

ISSN 0976-495X (Print)  
2321-5763 (Online)

www.anvpublication.org  
www.ajmjournal.com



**RESEARCH ARTICLE**

**E-Commerce: Big Billion Day – A case study with special reference to Flipkart**

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**ABSTRACT:**

E-commerce business has grown many folds in past few years. By 2020 its expected contribution would be 4% of GDP. One of the major investments done here is on advertising. One such means of communication which brought jaw dropping discounts and offers was "Flipkarts : Big Billion Day sale". It generated revenue of Rs. 600 crore million in just 10 hours that set a benchmark into the Indian e-commerce industry. The paper analyses the pros and cons of the promotional offer how flipkart managed to keep the promise made and how it could regain its image in the market when most of the customers lost their trust in flipkart. It throws light on learning's from the big billion day sale as a customer. It also discusses how flipkart overcame the criticism from its customers and finally could manage its image built over the last seven years since its inception in 2007 and adverse effects to its competitors where offers like this can make or break the image of the company

**KEY WORDS:** e-commerce, GDP, promotional, criticism

JEL Code: M30, M31, M37

**INTRODUCTION:**

E-commerce refers to those business activities carried through online medium. It is usually associated with buying and selling of products and services over the internet using electronic peripherals. Today there are over 2000 small and big portals involved in e-commerce. Some of the prominent ones are in India are Flipkart, Snapdeal, Myntra, Amazon, Redbus, Goibibo, Makemytrip, Homeshop18, etc.

E-commerce has grown many folds in past few years and is shall generate huge volumes of revenue in times to come. Its also predicted that by 2020 it shall contribute upto 4% to GDP. This sector is broadly categorized under four types viz, business to business (B2B), business to customer (B2C), customer to business (C2B), customer to customer (C2C).

**ABOUT FLIPKART**

Flipkart is an Indian E-commerce company established in 2007 by Sachin Bansal and Binny Bansal . It initially focused on books and soon shifted its gears to products like electronic goods, stationery supplies, air conditioners, life style merchandise, etc. It's been known for innovation that has revolutionized online shopping like never before

Received on 23.06.2016 Modified on 18.07.2016  
Accepted on 14.07.2016 © A&V Publication all right reserved  
Asian J. Management. 2016; 7(3): 219-222.  
**DOI: 10.5958/2321-5763.2016.00033.0**



**Flipkart's journey over the last seven years (2007-14)**  
 Source: <http://www.flipkart.com/about-us>

Today flipkart has so much to give, some of the highlights are 5 million shipments every month, 8 million daily page visits by customers throughout the globe, 26 million registered users who constantly are into action to put something into their cart, Human resource of over 20,000 and 13 state-of-art warehouses



**Flipkart Today (2016)**  
 Source: <http://www.flipkart.com/about-us>

Its continuous commitment towards the customers satisfaction has helped make Flipkart the first billion dollar company in Indian e-commerce. Some of its achievements over the years are

- Flipkart.com- got Nominated for IndiaMART Leaders of Tomorrow Awards 2011

- Flipkart.com was awarded Young Turk of the Year at CNBC TV 18's 'India Business Leader Awards 2012' (IBLA)
- Co-Founder of Flipkart Sachin Bansal, got Entrepreneur of the Year Award 2012-2013 from Economic Times, leading Indian Economic Daily

### What was “Big Billion Day” sale all about

Big Billion Day sale was a promotional strategy that offered steep discounts by Flipkart aimed at accumulating \$ 1 billion (Rs. 600 crore) revenue in a day on almost all categories of products, ranging from electronics to home and kitchen, merchandise to books and media, etc.

It was on 6<sup>th</sup> October, 2014 that the whole of India had their eyes stuck on their clock at 8 am waiting for the sale to begin. It was more like the diwali festive as huge promotions about the sale were communicated via web, social and print media. The unrealistic nature of the discounts had no limit, and some sellers claimed to offer up to 90% discount on their range of products. To its surprise the target was achieved within 10 hours and then the pages went out of stock for most of the products for the rest of the day.

### Significance of 6/10 (day of the sale 6<sup>th</sup>-Oct-2014)

Many thought the Big Billion Day sale was yet another promotional sale strategy by Flipkart to encash on the Diwali season later the same month. However to many that was just not the reason behind it. The date 6/10 goes back to the founders of the company when Sachin Bansal and Binny Bansal started their e-commerce website in the year 2007 in a flat which numbered Flat No. 610. It marks the day where Flipkart operations began. And this is how they came up with the idea

### Problems Faced

- Orders on Big Billion Day cancelled automatically without even customers raising request for cancellation
- Server breakdown due to numerous logins at the same point of time
- Protests by traditional retailers on use of predatory pricing by e-tailers
- It also came under the Govt scanner as most of the offline retailers went against such predatory pricing by the e-tailers

### Move To Win Back Clients Trust

It was indeed a nightmare to the Bansals after the Big Billion Day sale. Of course they achieved the target of Rs 600crs within 10 hours against the whole day but most of the customers were left with empty carts. It had to plan a slew of measures to win back the customers who were left fuming after several glitches spoiled Flipkarts massive sale. Some of the strategies it adopted were

- Apology in via media, newspapers, e-mails, social networking sites by the founders of the company Sachin Bansal and Binny Bansal
- Gift coupons for customers who were unable to buy the product at advertised prices

- Sourcing additional stock in some categories and offering at the same advertised price
- Offer refunds
- Rs 500 in e-wallet was given by Flipkart as a token of apology(depends on type of order)
- Also additional amount was credited to the e-wallet to those who bared loss due to credit card transactions

### Beneficiaries from the Sale

1 out of every 600 customers were the ones who could really reap the benefits of the. However the biggest beneficiaries were it competitors snapdeal and amazon who could offer at the similar prices what flipkart could offer. When website gulches started popping the flipkarts webstie screens soon customers had the option to switch on to the other websites offering similar products and in some cases with better prices what billion day ale could offer.

### Learning experience from big billion day sale

#### 1. No Refunds - No Exchange during the sale

Unlike retailers even e-tailers also have adopted to the same promotional strategy. Customers usually are excited with such promotional offers and since being time constraint they forget to read between the lines as usually there are no refunds or no exchanges are tagged with products during the period of sale. One should always go through the details while making a purchase and be keep a rational approach than being more impulsive on the purchase

#### 2. Attractive discounts shown against the product may not be yours

One may be well prepared with the bank account numbers, internet access, address details, etc but you may never be sure that the product you had your eyes on could own your title. Simple reason underlying was 1 out of every 600 customers i.e 0.16% only could lobby in and take away the product. The luckier one could merry with the product. When there are millions of customers online on the same sit to purchase the same product, the probability of it being selected is extremely low.

#### 3. Offered price on such promotional day may camouflage the customer

One should never take it for granted that the deal price offered on the Flipkart on such promotional offers like Big Billion Day will provide all the product categories at the best price with huge discounts. There have been instances where customers reported price of products much higher as compared to its competitors. Thus a customer should always compare the prices and other details on similar e-commerce websites like Amazon, Snapdeal, etc irrespective of any type of promotion

#### 4. Cash on Delivery (COD) – The safest option

In India most of the products purchased by customers today choose cash on delivery (COD) as the best payment method while placing an order online. It's always safe as one need not worry if the order is cancelled automatically and the amount being parked with the e-retailers.

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#### CONCLUSION:

Big Billion Day sale was indeed an learning exercise to both company and customers. Mismatch in demand and supply and inefficient IT infrastructure were the main reasons of failure.. However some were beneficiaries of the sale but the probability of success was very minimal. Trust is always built over a period of years and can be axed in no time. Offers like this can always be disguised thus following an rational approach should be the key. Such promotional approaches can either make or break the image of the company. Flipkart founders are visionary and have surely learnt a lot from such promotional activity. The battle for competition will be bigger and discounts will be steeper with more such promotional offers benefiting the customers

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