


Chapter 9


Nykaa's Strategy for Engaging Generation Z: Driving Growth Through Innovation, Omnichannel, Influencer Marketing, and Customer Focus

A. B. Mishra

 <https://orcid.org/0000-0003-4429-4058>

International Institute of Management Studies, Pune, India

Prashant Kumar Darshi

 <https://orcid.org/0009-0001-0730-3536>

International Institute of Management Studies, Pune, India

ABSTRACT

Nykaa has successfully established itself as leading beauty and lifestyle retailer by adopting innovative strategies tailored to Generation Z by its digital nativity and demand for authenticity. The company's hybrid inventory model ensures a wide selection of authentic and trending products while leveraging data analytics for personalized experiences. Nykaa's omnichannel strategy integrates seamless online and offline shopping, offering accessibility and convenience. Through influencer marketing, the brand engages Gen Z with relatable, authentic campaigns and a strong social media presence. Additionally, its customer-centric approach, including community engagement and a focus on sustainability, aligns with Gen Z's values and preferences. This combination of innovation, technology, and customer focus has driven Nykaa's growth and solidified its appeal among young, discerning consumers. This case study examines how Nykaa increased customer satisfaction,

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enhanced operational efficiency, and saw notable growth by utilising a unique combination of inventory models.

INTRODUCTION

Falguni Nayar founded Nykaa, an Indian e-commerce company, in 2012. The platform offers a diverse range of products across fashion, wellness, and beauty categories, featuring an extensive selection from both international and Indian brands, including skincare, haircare, fragrances, and c Nykaa operates both online and through physical stores across India.(A. B. Mishra & Dodke, 2024) As a leading player in the Indian beauty and fashion industry, Nykaa is known for its broad product assortment, exclusive brand collaborations, and strong online presence. It enhances the shopping experience by providing tutorials, virtual makeover tools, and beauty advice. The company's success has led to its listing on Indian stock exchanges.(A. B. Mishra, 2020) Nykaa's success is attributed to its extensive product range, strategic business model, and commitment to customer satisfaction.(Rao, 2016) With its focus on quality, innovation, and customer engagement, Nykaa has firmly established itself as a significant force in the Indian beauty and fashion market. A strategic inventory model distinguishes itself by putting the interests of the client first and leveraging technology integration to boost operational effectiveness. (Chillakuri, 2020) Scalability and sustainability are highly valued in this strategy, which enables the business to grow and change while maintaining a competitive edge.(A. B. Mishra & Singh, 2024) By focusing on a customer-centric strategy, businesses can improve overall performance, optimise inventories, and better serve demand. Through process optimisation, waste reduction, and improved flexibility in response to market changes, technology integration ultimately provides a significant competitive edge and fosters long-term expansion. We examine the tactical choices and creative approaches that have contributed to Nykaa's success in this case study. Analysing the impact of their inventory strategy shows how Nykaa has become a market leader by navigating the complexities of the e-commerce sector. This inquiry provides valuable perspectives for other online retailers seeking to enhance inventory control and spur growth.

PROBLEM STATEMENT

Generation Z, a digitally native and value-driven demographic, demands convenience, authenticity, and personalization from brands. Capturing their attention and loyalty requires innovative approaches that resonate with their unique pref-

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