



Indian Institute of Management Kozhikode

Case Study

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Billion Day Sale – Mistakes or Marketing Strategy?

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India's retail sector has been emerging as the most dynamic and profitable sector over the last two decades contributing more than ten percent of the country's GDP. Currently India is the world's fifth-largest global destination in the retail space attracting both foreign and domestic investments making it a significant sector in employment generation for the country. Prior to liberalization and globalization in the early nineties the retail space was scattered and only Brick and Mortar shops existed which was treated as unorganized and traditional way of doing business. The debates in the retail sector initially was on the need of modernization coupled with the allowance of multi-brand outlets.

The leap in the rapid computerization and the emergence of a dynamic software industry in India had its impact in the industry and global standards of logistics and supply chain management was applied to modernize this sector to a large extent. Most of these developments were concentrated on the urban space particularly the metros and one million population cities. Exclusive showrooms and multibrand retailing stores like 'Bigbazaar' & 'More' started appearing in the urban marketplace. The Government of India also contributed by encouraging these investments and relaxing the regulations for the domestic investors. FDI was also allowed selectively and promoting the idea of endorsing Made in India consumer products.

The exposure of international brands due to the influence of globalization and a sizeable population with purchasing power boosted the performance of the retail market. By the end of second decade in the new millennium, E-commerce expanded solidly in India since the internet usage had grown exponentially at office and domestic spaces. The advent of touch screen phones and the integrated technology also mitigated this progression. The end result benefited the end customers who got a wider choice of products at the cheapest rates. This trend will continue in the coming years and has been treated as the biggest revolution in the retail industry. The forecast had been positive since the digital retail channels (e-commerce) reduces the real estate cost while reaching out to further customers in second and third tier cities in India. The increasing urbanization and the infrastructural improvements in the rural areas will also enhance the growth of e-commerce.

Due to the presence of onboarding of one million retailers online the e-tailing business engages a considerable pie of India's retail sector economy. Two online start-ups namely Flipkart

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