



# Comet Shoes: Navigating Scarcity-Driven Hype and Scalable Growth in India's D2C Sneaker Market

**Dr. Shivani Shah**

Assistant professor, GLS University

## How to Cite this Article:

Shah, S. (2026). Comet Shoes: Navigating Scarcity-Driven Hype and Scalable Growth in India's D2C Sneaker Market. International Journal of Creative and Open Research in Engineering and Management, 2(4). <https://doi.org/10.55041/ijcope.v2i4.492>

## License:

This article is published under the terms of the Creative Commons Attribution 4.0 International License (CC BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author(s) and the source are credited.

© The Author(s). Published by International Journal of Creative and Open Research in Engineering and Management.



<https://doi.org/10.55041/ijcope.v2i4.492>

## Abstract

This case explores the growth journey of Comet, a rapidly emerging direct-to-consumer (D2C) sneaker brand in India. Positioned at the intersection of affordability and exclusivity, Comet leverages limited-edition “drop culture” and digital engagement to build a strong connection with Gen Z consumers. As demand increases, the company faces two critical strategic dilemmas: whether to continue its scarcity-driven model or scale production for broader market reach, and whether to maintain its D2C focus or expand into offline and marketplace channels. The case provides insights into branding, consumer behavior, and channel strategy, enabling learners to apply marketing frameworks to evaluate growth decisions in a competitive and evolving market context.

**Keywords-** Direct-to-Consumer (D2C), Scarcity Marketing, Sneaker Industry, Consumer Behavior, Brand Equity, Omnichannel Strategy, Gen Z Marketing



## The Global Sneaker Revolution and India's Emerging Opportunity

Utkarsh paused outside a sneaker store, watching a small crowd gathered around a newly released pair displayed under bright white lights. The excitement was palpable not because the product was rare in function, but because it carried meaning. A group of young consumers clicked photos, discussed resale prices, and debated styling choices. What struck him was not the product itself, but the emotion surrounding it. Sneakers were no longer footwear; they had become identity markers. This realization marked the beginning of a deeper inquiry into a rapidly evolving cultural and business phenomenon.

Globally, the transformation of sneakers from functional athletic gear to cultural symbols has been profound. Historically rooted in sports performance, sneakers gained cultural prominence through their association with basketball, hip-hop, and street culture in the late twentieth century. Over time, they evolved into symbols of self-expression, status, and belonging. Academic literature highlights that sneakers today function as “symbolic commodities of ideas, attitudes, and beliefs,” reflecting deeper socio-cultural meanings beyond utility (Grove & Garza, 2023). This shift has contributed to the emergence of a billion-dollar global sneaker industry, supported not only by primary sales but also by an increasingly influential resale ecosystem.

The rise of sneaker culture is closely linked to changing consumer behavior, particularly among Generation Z. Unlike previous generations, Gen Z consumers are driven less by traditional advertising and more by authenticity, relatability, and emotional connection. Their purchasing decisions are shaped by digital interactions, peer influence, and cultural narratives rather than brand-led persuasion. Research indicates that this generation values brands that demonstrate “human-like characteristics” and meaningful engagement, particularly in the context of fashion and streetwear (Patel & Mehta, 2021). For Gen Z, sneakers are not merely products they are extensions of identity and tools of self-expression.

Digital platforms have accelerated this cultural shift. Social media ecosystems have redefined how trends are created, consumed, and disseminated. A sneaker launch in one part of the world is instantly visible across geographies, enabling global cultural convergence. Consumers no longer passively receive information; they actively participate in shaping brand narratives through user-generated content, reviews, and online communities. This democratization of influence has reduced the dominance of traditional marketing channels, making storytelling and community engagement central to brand success.

While this global transformation is well established, its impact on emerging markets such as India is particularly noteworthy. India's sneaker culture, though relatively nascent compared to Western markets, is experiencing rapid growth. Once perceived primarily as functional footwear, sneakers in India are increasingly recognized as lifestyle products. Cultural adoption has been driven by urbanization, rising disposable incomes, and exposure to global trends through digital media. As one industry report notes, sneakers have transitioned from being “mainly footwear for athletes” to becoming a “global fashion trend,” with this influence now strongly visible in India. (Ahire, 2023)

Recent market insights further reinforce this shift. India's sneaker market is estimated to be around \$4 billion, representing a small but rapidly expanding segment within the global industry (Chatterjee, 2026). The growth is fuelled by increasing demand across age groups, with younger consumers leading the adoption. The convergence of comfort, versatility, and style has made sneakers a preferred choice for everyday wear blurring the boundaries between functional and fashion consumption.

However, despite this growth, the Indian market presents a unique structural paradox. On one hand, global brands dominate the premium segment, offering aspirational products with strong cultural narratives. On the other hand, these products are often priced beyond the reach of a large segment of consumers. This creates a gap between aspiration and accessibility. Consumers are aware of global trends and desirous of participating in sneaker culture, yet are constrained by affordability and limited availability of authentic products.



At the same time, the affordable segment of the market often lacks cultural relevance. Many products in this category focus on price competitiveness rather than storytelling, design innovation, or community engagement. As a result, consumers are forced to choose between expensive global brands and relatively uninspiring local alternatives. This gap highlights a critical unmet need in the market a demand for products that combine cultural authenticity with affordability.

The influence of global sneaker culture has also introduced new consumption patterns in India, including the emergence of sneaker communities and resale markets. Sneakers are increasingly viewed as collectible items, with value derived not only from functionality but also from scarcity, exclusivity, and narrative. This aligns with global observations that sneakers function as both fashion items and investment assets, reflecting a shift toward symbolic consumption (Grovey & Garza, 2023). Indian consumers, particularly Gen Z, are actively engaging with these trends through digital platforms, contributing to the growth of a more informed and connected consumer base.

Another critical dimension shaping the Indian sneaker market is the rise of homegrown brands. As awareness and demand increase, local entrepreneurs are entering the market with offerings that attempt to bridge the gap between global aspiration and local relevance. Industry reports suggest that India's growing sneaker culture is paving the way for "India-first" designs and brands that resonate with local consumers (Chatterjee, 2026). These brands often incorporate cultural elements, storytelling, and community engagement into their strategies, reflecting a shift toward more nuanced and localized approaches.

Despite these developments, challenges remain. Building brand legitimacy in a category historically dominated by global players is not straightforward. Legacy brands benefit from decades of cultural capital, celebrity endorsements, and established credibility. New entrants, particularly in emerging markets, must navigate the complex task of building trust, authenticity, and differentiation in a highly competitive environment. This requires not only product innovation but also a deep understanding of consumer psychology and cultural dynamics.

At its core, the transformation of sneaker culture reflects a broader shift in consumer behavior from functional consumption to identity-driven consumption. Products are no longer evaluated solely based on their utility; they are assessed based on the meanings they convey and the communities they enable. For Gen Z consumers, this shift is particularly pronounced. Their engagement with brands is shaped by authenticity, transparency, and shared values rather than traditional marketing messages.

This evolving landscape presents both opportunities and challenges. The Indian sneaker market is no longer an emerging space it is a dynamic and rapidly evolving ecosystem influenced by global trends and local nuances. The gap between aspiration and accessibility, combined with the demand for cultural relevance, creates a fertile ground for innovation. However, success in this market requires more than product excellence; it demands a rethinking of traditional business and marketing models.

As Utkarsh continued to observe the crowd, one question lingered in his mind: could a brand emerge that truly understands this new consumer? A brand that does not merely sell sneakers, but builds a cultural movement one that is accessible, authentic, and deeply connected to its audience. The answer to this question would not only define the future of a single company but could potentially reshape the trajectory of sneaker culture in India.

### **The Founders' Journey- From Idea to Comet**

Utkarsh Gupta's transition into the sneaker industry was shaped by his exposure to global sneaker culture during his time at the Kellogg School of Management and his corporate experience at Hotstar. He observed that sneakers abroad were not merely products but symbols of identity and cultural belonging an ecosystem largely absent in India. Despite a young, digitally connected population, the Indian market lacked brands that combined cultural relevance with affordability.



This realization led Utkarsh to partner with Dishant Daryani, who brought complementary experience from firms such as Urban Company. Both founders shared a vision of building a homegrown sneaker brand that could bridge the gap between aspiration and accessibility. Their shift from corporate careers to entrepreneurship, as reflected in Comet's official narrative, was driven by a desire to create a culturally meaningful brand (wearcomet, 2023)

However, entering the sneaker market posed significant challenges. Product development required multiple iterations, Despite these hurdles, Comet launched in 2023 with a direct-to-consumer model and a strategy centered on limited-edition drops. These releases created exclusivity and engagement, often selling out quickly and signalling strong demand (Crossley, 2024)

Early success validated the founders' approach but also introduced a key dilemma: scaling the business without diluting its core philosophy of scarcity and authenticity. As sneaker culture gains momentum in India, Comet's journey raises a critical question can a new brand build legitimacy in a market dominated by legacy players while staying true to its identity?

## Opening hook

Utkarsh leaned back in his chair, his eyes fixed on the sales dashboard as the numbers refreshed yet again. Comet's latest sneaker drop had sold out within hours, triggering a wave of excitement across social media and reaffirming the brand's growing cultural relevance among young consumers. Yet, beneath this apparent success lay a deeper, unresolved tension. The problem was no longer about generating demand it was about deciding what to do with it. Should Comet increase production to capitalize on rising popularity and scale rapidly in India's expanding sneaker market, or should it continue with limited-edition drops that preserved its exclusivity and community-driven appeal? The stakes were significant. Scaling too quickly risked diluting the brand's carefully built identity, while maintaining scarcity could restrict growth and open the door for competitors. Operating in a market where global brands dominated aspiration and local brands struggled for cultural relevance, Comet stood at a critical crossroads. The decision ahead would not only shape the company's growth trajectory but also determine whether it could build long-term legitimacy without the advantage of heritage.

"heritage" refers to the history, legacy, and established reputation that older or global brands possess. It's not just about age it's about the cultural credibility, consumer trust, and authority that comes from being around for decades, having iconic products, and being embedded in cultural or sports history.

## Company background

Comet is a new-age, culture-led sneaker brand in India that operates primarily through a direct-to-consumer (D2C) model. Since its inception, the company has focused on building a product-first brand supported by in-house design and digital engagement. Its portfolio includes over 40 sneaker styles targeted at Gen Z and millennial consumers, with distribution largely driven through its own platform and partnerships with e-commerce players like Myntra, which provides access to millions of users (Swami, 2026). Unlike traditional footwear brands, Comet positions itself not merely as a product company but as a cultural platform, leveraging limited-edition drops and storytelling to create community-driven demand. Its target market primarily consists of urban, digitally connected young consumers who seek identity, exclusivity, and relatability in their fashion choices.

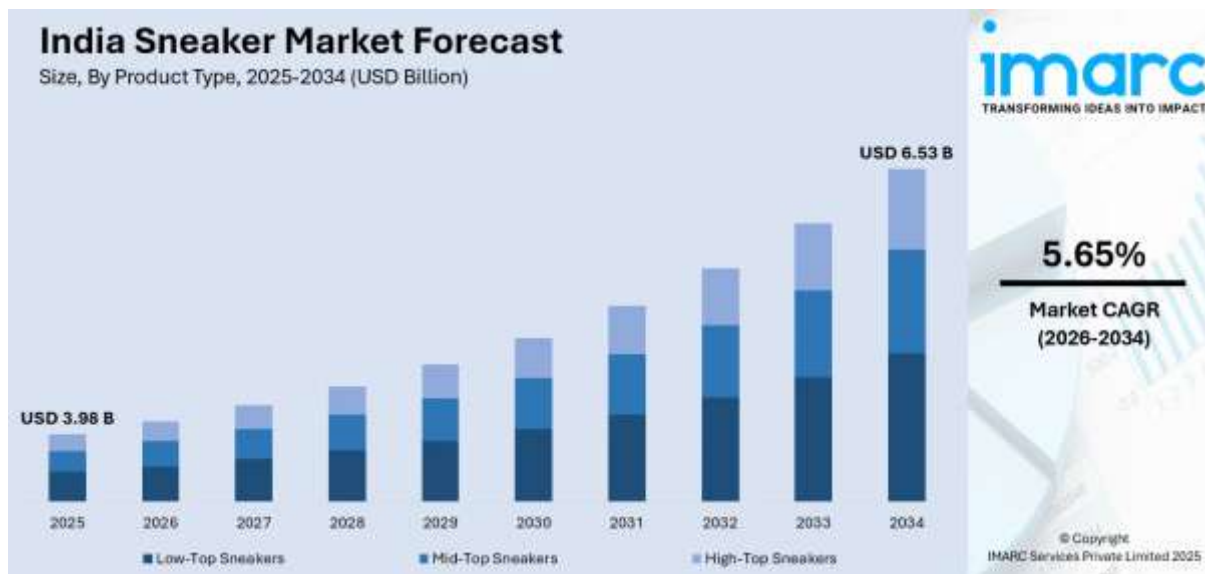
The Indian sneaker industry provides a dynamic backdrop for Comet's emergence. The market was valued at approximately USD 3.98 billion in 2025 and is projected to reach USD 6.53 billion by 2034, reflecting steady growth driven by urbanization, rising disposable incomes, and increasing adoption of athleisure lifestyles (IMARC). Sneakers are increasingly perceived not just as functional footwear but as lifestyle products integrated into daily fashion. This shift is further amplified by social media influence, celebrity endorsements, and digital discovery, which have accelerated the adoption of global and local trends alike (Chatterjee, 2026)



A key industry trend is the rise of homegrown sneaker brands that attempt to bridge the gap between global aspiration and local relevance. Brands such as Comet, Gully Labs, and others are gaining traction by offering culturally rooted designs, affordable pricing, and community-centric branding (2025 Sneaker Trends in India: A Premium Style & Market Guide, 2025). At the same time, competition remains intense. Global giants such as Nike and Adidas dominate the premium segment through strong brand heritage and aspirational value, while domestic players compete on affordability and accessibility. This creates a highly fragmented market structure characterized by premium dominance, mass-market penetration, and emerging mid-segment disruptors.

Market dynamics in India are shaped by a paradox. While branded sneakers account for a significant share of consumer preference due to perceived quality and status, a large portion of the market remains price-sensitive (Crossley, 2024). Additionally, the increasing popularity of limited-edition drops, resale culture, and influencer-driven demand reflects a shift toward symbolic consumption, particularly among Gen Z consumers. As a result, the competitive landscape is evolving beyond product features to include storytelling, community engagement, and digital presence.

In this context, Comet operates at the intersection of affordability, culture, and digital-first engagement. Its challenge and opportunity lies in navigating a market where consumer expectations are rapidly evolving, competition is intensifying, and brand legitimacy is no longer derived from heritage alone, but from relevance and authenticity.



Source- [https://www.imarcgroup.com/india-sneaker-market?utm\\_source=chatgpt.com](https://www.imarcgroup.com/india-sneaker-market?utm_source=chatgpt.com)

### Strategic Dilemmas- Walking the Tightrope

The Bengaluru office of Comet Shoes had a quiet intensity that afternoon, broken only by the soft hum of laptops and the occasional clatter of sneaker prototypes being moved across the table. Utkarsh Gupta and Dishant Daryani sat across from each other, leaning over a spreadsheet that summarized the latest sales figures, social engagement metrics, and inventory projections. It was an exhilarating moment monthly revenue had climbed to INR 5 crore, Instagram engagement was off the charts, and every limited-edition drop had sold out faster than they had anticipated. Yet, excitement was mingled with unease.

Gupta rubbed his temples and looked up. “Dishant, this is incredible but it’s also terrifying,” he said. “We’ve built Comet by doing the opposite of everything legacy brands do. No celebrity endorsements, no mass advertising, limited editions... and yet we’re scaling. The moment we step outside our controlled D2C environment, we risk everything we’ve built.”

Dishant nodded, his eyes scanning the spreadsheet. “The numbers are good, but these are our early adopters,” he said. “What about the broader market? Gen Z is skeptical, but there are first-time buyers who don’t know us yet. They might not respond to limited drops or storytelling. They might just go to Nike or Puma because the logo feels safe.”



The tension between growth and authenticity had become the central dilemma. Comet's philosophy relied on scarcity and culture-driven storytelling to create desire, but scaling the brand required broader reach. Could they increase product availability without eroding the hype? Could they expand offline without losing the intimacy of the D2C experience that had become the brand's lifeblood? Every strategic choice seemed to carry risk.

Gupta leaned back, staring out at the Bengaluru skyline. "We built legitimacy without heritage," he said aloud. "But legitimacy is fragile. One misstep, and we could lose the trust of the very community that made us successful." Dishant responded, "And yet, if we stay small, investors will get restless. Offline stores, bigger production, and more SKU variety all of this is expected. We need to figure out a way to scale without losing the core of who we are."

The conversation drifted to limited-edition drops, a hallmark of Comet's strategy. Scarcity had worked beautifully for early adopters, generating buzz and social currency. But what if producing more pairs diluted the allure? "We can't keep making fifteen-pair drops forever," Dishant pointed out. "If we want to grow, we need to reach more people. But if we increase supply too much, the brand might start to feel ordinary."

Another dilemma emerged: offline expansion. The founders were planning high-street stores in Bengaluru, Delhi, and Mumbai. The stores promised new revenue streams, but also introduced new challenges. Could the tactile experience of physical retail preserve the carefully curated brand story? Could community engagement and storytelling translate into a space dominated by visual merchandising and conventional retail pressure? Utkarsh knew that a poorly executed offline strategy could undermine the authenticity that Gen Z valued.

Investor expectations added another layer of tension. Comet had raised over \$7 million from Elevation Capital and Nexus Venture Partners, who were eager to see predictable growth and scale. Every board update required metrics: monthly revenue, customer acquisition, conversion rates, and projected sales from offline stores. But these numbers couldn't capture the most critical ingredient of Comet's success trust, authenticity, and cultural resonance. How could the founders satisfy investors while staying true to their philosophy?

Gupta recalled an internal debate from a few weeks earlier. "Do we even try to advertise in the traditional sense?" he had asked the team. "Influencers? Ads? Billboards?" The room had fallen silent. Gen Z hated overt persuasion; the brand's ethos was anti-marketing. Dishant finally spoke up: "If we start using those tools, we risk alienating our core audience. But ignoring the broader market could slow growth. It's a delicate balance."

This was the tightrope Comet now walked: growth vs. authenticity, scarcity vs. scale, D2C intimacy vs. offline expansion, cultural storytelling vs. mass marketing, and investor expectations vs. brand philosophy. Each decision carried strategic and emotional weight, sh

aping the trajectory of the brand.

### **Market Evidence and Consumer Signals**

The Indian sneaker market presents strong empirical evidence of rapid growth and evolving consumer behavior, creating a favorable context for emerging brands such as Comet. According to a report by IMARC Group, the Indian sneaker market was valued at USD 3.98 billion in 2025 and is projected to reach USD 6.53 billion by 2034, growing at a CAGR of 5.65% . (IMARC) This growth is driven by structural factors such as increasing urbanization, rising disposable incomes, and the growing influence of athleisure, which has transformed sneakers from functional products into everyday lifestyle essentials (IMARC)

At a global level, the sneaker market further reinforces this trend, with the industry reaching USD 99.1 billion in 2025 and expected to grow to USD 159.4 billion by 2034 (IMARC) The dominance of established players such as Nike and Adidas accounting for a significant share of global revenue highlights the importance of brand equity and cultural positioning in this category (IMARC). However, the Indian market differs in its structure, where price sensitivity remains high, with nearly 68% of demand concentrated in the economic segment (IMARC). This indicates a critical gap between aspirational demand and affordability.



From a firm-level perspective, Comet's early performance reflects strong alignment with emerging market trends. Industry reports indicate that limited-edition sneaker drops in India are increasingly generating rapid sell-outs. For instance, a Comet collaboration reportedly sold 200 pairs within an hour, accompanied by physical queues and high digital engagement (IMARC). Such outcomes highlight the effectiveness of scarcity-driven strategies in stimulating demand and consumer excitement.

Consumer insights further validate this behavior. Younger consumers, particularly Gen Z, are increasingly viewing sneakers as symbols of identity and self-expression rather than purely functional goods. Market studies indicate that branded sneakers account for approximately 65% of market preference, driven by perceived quality, status signaling, and aspirational value. (IMARC) At the same time, low brand loyalty and rapidly shifting preferences among younger consumers create both opportunity and risk, requiring brands to continuously innovate and engage. (IMARC)

Digital engagement has emerged as a critical performance metric in this landscape. The rise of e-commerce platforms and direct-to-consumer channels has significantly expanded market access, with platforms such as Myntra contributing to more than 50% of active users in online fashion retail (IMARC). Social media platforms further amplify this effect by enabling user-generated content, peer validation, and real-time trend diffusion, all of which shape purchase decisions.

### Competitive Positioning Matrix

Brand Category	Example Brands	Price Level	Cultural Relevance	Accessibility	Core Strategy Focus
Global Premium	Nike, Adidas	High	Very High	Low–Medium	Heritage, celebrity endorsements
Homegrown Emerging	Comet	Medium	High	Medium	D2C, storytelling, limited drops
Local Mass Brands	Bata, Campus	Low	Low–Medium	High	Price competitiveness, distribution
Unbranded/Replica	Street Markets	Very Low	Medium (visual only)	Very High	Imitation, affordability

### Gen Z Consumer Decision Journey

Stage	Consumer Behavior	Key Trigger	Brand Opportunity
Awareness	Exposure via Instagram, influencers	Visual content	High-quality storytelling
Interest	Exploring product details, reviews	Drop announcements	Teasers, narratives
Desire	Emotional connection, peer influence	Scarcity, exclusivity	Limited-edition positioning
Purchase	Quick buying decision during drop	Urgency (FOMO)	Seamless checkout experience
Post-Purchase	Sharing on social media, peer validation	Social recognition	Community engagement, UGC

Comet was launched in 2023 as a direct-to-consumer (D2C) sneaker brand targeting India's emerging Gen Z streetwear market. From the outset, the brand differentiated itself by adopting a scarcity-driven "drop" model, releasing limited-edition sneakers in small batches. This approach helped create immediate buzz, fostered a sense of exclusivity, and enabled the brand to build a loyal online community. Leveraging platforms like Instagram, Comet utilized influencer collaborations, teaser campaigns, and countdown-based marketing to generate anticipation around each launch.



As demand for Comet sneakers surged, the company experienced significant revenue growth and increased brand visibility. Most product drops sold out within minutes, reinforcing the effectiveness of its hype-driven strategy. However, this success also exposed operational and strategic challenges. Frequent stockouts led to unmet demand and growing consumer frustration, while competitors including global players like Nike and Adidas continued to dominate through scale and accessibility.

Simultaneously, Comet began exploring growth opportunities beyond its core D2C model, including partnerships with platforms such as Myntra. These moves signalled a potential shift toward broader market reach but raised concerns about maintaining brand exclusivity.

As Comet prepared for its next phase of growth, the leadership team faced a critical decision. Should the company scale production and expand distribution channels to capture a larger market, or continue leveraging scarcity to preserve brand desirability and community appeal? Furthermore, could Comet expand into offline retail without diluting its D2C-driven intimacy?

## Strategic Analysis

### SWOT Analysis

The strategic position of Comet reflects a dynamic interplay between its internal capabilities and external market conditions.

#### Strengths:

Comet's strongest asset lies in its distinct brand identity, built around scarcity, hype, and community engagement. The limited-edition drop model enhances perceived exclusivity and drives consumer excitement. Additionally, its direct-to-consumer (D2C) model enables direct engagement with customers, access to first-party data, and greater control over branding and pricing. The brand also demonstrates agility in responding to trends, allowing it to quickly adapt designs and campaigns in line with evolving consumer preferences.

#### Weaknesses:

However, the same scarcity strategy that drives demand also limits scalability. Restricted production volumes result in lost sales opportunities and customer dissatisfaction. The brand's heavy reliance on digital channels makes it vulnerable to platform dependency and limits reach among offline consumers. Furthermore, as a relatively new entrant, Comet lacks the physical presence and brand heritage enjoyed by established competitors.

#### Opportunities:

Significant growth opportunities exist in expanding into Tier 2 and Tier 3 markets, where demand for aspirational fashion is rising. The brand can also explore offline retail formats, such as pop-up stores or experiential outlets, to enhance visibility and customer engagement. Strategic collaborations with influencers or designers can further strengthen brand equity and reach.

#### Threats:

Comet operates in a highly competitive landscape, facing global giants like Nike and Adidas, as well as emerging D2C players. Rapid scaling poses the risk of brand dilution, potentially weakening its exclusivity-driven appeal. Additionally, shifting consumer preferences and trend volatility may impact long-term relevance.

## PESTLE Analysis

### Political:

India's policy environment has been increasingly supportive of startups through initiatives such as Make in India and Startup India. These policies encourage domestic manufacturing, entrepreneurship, and innovation, creating favorable



conditions for emerging D2C brands like Comet. However, any changes in import duties on raw materials or footwear components could impact cost structures.

#### **Economic:**

Rising disposable income, particularly among urban youth, has fueled demand for lifestyle and fashion products such as sneakers. At the same time, the Indian market remains **price-sensitive**, requiring Comet to balance affordability with perceived exclusivity. Economic fluctuations or inflation could directly influence discretionary spending behavior.

#### **Social:**

Shifting consumer preferences are a key driver of Comet's success. Indian consumers, especially Gen Z, are increasingly influenced by global streetwear trends and seek products that reflect identity and self-expression. Social validation through peer groups and digital communities further amplifies the appeal of limited-edition products.

#### **Technological:**

The rapid growth of e-commerce and digital platforms has enabled Comet's D2C model. Platforms like Instagram support targeted marketing, while data analytics allows the brand to track consumer behavior, optimize campaigns, and personalize engagement. Technology thus serves as a critical enabler of both scale and intimacy.

#### **Legal:**

Operating in the digital commerce space requires compliance with evolving consumer protection laws, data privacy regulations, and e-commerce guidelines in India. Any lapses in transparency, return policies, or data handling could affect brand trust and legal standing.

#### **Environmental:**

There is growing awareness around sustainable and ethical fashion, particularly among younger consumers. While not yet central to Comet's positioning, increasing environmental consciousness may pressure the brand to adopt eco-friendly materials and transparent sourcing practices in the future.

### **Porter's Five Forces Analysis**

#### **Competitive Rivalry-High**

The sneaker and athleisure market is intensely competitive, dominated by global players such as Nike and Adidas, alongside emerging Indian D2C brands. These competitors benefit from strong brand equity, extensive distribution networks, and large marketing budgets. For Comet, differentiation through scarcity and community-driven branding becomes essential to compete, but sustaining this differentiation at scale remains a challenge.

#### **Threat of New Entrants-Moderate to High**

The rise of digital platforms has significantly lowered entry barriers in the D2C space. New brands can leverage e-commerce, social media, and contract manufacturing to enter the market with relatively low initial investment. However, building a recognizable brand and loyal customer base especially in a hype-driven category requires sustained effort, making long-term success more difficult.

#### **Bargaining Power of Buyers- High**

Consumers in the sneaker market have access to a wide variety of alternatives across price points and styles. With low switching costs and high exposure to global trends via digital platforms, buyers can easily shift between brands. While Comet's scarcity model reduces price sensitivity among loyal customers, it also risks alienating potential buyers due to limited availability.



### **Bargaining Power of Suppliers-Moderate**

Comet relies on external manufacturers and suppliers for production and raw materials. While multiple sourcing options exist, ensuring consistent quality and timely delivery especially for limited drops can be challenging. Any disruption in supply chains could directly impact product launches and brand credibility.

### **Threat of Substitutes-High**

The availability of substitutes, including casual footwear, fast-fashion brands, and unbranded options, increases competitive pressure. Consumers may prioritize comfort, price, or accessibility over exclusivity, particularly in price-sensitive segments of the Indian market.

### **Competitive Landscape**

Comet operates in a highly competitive and rapidly evolving footwear market, where multiple categories of players compete across price, design, distribution, and brand equity dimensions.

At the top tier, global giants such as Nike and Adidas dominate the market with strong brand recognition, extensive product portfolios, and well-established omnichannel distribution networks. These companies benefit from deep financial resources, celebrity endorsements, and advanced supply chains, allowing them to cater to both mass and premium segments. Their scale and consistency pose a significant competitive challenge to emerging brands like Comet.

In parallel, Indian direct-to-consumer (D2C) brands such as Neemans are gaining traction by leveraging digital platforms, sustainability narratives, and comfort-focused designs. While Neemans differentiates through eco-friendly materials and everyday usability, it competes indirectly with Comet in attracting digitally savvy consumers seeking alternatives to global brands.

Additionally, fast-fashion platforms and online marketplaces, including Myntra, intensify competition by offering a wide variety of affordable and trend-driven footwear options. These platforms provide consumers with convenience, price comparisons, and accessibility, increasing switching behavior and reducing brand loyalty.

Overall, Comet's competitive position hinges on its ability to sustain differentiation through scarcity, design, and community engagement. However, as competition intensifies across both premium and affordable segments, the brand must carefully navigate its growth strategy to avoid being overshadowed by scale-driven players or diluted in a crowded marketplace.

### **Realism & Authenticity**

The case is grounded in secondary data from credible industry publications and business news platforms, ensuring both reliability and relevance. Revenue figures and growth trends of Comet are supported by multiple sources such as Snackfax, TechStory, and Indian Retailer, which consistently report a fourfold increase in revenue from ₹7.3 crore to ₹29.1 crore in FY25. (2025 Sneaker Trends in India: A Premium Style & Market Guide, 2025)

Strategic developments, including Comet's transition from a pure D2C model to marketplace presence via Myntra, are validated through D2C Insider and BW Retail World. These sources highlight the brand's deliberate shift toward controlled scalability while maintaining brand identity.



Additionally, press releases and industry coverage provide insights into **Comet's** product strategy, target audience (Gen Z), and community-driven branding, ensuring the case reflects real-world managerial decisions rather than hypothetical assumptions

Throughout its growth journey, Comet has consistently relied on limited-edition drops, digital engagement, and a direct-to-consumer model to build its presence in India's evolving sneaker market. Each product launch has generated significant consumer interest, with rapid sell-outs and strong social media engagement reflecting the brand's growing visibility among Gen Z audiences. At the same time, increasing demand has led to frequent stockouts, while the brand has begun exploring new distribution channels, including partnerships with platforms such as Myntra.

As Comet continues to expand, multiple strategic options appear viable. The company could increase production volumes to meet rising demand, expand its presence across online marketplaces, and consider offline retail formats to enhance accessibility. Alternatively, it could maintain its current approach of limited releases and a primarily D2C model, focusing on exclusivity and controlled growth. Each option presents distinct implications for brand positioning, customer experience, and long-term scalability.

At this stage, the leadership team must evaluate the direction that best aligns with the brand's future.

**Should Comet continue leveraging scarcity-driven drops to sustain exclusivity, or scale production and distribution to capture a larger market? Additionally, can the brand expand beyond its D2C model into offline or marketplace channels without altering its core identity?**

## Reference

D2C Insider. (2026). *Comet enters online marketplaces with Myntra partnership, marking new phase in D2C growth*. Retrieved from <https://pulse.d2cinsider.com>

Indian Retailer Bureau. (2025). *Comet accelerates growth with 303% revenue jump in FY25*. Retrieved from <https://www.indianretailer.com>

Snackfax. (2025). *From ₹7.3 Cr to ₹29.1 Cr: How D2C sneaker brand Comet scaled 4X in its first full year*. Retrieved from <https://snackfax.com>

TechStory. (2025). *Comet sneakers sprints ahead in FY25 with 4X revenue growth*. Retrieved from <https://techstory.in>

BW Retail World. (2026). *Sneaker brand Comet makes e-commerce debut on Myntra*. Retrieved from <https://bwretailworld.com>

ANI. (2026). *Culture-led sneaker brand Comet makes its e-commerce debut on Myntra*. Retrieved from <https://theprint.in>

Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson Education.

Porter, M. E. (2008). *The five competitive forces that shape strategy*. Harvard Business Review, 86(1), 78–93.

Grovey, G., & Garza, D. (2023). Exploring the Sneakerhead Culture, Expression, Buying Behavior, and a Billion-Dollar Industry: A Theoretical Literature Review. *SCIENTIA MORALITAS CONFERENCE PROCEEDINGS*.

Patel, A., & Mehta, A. (2021, April). Gen Z reshaping the Streetwear Sneaker Market. *GLS Kalp*, 1(2), 52-56.



Ahire, A. (2023, september ). Retrieved from Mid-Day: [https://www.mid-day.com/lifestyle/fashion/article/why-sneaker-culture-in-india-has-taken-gen-z-and-millennials-by-storm-23311211?utm\\_source=chatgpt.com#google\\_vignette](https://www.mid-day.com/lifestyle/fashion/article/why-sneaker-culture-in-india-has-taken-gen-z-and-millennials-by-storm-23311211?utm_source=chatgpt.com#google_vignette)

Chatterjee, A. (2026). *Homegrown brands sneak in larger share amid rising craze and demand*. Bengaluru: Business Standard .

*wearcomet*. (2023). Retrieved from [https://www.wearcomet.com/pages/about-us?utm\\_source=chatgpt.com](https://www.wearcomet.com/pages/about-us?utm_source=chatgpt.com)

Crossley, I. (2024, September 4). *fashionnetwork*. Retrieved from <https://in.fashionnetwork.com/news/Comet-holds-limited-edition-launch-for-tarantula-sneakers-,1660450.html>

Swami, J. (2026, Feb 6). Culture-led sneaker brand Comet makes its e-commerce Debut on Myntra.

Chatterjee, A. (2026, March 12). Homegrown brands sneak in larger share amid rising craze and demand. Bengaluru, India .

2025 Sneaker Trends in India: A Premium Style & Market Guide. (2025).

IMARC. (n.d.). *India Sneaker Market Size, Share, Trends and Forecast by Product Type, Category, Price Point, Distribution Channel, End User, and Region, 2026-2034*. Imarc.

## Teaching notes

### Case Overview

This case examines the growth journey of Comet, a D2C footwear startup leveraging scarcity-driven marketing and digital engagement to build a strong Gen Z-focused brand. The case highlights two key strategic dilemmas:

- **Scarcity vs Scalability**
- **D2C Intimacy vs Offline Expansion**

Students are required to evaluate growth strategies while balancing brand equity, consumer psychology, and channel expansion.



## Learning Objectives

After analyzing this case, students should be able to:

1. Understand the role of scarcity and FOMO in consumer behavior
2. Evaluate D2C vs omnichannel strategies
3. Apply frameworks like SWOT, STP, and 4Ps
4. Analyze trade-offs between brand equity and growth
5. Develop strategic recommendations under uncertainty

## Target Audience

- MBA / PGDM students (Marketing specialization)
- Advanced undergraduate (BBA)
- Executive education (Digital Marketing / Strategy)

## Teaching Plan

Time	Activity
10 min	Introduction
20 min	Problem identification
30 min	Group discussion (framework application)
20 min	Strategy formulation
10 min	Wrap-up

## Discussion Questions

1. What factors contributed to Comet's rapid growth?
2. How does scarcity marketing influence consumer behavior in this case?
3. What are the advantages and risks of scaling production?
4. Should Comet expand into offline retail or marketplaces like Myntra?
5. How can Comet balance exclusivity with growth?

## Analysis and Suggested Answers

The success of Comet can be understood through a combination of sharp market targeting, digital-native branding, and behavioral marketing strategy. A primary driver has been the company's strong focus on Gen Z and young millennial urban consumers, a segment that places significant importance on identity expression, trend alignment, and social validation. This cohort is highly active on digital platforms and often views fashion products not merely as functional purchases but as symbols of lifestyle and belonging. By designing its communication and visual storytelling around streetwear culture, exclusivity, and community participation, Comet has successfully created an aspirational brand image.

A second major factor is its highly effective use of Instagram and other digital touchpoints. The brand's promotional strategy integrates teaser content, influencer collaborations, product reveal videos, and countdown-led launch communication. These tactics are not only promotional tools but mechanisms to build anticipation and emotional involvement. In terms of consumer behavior, this aligns with the AIDA model, where attention is captured through visually



compelling campaigns, interest is sustained via storytelling and influencer credibility, desire is strengthened through scarcity signals, and action is triggered by time-sensitive drops.

The case's central strategic issue lies in the tension between scarcity and scalability. Scarcity has been a powerful branding mechanism. Limited-edition drops create urgency, reinforce exclusivity, and increase perceived value. Consumers often associate hard-to-obtain products with higher prestige, making ownership a marker of status within peer networks. This contributes directly to brand equity through stronger associations, loyalty, and social desirability. However, from a managerial perspective, over-reliance on scarcity may constrain growth. Repeated stockouts can lead to lost sales opportunities, consumer frustration, and potential migration to competing brands.

Scalability, in contrast, offers the possibility of higher revenue, broader market penetration, and improved accessibility. Expanding product availability can help the brand reach emerging markets, particularly Tier 2 and Tier 3 cities, where demand for aspirational fashion is growing. However, excessive scaling may weaken the exclusivity that currently differentiates Comet. Therefore, a hybrid strategic model may be the most viable solution. The company could continue using limited-edition drops for premium collections while simultaneously introducing an evergreen core line that remains continuously available. This would allow the brand to preserve hype while ensuring consistent revenue streams.

Another key issue concerns D2C intimacy versus offline expansion. The D2C model gives Comet direct access to customer data, enabling personalized engagement, demand forecasting, and stronger relationship management. It also ensures higher profit margins and tighter control over brand communication. However, offline channels offer strategic advantages such as broader reach, trust-building, tactile product experience, and visibility among consumers who may prefer physical trials before purchase. A phased omnichannel approach such as pop-up stores, temporary experience centers, or partnerships with selective premium retailers may allow Comet to test offline demand without immediately diluting its D2C-first identity.

From an STP perspective, the brand segments the market based on age, lifestyle, and psychographic variables, targets digitally active urban youth, and positions itself as an affordable premium sneaker brand that combines exclusivity with cultural relevance. Its promotional strategy further reinforces this positioning through scarcity messaging, social proof, and community-led digital engagement.

## Teaching Strategy

The case is best delivered through a participative and discussion-oriented teaching approach that encourages strategic thinking and application of marketing frameworks. The session may begin with a group discussion in which students identify the central dilemma faced by Comet whether to preserve scarcity-driven exclusivity or pursue scalable growth through wider distribution. Students can be divided into small groups and asked to evaluate the implications of each option using frameworks such as SWOT, STP, and Porter's Five Forces.

To deepen engagement, the instructor may introduce a role-play exercise based on a "Founder vs Investor" debate. In this activity, one group assumes the perspective of the founding team focused on brand identity, exclusivity, and long-term equity, while another group represents investors emphasizing revenue growth, scalability, and channel expansion. This approach helps students appreciate how strategic decisions often involve conflicting priorities among stakeholders.

The use of data interpretation through exhibits such as revenue growth graphs, drop performance tables, and consumer sentiment summaries can further strengthen analytical learning. Students should be encouraged to interpret quantitative evidence and relate it to qualitative strategic choices.

## Blackboard Plan

Problem	Analysis	Options	Recommendation
Scarcity vs Scale	SWOT, STP, 4Ps	D2C / Offline / Hybrid	Strategic justification



Begin by writing the **core problem statement**, followed by framework-based analysis. Alternative strategies can then be listed and debated before students arrive at a recommended course of action.

### Epilogue

Discuss the brand's expansion into Myntra as an example of early omnichannel experimentation. This can lead to discussion on the future of hybrid retail strategies, including selective offline stores, experience-led pop-ups, and marketplace partnerships. Potential collaborations with influencers, designers, and lifestyle brands may also be explored as future growth pathways.

### Assessment Rubric (Out of 20 Marks)

Criteria	Marks
Problem Identification	5
Application of Analytical Frameworks	5
Strategic Thinking and Recommendation	5
Participation and Contribution	5