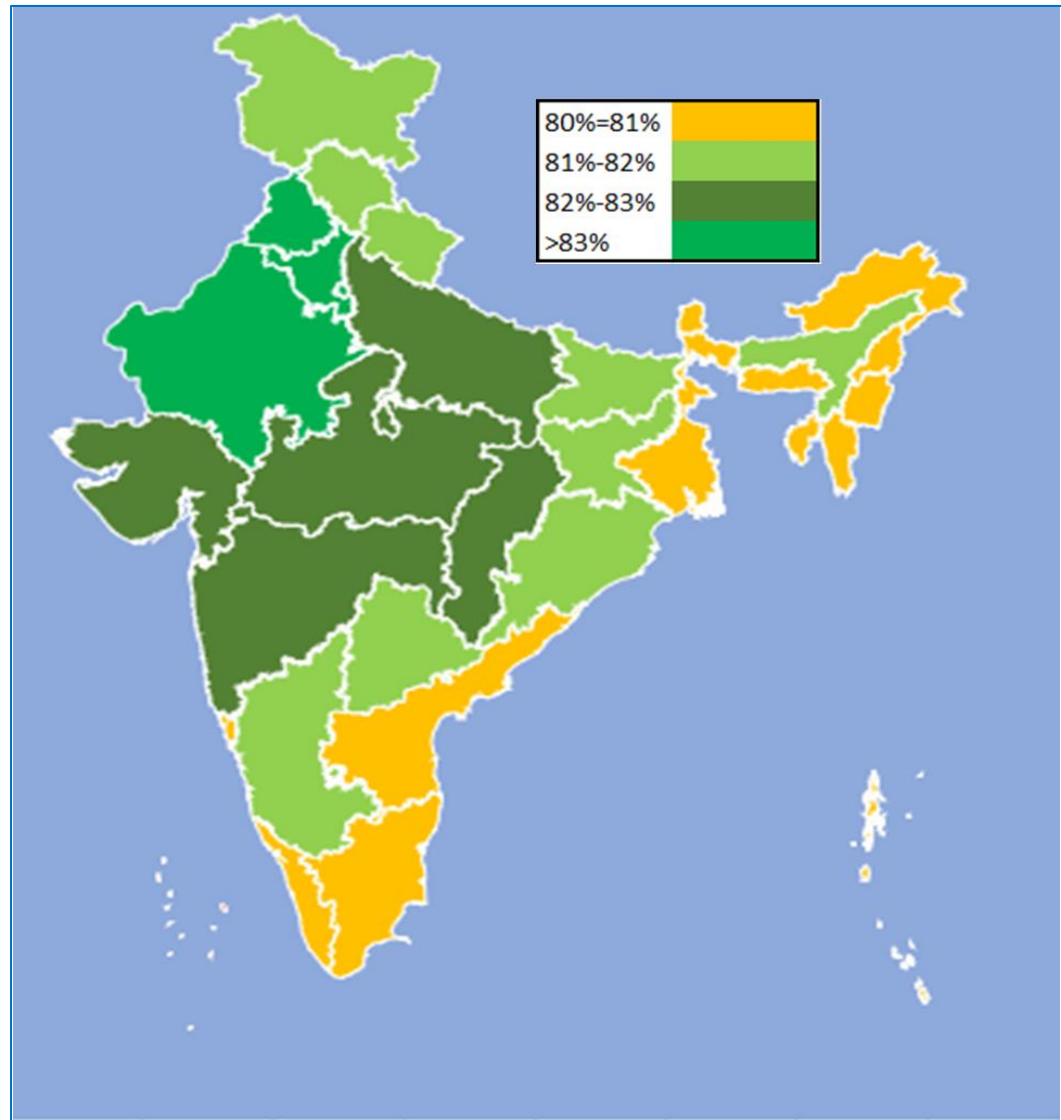
Figure 6: Geo Coverage of Available Products
(Percentage Spread of Available Products as Percentage of Total Products on The Platform)

6.3 Discoverability

Ensuring availability is not enough to provide seamless buying experience. The GeM platform also needs to ensure that all available information is easily and quickly discoverable by the users.

1. **Search:** GeM provides seamless transaction experience to its users on its platform where one can search for desired product within seconds. To make the search process more robust and user friendly, GeM is also integrating advanced filters that can help buyers further refine the criteria for products/services they are looking for. GeM is also building product

related enhancements to minimize the number of screens a user needs to traverse before reaching the desired product. <u>A new filter to select Start-up suppliers have been added in the search section during Jan-March quarter.</u>

2. **Catalogue:** The most critical aspect of discoverability on any marketplace is a rich, accurate and easily accessible catalogue of products & services. To ensure a healthy catalogue, GeM has taken many steps such as ensuring minimum 3 images are uploaded for each SKU. <u>In the current quarter, % age of product uploads being rejected is 36.63%. This figure shows the alertness of the product approval team in not allowing wrong product or product with wrong information being uploaded on the platform. The rejection figure can improve with increasing seller awareness regarding platform usage, and onboarding of OEMs in the process of reseller and catalogue approvals.</u> The onboarding of OEM has been completed in many categories and is currently in progress for some other categories.

   <u>Average time taken for approval of product (1.54 days) in Jan-Mar19 quarter has improved significantly compared to that of Oct-Dec'18 (1.74 days). Please note that GeM has SLA limit of 2 days for this performance parameter.</u>

6.4 Operability

Features on the GeM platform should work seamlessly to create a truly efficient marketplace that saves time for users and makes the overall procurement process easier.

1. **Registration:** GeM is constantly striving to optimize its onboarding process for buyers and sellers.

   • Process of Buyer Registration is a very important aspect of GeM performance and this process has significantly improved. In Jan-Mar'19 quarter, it took an average time of 4.32 days for buyer registration.
   • For strengthening the seller ecosystem and to increase the faith of buyers on GeM Platform, it is a must that profile of all the sellers be completed in all aspects and sellers provide all the required information. Therefore, seller profile completion got mandated before product upload/transaction since August 2018.

   Many sellers typically do profile updates only when they upload the product for participation in GeM transactions, which increases the average time for seller registration. For this KPI, we have taken seller registration time as, the first time when the seller registers till the time she updates her complete profile. This parameter has also seen improvement during the current reporting period. Average seller registration

days, during the reporting period, is 14.79 days. <u>Although the seller registration time has increased due to mandatory profile update option, there has been a significant improvement in percentage of sellers with complete profile. 84.45% of active seller profiles were having complete information in Dec'18 which has improved to 91.4% in the Mar'19.</u>
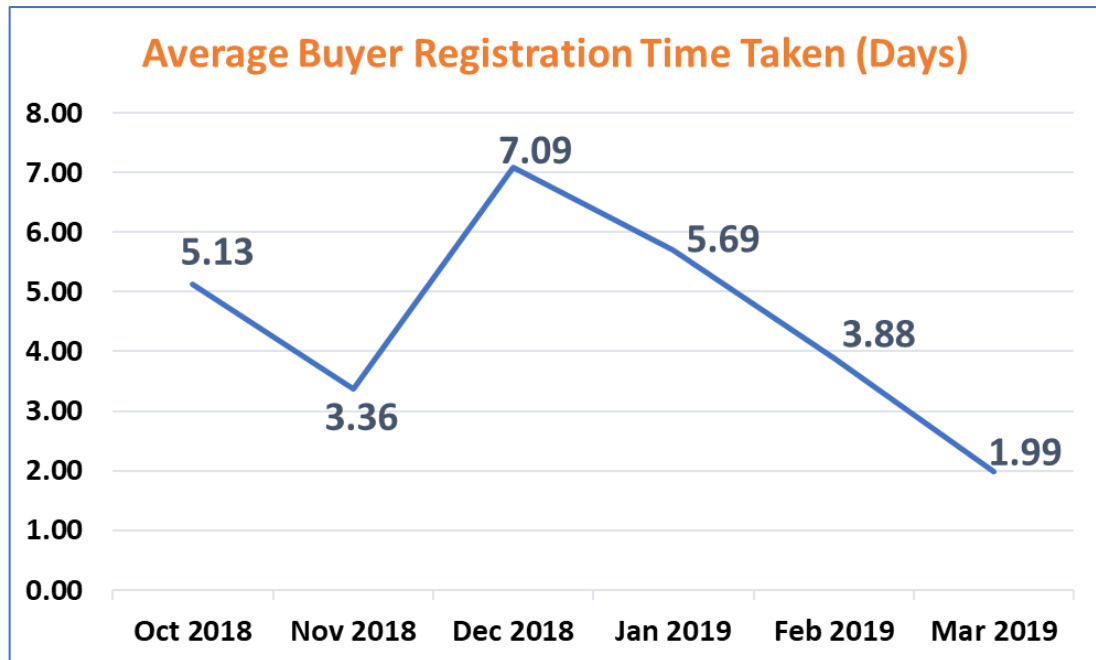

FIGURE 7: Average Time Taken for Buyer Registration

2. **Order:** Once the buyer/sellers are registered on the marketplace, it is GeM's imperative to provide an intuitive order placement user interface. Currently, it takes a buyer an average of 11.46 hours to complete a direct purchase through the platform. As the trend shows, this time is decreasing on month on month basis. Going forward, as the buying government organization ecosystem is becoming increasingly digitized this time will come down further. Training and customer support teams are also playing a very important role in sensitizing the buyers about the usage of the portal.

Another metric for measuring order placement behaviour is the Cart Abandonment Rate. The Cart Abandonment Rate for GeM has been reduced from an average rate of 18.11% in Oct-Dec'18 quarter to 11.95% in the Jan-Mar'19 quarter. GeM is consistently working towards further improving the usability and operability of the platform.
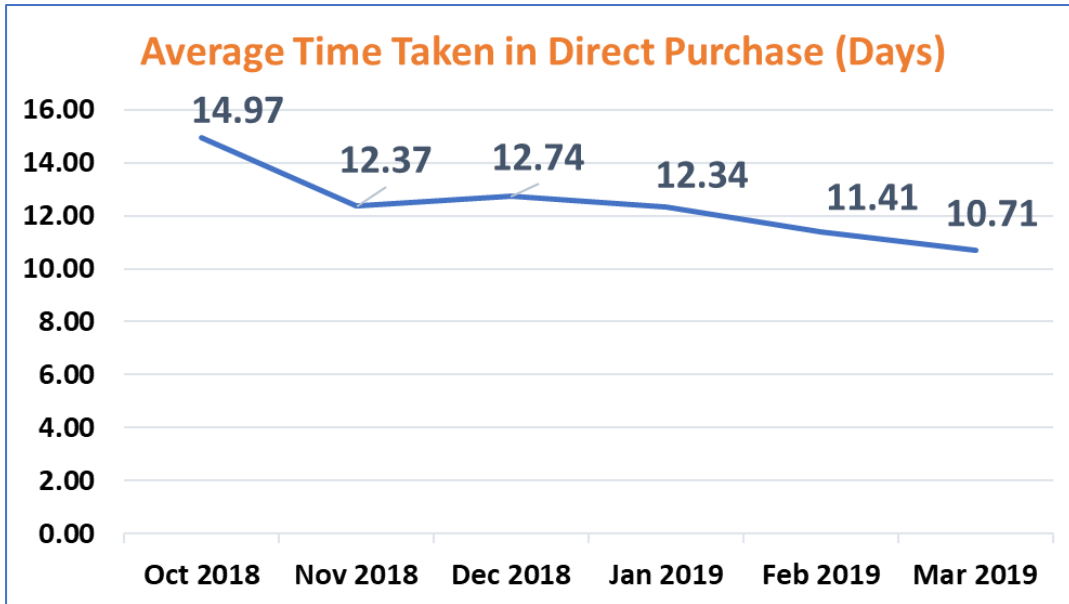
Figure 8: Average Time Taken in Direct Purchase on GeM
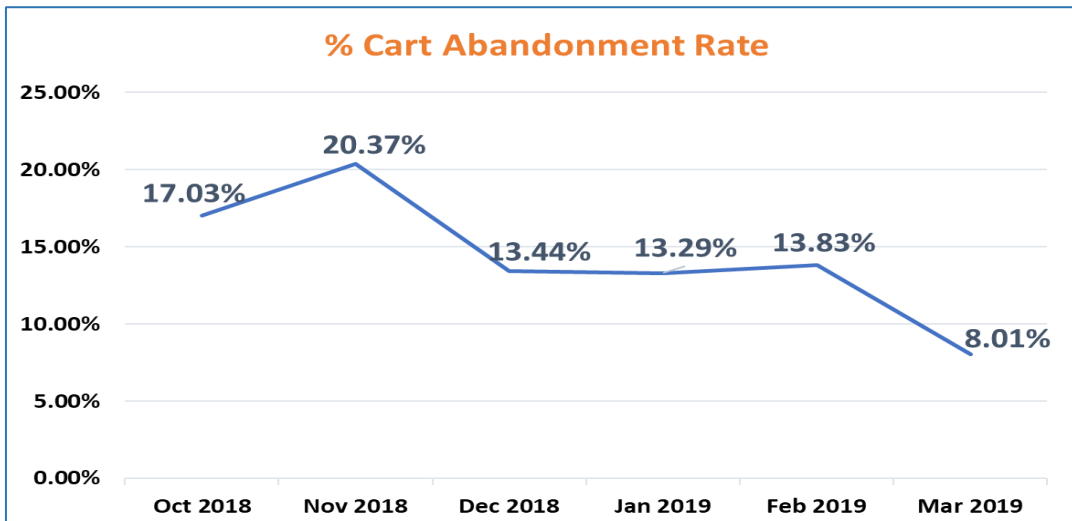
Figure 9: Cart Abandonment Rate

3. **Payments:** Close to 5 Lakh orders were placed of value over INR 6300 Crores during 1st Jan'19-20th March'19 period. GeM is making a concerted effort to improve payment performance on the platform. Percentage of total payments made within SLA period of 10 days in the report period of Jan-Mar'19 stands at 17.54%, while in the last reported period of Oct – Dec' 2018 the payment percentage within SLA period was 37.14%. This significant drop is due to the huge backlog of delayed payments cleared in the month of March 2019.

4. **Ratings:** GeM has employed an automated rating mechanism to allot performance-based ratings to both buyers and sellers. This serves as a mechanism to not only identify the right sellers but also acts as a mechanism to motivate overall performance improvement of all users. For the buyers and sellers, the components of rating include:

Buyer	Seller
• Timely Bid Closure • Timely Order Placement • Timely Acceptance • Timely Payment	• Coverage • Timely Delivery • Order Acceptance • Quality
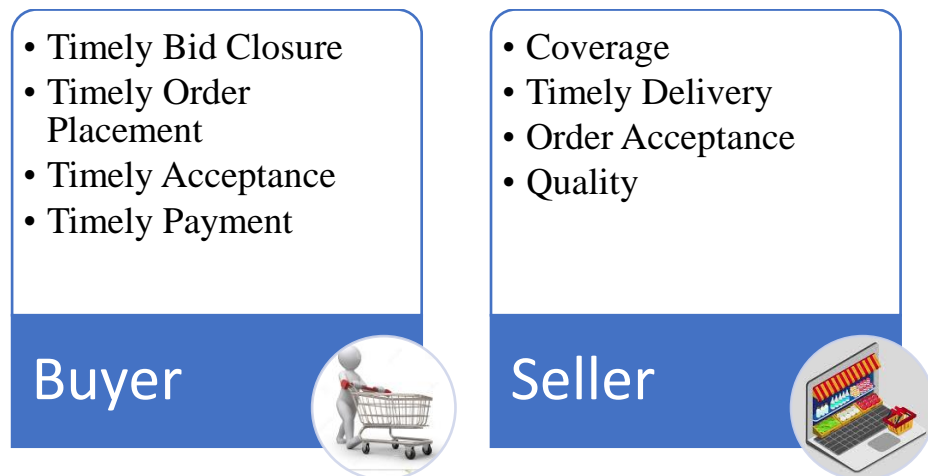
Figure 10: Parameters of Buyers and Sellers Ratings

Above criteria are being constantly refined to further optimize the algorithm for buyer & seller ratings. For the current reporting period, average buyer rating stands at 3.55 which is less with respect to the value of 3.62 quoted in last report period of Oct-Dec'19. Delayed payment by buyers is the major reason behind this change.
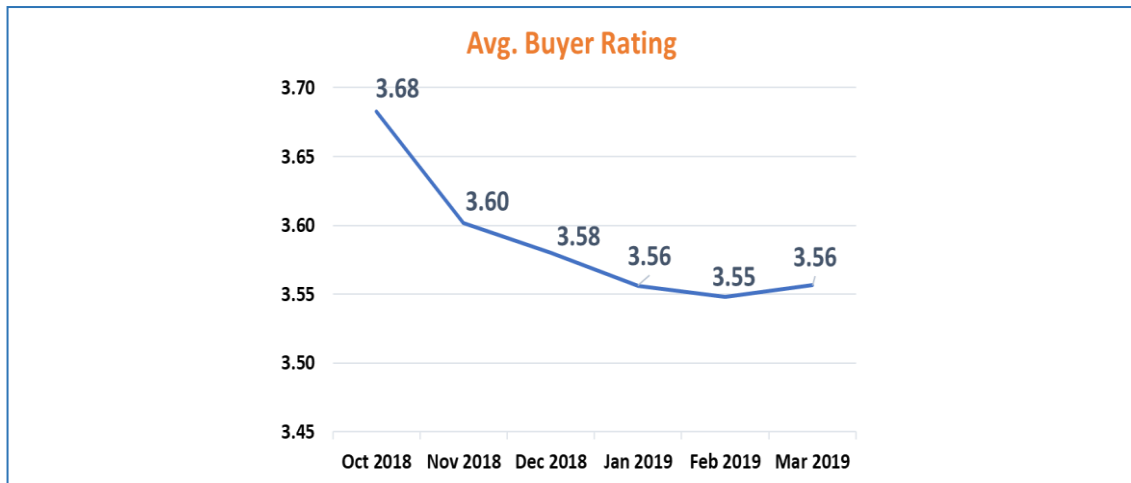
Figure 11: Average Buyer Ratings

6.5 Responsiveness

Responsiveness of the platform includes efforts made by GeM to proactively communicate with and train its users. This also includes resolving user complaints and queries in an effective manner.

1. **Customer Care**–Providing good customer care is of paramount importance to improve user experience as well as to build high user retention on the platform. A good customer care platform delivers on four key dimensions:

    a. Easily accessible, highly available channels of support
    b. Timely responsiveness to queries and complaints
    c. Excellent quality of response i.e. effectively addressing the customer queries
    d. Constant learning & business process improvement

    In terms of availability, GeM has enabled three channels of support i.e. call, email and chat. In the reporting period of Jan-Mar'19 the uptime of toll-free lines is already at 100% and the current service level in terms of calls answered is around 97%. In customer care domain, GeM has made significant improvement across many dimensions. In terms of timely responsiveness, during the report period 99.55% of successful calls were answered within 2 minutes and 100% of tickets were responded within 15 minutes. The average customer satisfaction score is at 3.75 out of 5 during report period. On an average, 74 call centre agents were deployed to effectively address the queries during report period. The rate of call abandonment stands at 2.65% in the reported quarter. It is worth to mention here that GeM achieved record figures in terms of both transaction value and volume during the Jan-Mar'19 period, because of which, higher volume related to customer calls and tickets was handled during this period.
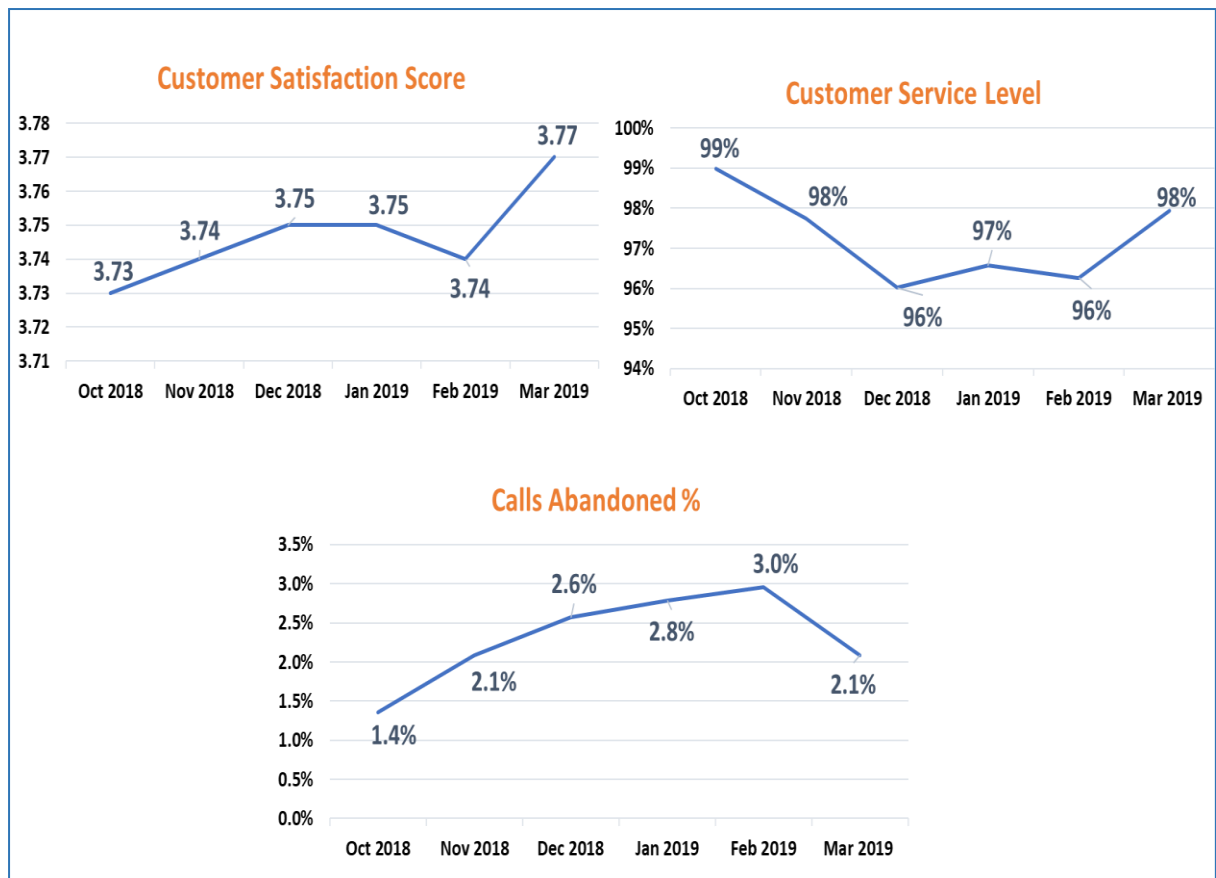
Figure 12: Customer Care Statistics – Customer Satisfaction Score, Service Level and Call Abandon Rate

2. **Training** –Training forms one of the most critical aspects of GeM's growth as it is imperative to migrate buyers and sellers from the old procurement system to the new mode of marketplace based online procurement. Significant steps have been taken by GeM in this regard which have received positive response from buyers and sellers across the country:

   a. Workshops and trainings at National and State Levels for buyers and sellers.
   b. Online Learning Management System (LMS) with 3 levels of Certifications launched.
   c. Training modules are available in 2 languages (English and Hindi)
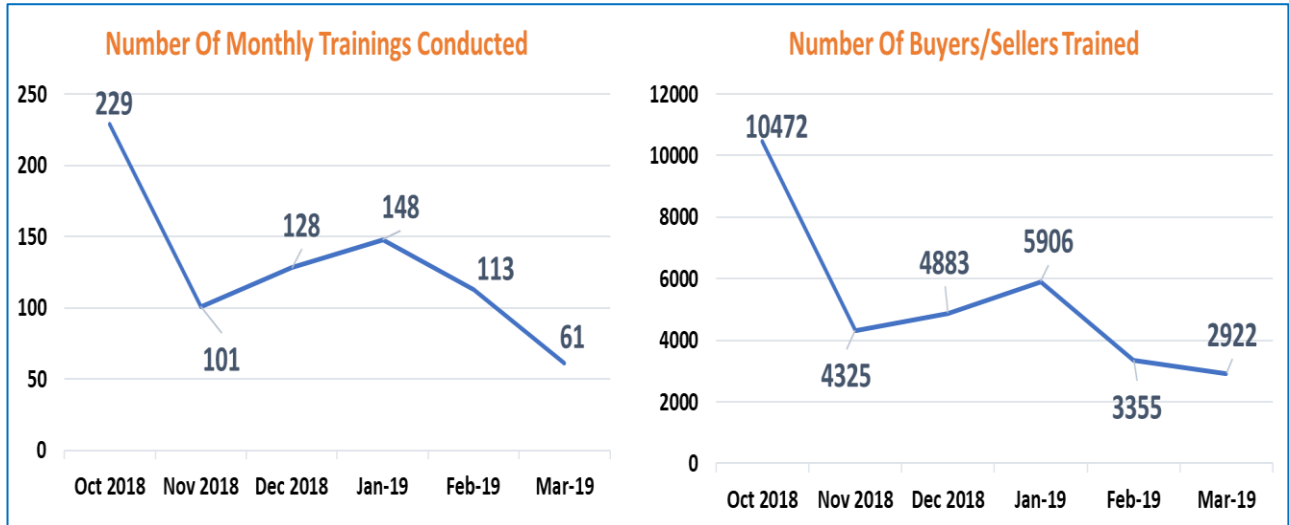
Figure 13: Number of Trainings Conducted and Monthly Trend of Number of Buyers/Sellers Trained

A total of 332 trainings sessions were conducted during the report period of Jan-Mar'19. Number of buyers and sellers trained in the same period was 10,128 and 2055 respectively. <u>A reduction in number of monthly trainings and monthly buyers/sellers trained is normal as already most of buyers and sellers are covered.</u> 190 special training events were conducted during report period as compared to the 90 special training events in Oct-Dec'18 period.

6.6 Product/Service and Delivery Quality

1. **Price Reasonability:** Savings from GeM is one of the strongest indicators of the efficacy of GeM and is also a tangible measure for the benefits it provides to the buyers. Savings from the portal
   have been consistently above 25% for Top-10 categories (excluding automobiles) including the report period of Jan-Mar'19. The increase in number of sellers and products on GeM platform is likely to drive the reduction in prices due to increase in competition on the portal. Increase in number of buyers will also help drive increase in the savings due to creation of economy of scale on the platform.
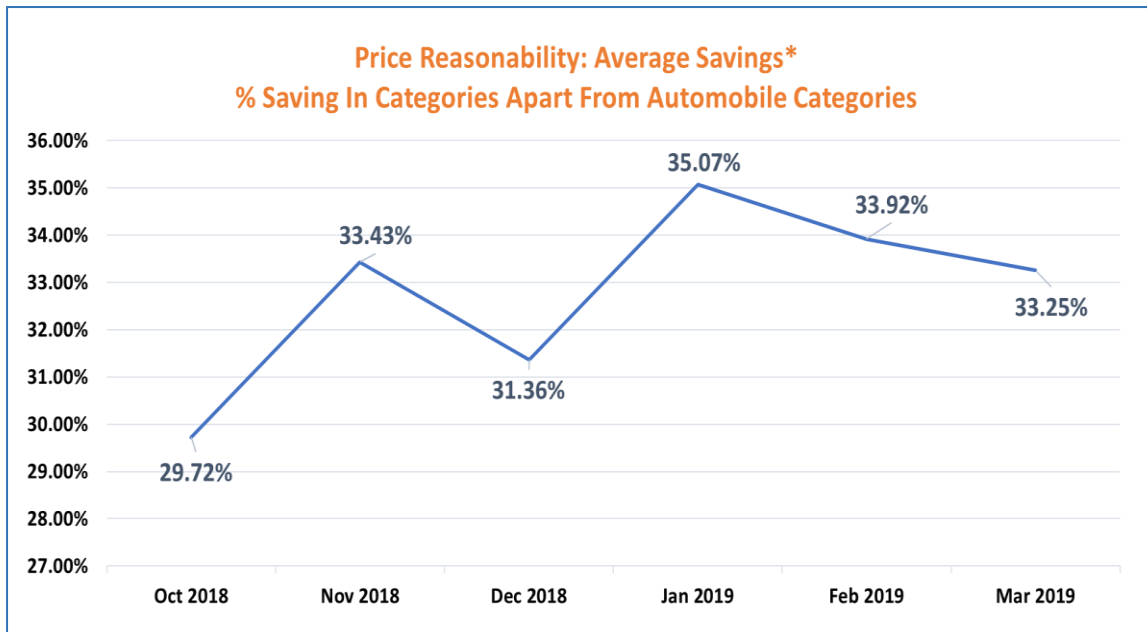
Figure 14: Price Reasonability (Average Savings)

Among the top ten categories by value, three categories (General Classroom Furnishing, Power Generators and Computers) have savings more than 35% highlighting the potential extent of savings on different categories. At the same time, six of the top ten categories have savings below the average and increased savings in these categories is likely to drive a significant increase in the overall savings.

2. **Orders Cancelled Before Delivery:** Order being cancelled before delivery is an indicator of quality of seller behaviour on the platform. A buyer is permitted to cancel orders post the stipulated delivery date, if delivery is delayed. As shown in the figure below, <u>the behaviour on the platform has been improving in terms of such cancellations and the rate has come down to 0.68% in Mar'19 as compared to 1 % in Dec'18. While sellers need to work to improve their delivery performance, buyers can support by minimizing cancellations without proper justification.</u>
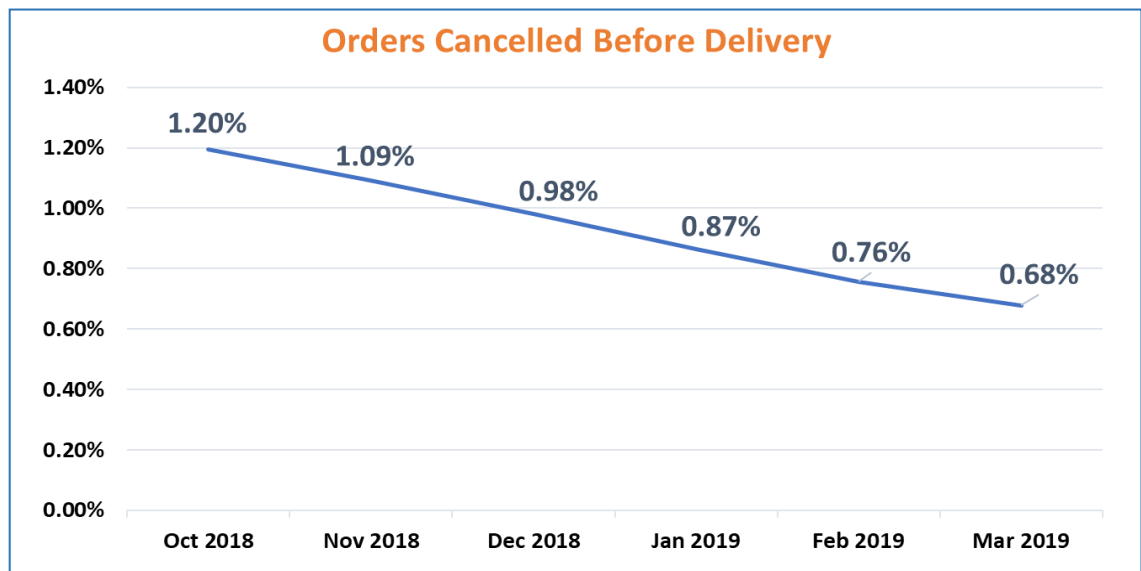
Figure 16: Orders Cancelled Before Delivery

The cancellation rate for top 10 Ministries with respect to overall average rate is shown in figure below. This shows that bringing down cancellation rate in a focussed manner for the top 10 ministries can significantly further improve the metric.
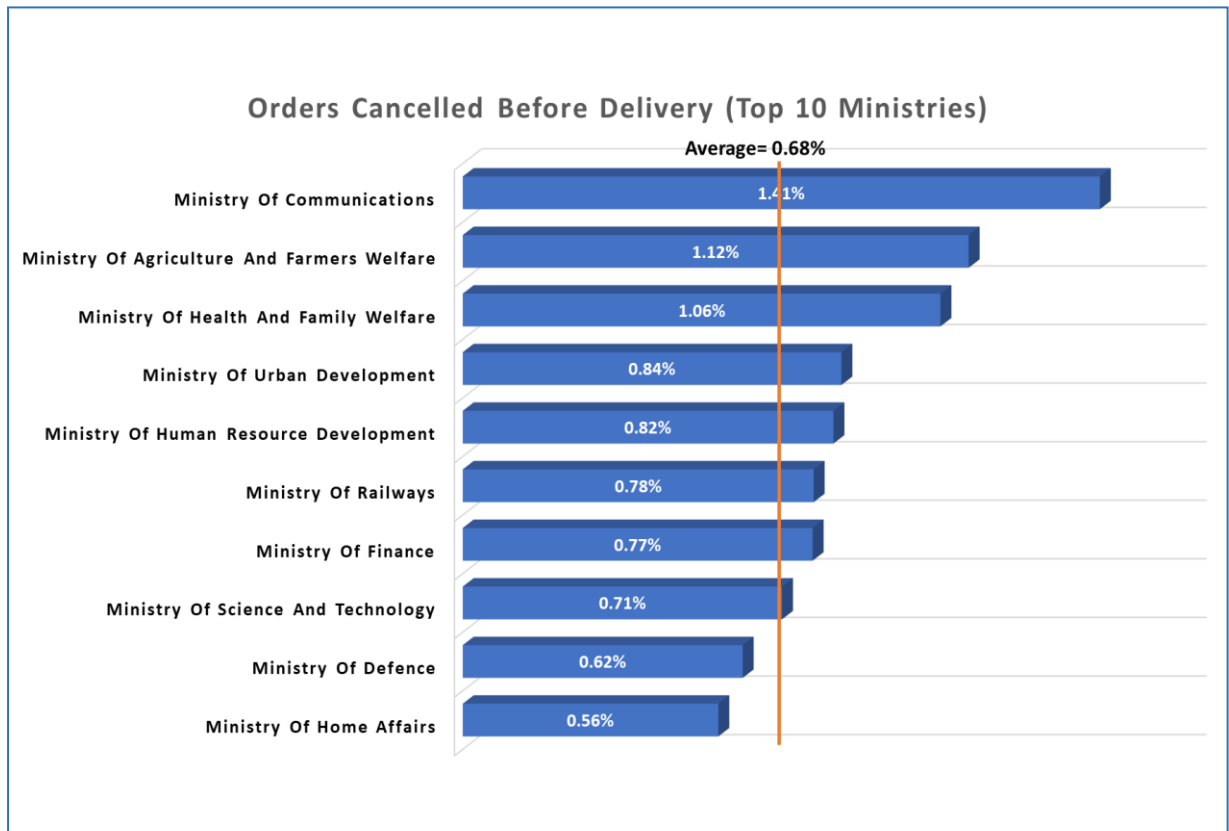
Figure 17: Orders Cancelled Before Delivery (Top 10 Buyers by Volume)

The percentage of orders cancelled before delivery is disproportionately high for a few key categories such as Printers and Desktops as shown below. Close monitoring is being done for the reasons of cancellation in these categories to improve this metrics.
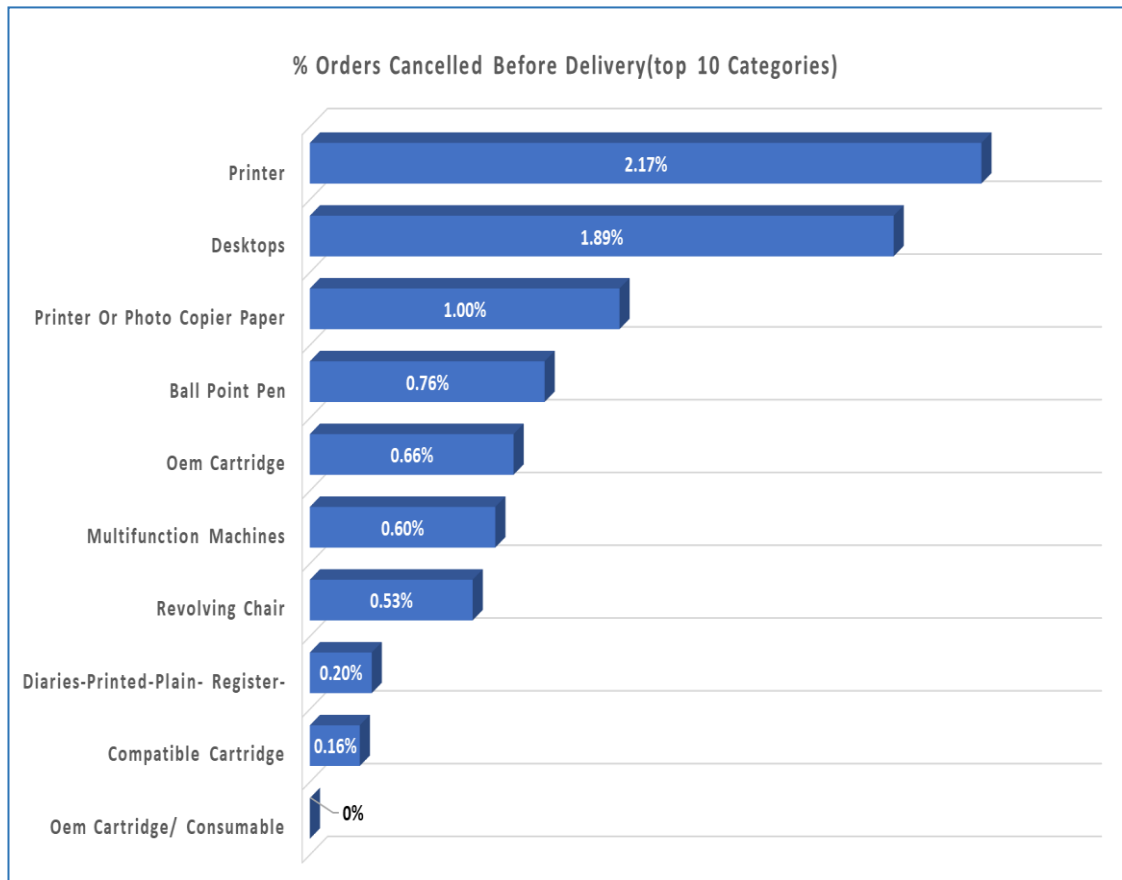
Figure 18: Orders Cancelled Before Delivery (Top 10 Categories by Volume)

3. **Order Acceptance Rate:** <u>Order acceptance rate on GeM platform is 88.57%, in March'19, in Dec'19 this value was 88.17%. It is a very important indicator of the effectiveness of sellers in being able to serve the orders.</u> A tightly implemented vendor rating algorithm and incident management system will improve this further on the platform.
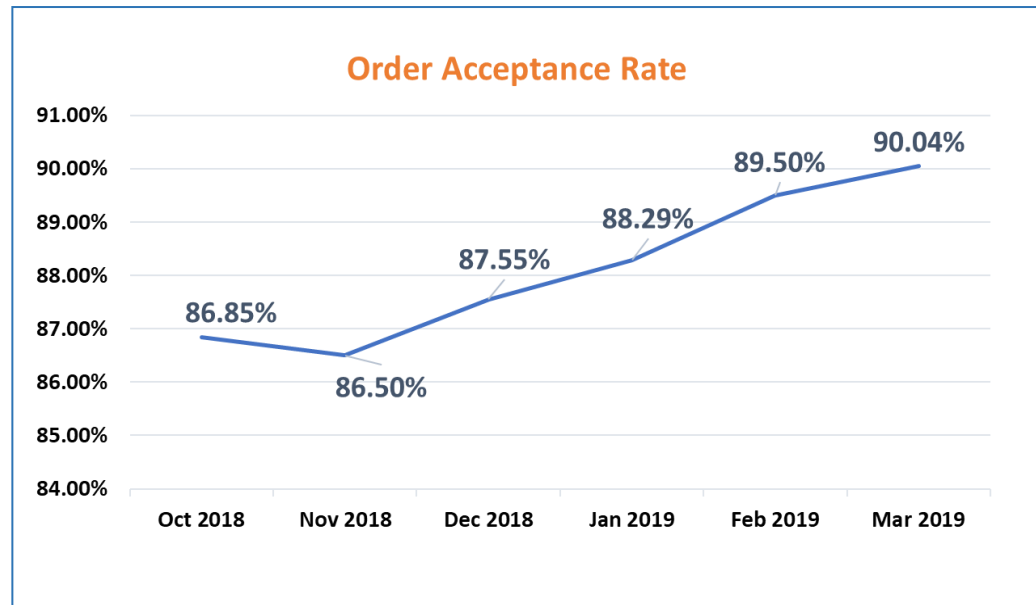
Figure 19: Order Acceptance Rate

4. **Orders Rejected Post Delivery:** This is an indicator of the quality of product or service provided by sellers. It has been consistently less than 1% on GeM with improving monthly trends. Combined efforts from the sellers and buyers can improve this value further. Increasing number of sellers on the platform is likely to increase competition and thereby serve as an enabler to improve quality. Buyers on the other hand can clearly lay down their specifications to avoid any potential mismatch on requirements post-delivery.
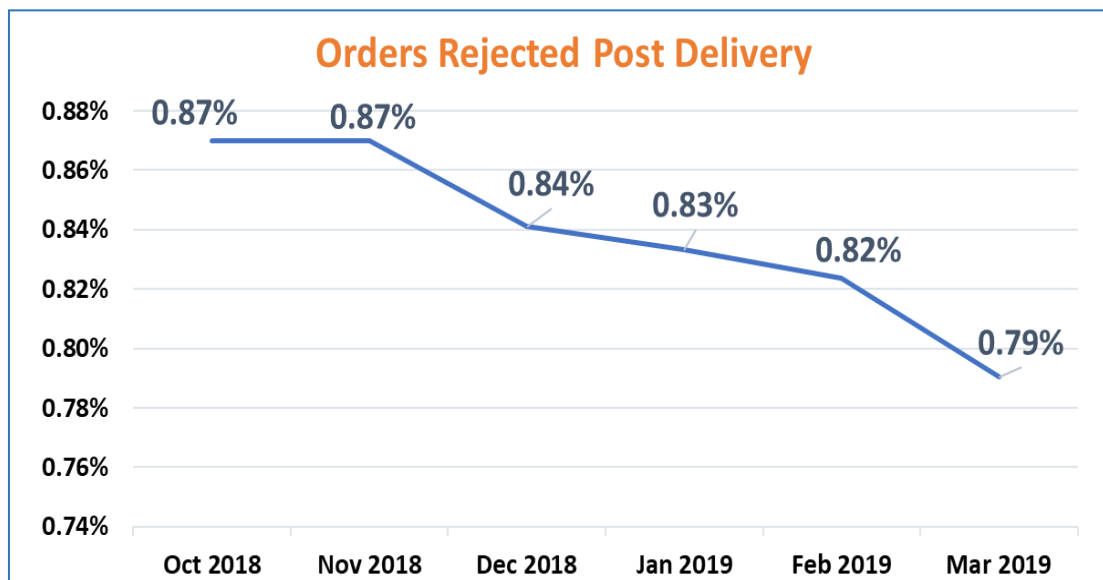
Figure 20: Orders Rejected Post Delivery

Amongst the top buyers, this value is much higher for the Ministry of Railways (3.49% as against 0.79% average) and a detailed discussion to understand issues and suggest potential improvements can be carried out to resolve this.
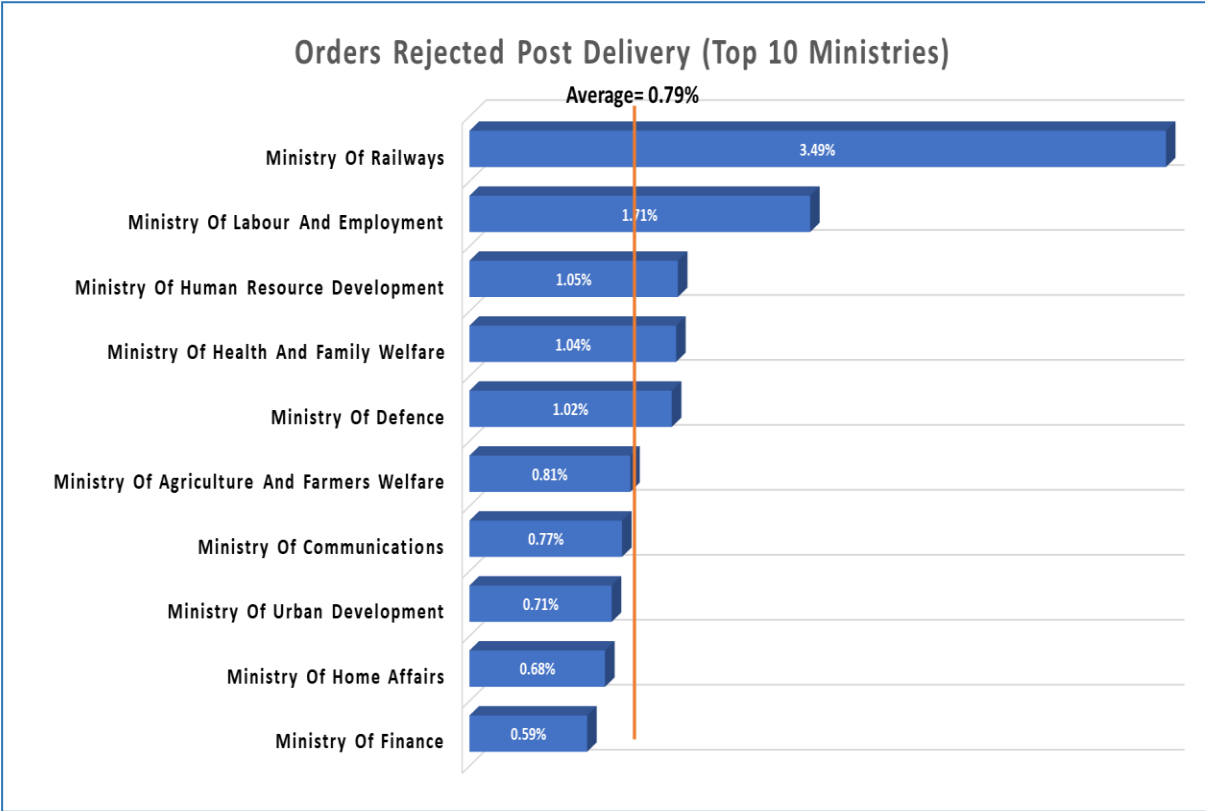
Figure 21: Orders Rejected Post-Delivery (Top 10 Buyers by Volume)

This value is also high for a few specific categories like OEM Cartridges and Compatible Cartridge, therefore improvements in these categories is likely to drive further reductions in overall rejection value.
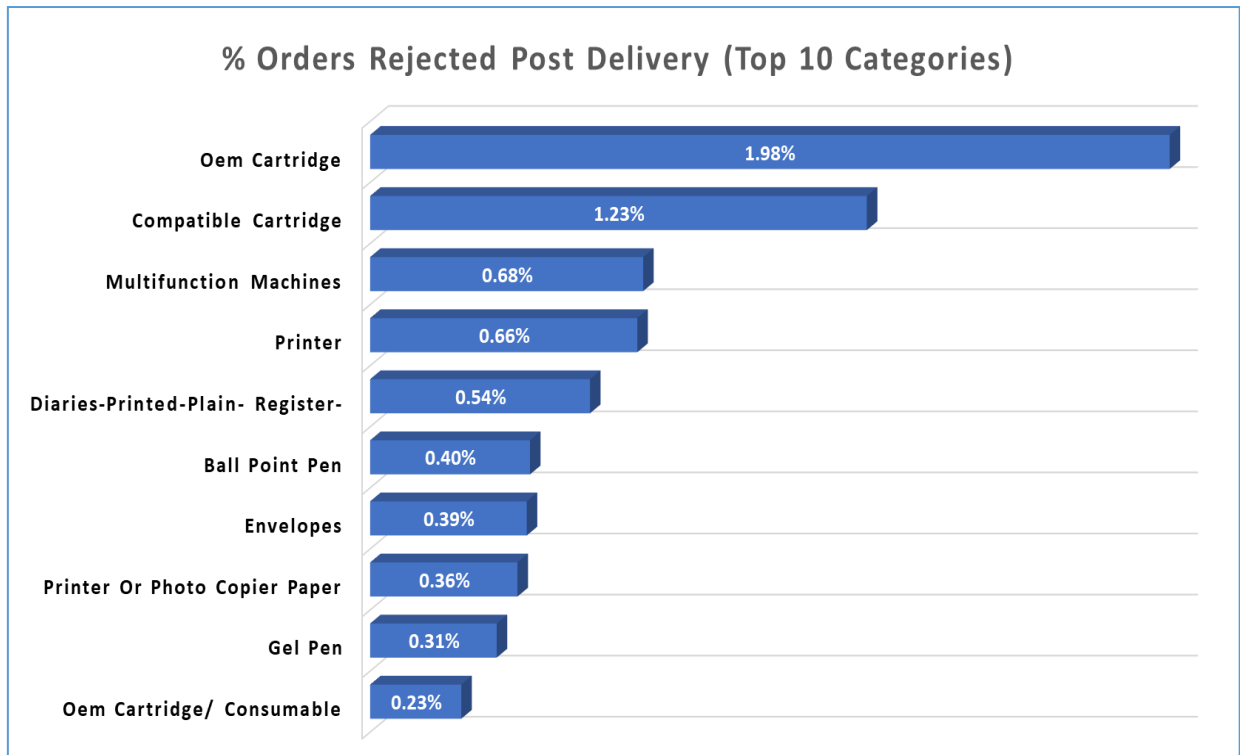
% Orders Rejected Post Delivery (Top 10 Categories)

Category	Percentage
Oem Cartridge	1.98%
Compatible Cartridge	1.23%
Multifunction Machines	0.68%
Printer	0.66%
Diaries-Printed-Plain- Register-	0.54%
Ball Point Pen	0.40%
Envelopes	0.39%
Printer Or Photo Copier Paper	0.36%
Gel Pen	0.31%
Oem Cartridge/ Consumable	0.23%

Figure 22: Orders Rejected Post-Delivery (Top 10 Categories by Volume)

7. Fraud Prevention

GeM leverages the power of data analytics to insure transparency and enforce strict standards of business among buyers and sellers. By analysing the data related to product approval, order, payment, registration pattern - deviations/anomalies are identified and prevented on regular basis.

Senior Buyer Authorities at State as well as at Central level have been regularly intimated if any of suspicious cases have been found such as splitting or buyer seller collusion. Functionalities are constantly added/modified in the system to prevent suspicious activities.

Cases have also been identified and reported where seller – seller collusion, cartelization are identified. Apart from this, cases, where the product being sold was totally different from the product shown on GeM, are also identified and reported. Continuous efforts are being made by leveraging Analytics to make buying and selling on GeM more transparent.

Based on findings of Fraud analytics team, regular rules are being made and implemented.

8. Incident Management (IM)

To protect consumers, brand owners and legitimate sellers, and to maintain the integrity of the portal, GeM has introduced a comprehensive IM Policy to prevent counterfeit goods from being offered or sold on its portal. Any incident wherein wrong / substandard / counterfeit products are delivered to the buyer is subject to scrutiny, and the buyer has a provision to reject such goods supplied. In such cases, the buyer withholds the issuance of CRAC. This triggers the Incident Management System that can result in suspension of vendors post scrutiny, issuance of show-cause notification to them and eventually disabling them on the platform, depending on the gravity of the issue. Under this initiative, the GeM uses technology and crowd sources to continuously monitor and thwart counterfeiting and de-lists suspicious items, when reported on the IM module. GeM takes strict actions against the perpetrators, ranging from limiting the seller's ability to operate on the platform for a certain period to disabling them for a year and initiating Debarment process.

In the report period, more than 31,000 incidents have been raised. 31% of incidents are related to catalogue (market) and 69% are related to post contract.
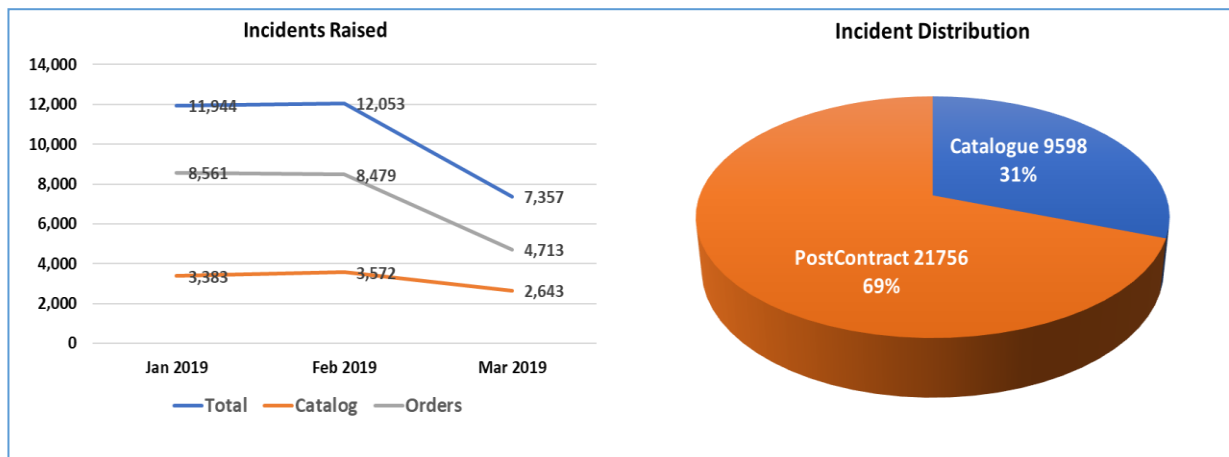
Figure 23: Monthly Incidents Raised by Buyers/Sellers

Among post contract Incidents raised during Jan – Mar'19, 48% are raised against buyers and 52% were raised against sellers. To bring the incidents down, it is required to identify the major reasons of incidents and take corrective actions accordingly. Top buyer and seller related incidents during Jan– Mar'19 are given in figure below. Major issues on Market related to

products listed in wrong categories and Fake Authorization, and those of post contract, related to delay in payments and delay in CRAC generation (against Buyers) and non-delivery of goods and rejection due to quality issues (against Sellers).
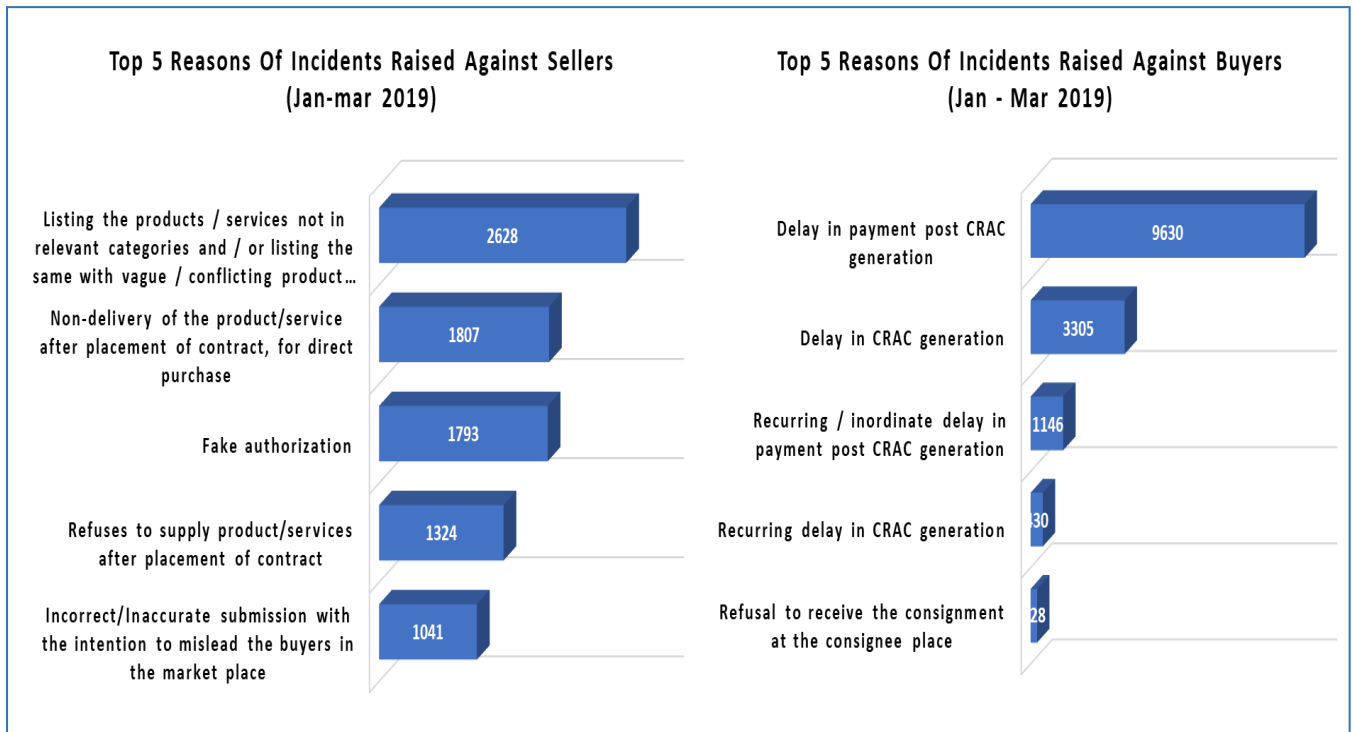

Figure 24: Top Five Reasons for The Incidents

9. Achievements and Way forward

In order to make the ecosystem conducive to resolution of such issues, steps are being taken in the following direction:

I. **New Category to cater the requirement of General Elections:** GeM keeps on adding/updating its catalogue in order to cater to the customized requirements of buyers. In continuance of this practice and to cater to the needs of Election Commission in

conducting elections GeM has unlocked specific category- *Polling Material Kit.* It includes products like stamp pads, sealing wax thumb tucks and more.

II. **National Launch of SWAYATT on GeM:**
On Feb 19, GeM launched SWAYATT, an initiative to promote Start-ups, Women and Youth Advantage Through e-Transactions. Also launched was 'GeM Start-up Runway' - a partnership initiative of GeM with Start-up India, DPIIT to facilitate Start-ups to access the public procurement market and sell innovative products and services to government buyers on GeM. The national launch of SWAYATT would promote inclusiveness by boosting the prospects of various categories of sellers and service providers.

The event which was webcasted LIVE across the country, witnessed enthusiastic participation from all over India including policy makers, social activists, artisans, women entrepreneurs, and start-ups who will work to ensure market linkages for these sections in public procurement.

III. **Continuous Progress in Payment Integrations -** GeM is making a concerted effort to improve payment performance on the platform. Standard Operating Procedures with time bound steps has been laid out to fast track platform integration with Buyers Departments' ERP Systems. ERP integration has been done with Railways, CGDA, AAI and NTPC. Integration is in progress with CRPF, BSF Delhi Government and HPCL. EMD/ePBG facility has been enabled with 9 banks now.
GeM Pool Account is an upcoming functionality which will simplify the payment process for Non PFMS Agency and Entities (NPAEs).

IV. **Collaboration with OEMs and Launch of OEM Dashboard –** In order to ensure availability of high-quality products & services on the platform, GeM is collaborating with OEMs across the product categories. These OEMs will help assure diligence from the supply side by pro-actively identifying authorised resellers. This information can be used by the buyers for decision making while executing the purchase. The online workflow for OEMs has been integrated by GeM on the platform to make this process seamless and quick.

GeM has started on-boarding Original Equipment Manufacturers (OEMs) for scrutinizing the resellers and product uploaded by them. OEMs are responsible for every catalogue uploaded on GeM with their brand name. They are also responsible for sanitizing the market from wrong pricing/specification products, for restricting entry of Un-authorized resellers. OEMs are configured as approvers in all sub-categories for the brands owned by them. OEM Dashboard provides facility to OEMs for ensuring market sanity for their

brands and only allowing authorized resellers to sell their brands on GeM Portal. This initiative will have a far- reaching impact on the quality of catalogue and will lead to improvements in seller performance related KPIs.

GeM has further planned to enhance OEM Dashboard from end to end business view perspective and also put a process of rating OEMs in place.

V. **MSME Support and Outreach**- Support and Outreach Initiative for MSME Sector was launched on 2nd November 2018. In order to support the initiative and sensitize MSME sellers, GeM also launched MSME Support and Outreach follow up camps across 25 states. A total of 220 camps were conducted. This also resulted in 4649 MSME registrations. Out of this, 643 registrations were facilitated on the spot during the event by GeM business facilitators.

VI. **Incorporation of the impact of Incidents in Seller Rating-** In order make the seller rating system more robust, so that, buyers can make better purchase decisions, GeM is incorporating the impact of incidents raised against a seller into seller's rating. The rating of a seller will be reduced by a predefined value in case the seller is suspended or disabled as a result of incident raised. These changes will remove those cases where a seller was having high rating even after being disabled or suspended.

VII. **Major Enhancements** – As a process to continuously improve the platform, following were new features added in the system:

- o Request Management System facility for buyers to facilitate online request for ATC in Bid, creation of new category and inclusion of additional specification in existing categories
- o Vendors having turnover more than INR 500 Cr are exempted from Vendor Assessment and the profit criteria during verification has been removed
- o During Bid creation, buyer will now be able to select ePBG even if the bid value is 5 Lakh or greater for Service. The ePBG limit for product bid has no changes.
- o In case of splitting in bids, an online facility has been provided to the buyer to get the price of L2 and L3 sellers matched online through the portal for order placement.
- o During bid participation, sellers have the option to enter the quantity for fulfilment at the time of participation in product bid.
- o In case of Internet Banking where the transaction has failed, error handling has been resolved using retry payment option.

- L1 Price Update facility for those buyers who have got the price reduced from seller after   financial evaluation. The buyer will have an option to update the final L1 price within 3 days.

*** END OF REPORT ***

Appendix I: GeM Analytics Framework

For implementation of an efficient business intelligence platform, GeM has created a reporting, analytics and information delivery framework as shown in figure below. This framework defines mechanism of enabling effective consumption of data by end users to drive proactive decision-making.

The GeM Quality Framework (GQF) is one such use case of data consumption which consumes the data provided by Analytics Framework to highlight the status of platform quality as well as interventions required to improve the quality of the platform. The Quality Framework leverages the OLAP/Data Mining/Web Analytics platform to record a set of well-defined KPIs and present them as part of a quarterly report.
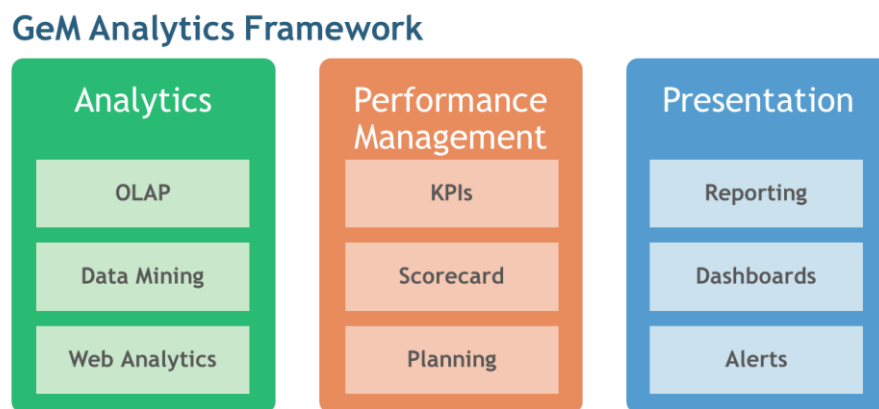
Figure A.1: Analytics Framework

Appendix II: List of Figures