

Case Study: Nykaa

Nykaa was founded in 2012 by Falguni Nayar, a former managing director at Kotak Mahindra Capital Company. It was launched as an ecommerce portal selling a wide range beauty and wellness products from different brands.

In 2015, the company expanded from online-only to an omnichannel model and began selling fashion products. It has an offline presence via 68 brick-and-mortar stores across the country.

Major Digital Marketing Strategies adopted by Nykaa:-

- i. E-Commerce: Products of about 1000 brands are sold through the website which is having a monthly traffic of about 17 million. Attractive discounts are offered on various products at the website.
- ii. Content Marketing: It has established a good team for its content strategy. They keep their audience engaged using content marketing.
- iii. YouTube Channel: Nykaa runs its own YouTube Channel “Nykaa TV” to provide the best video guidance for using cosmetics and fashion products and remain aware of the latest trends in the society. They have all lists of “how-to-do” videos to give knowledge to their customers on various make-up tutorials and usage of products. YouTube channel has around 50K subscribers.
- iv. Social Media: It has acquired its strong social presence and uses various social media platforms for its lead generation. It has a 1.4 million fan following. They have also integrated “Shop Now” option on Facebook that redirects the users directly to their web page to purchase the products. It has large number of followers on Instagram and other social media platforms.
- v. Chatbot: Engaged with its customers using Chatbot. Achieved 1.6 million unique conversations in first 30 days of using a Chatbot.

Results achieved: Revenue of Nykaa was Rs.220 crores 2015-16, Rs.570 Crore in 2017-18 and approximately Rs.1200 crore in 2018-19.

Questions :-

- a) Considering that the founder of Nykaa had taken a SOSTAC approach, map the actions taken at Nykaa with the components of SOSTAC. 15
- b) What strategies would you recommend to management team of Nykaa to sustain the growth keeping in mind Covid-19 situation. 15