

“WOMEN MUST HAVE THE RIGHT TO ALSO DREAM equally, not just be born equally,” Indian entrepreneur Falguni Nayar told me recently. As the billionaire founder and CEO of popular e-commerce beauty and personal care business Nykaa, Nayar is a living example of that ideal. First she built a successful career in banking and finance. Then she founded her own company in 2012. The Mumbai-based Nykaa recently went public and has a current market cap of about \$6 billion.

I had the opportunity to work with Nayar during the company’s preparations for its IPO in 2021. When I spoke with her again in August of 2023, we talked about the success she’s achieved and her sense of purpose behind the business.

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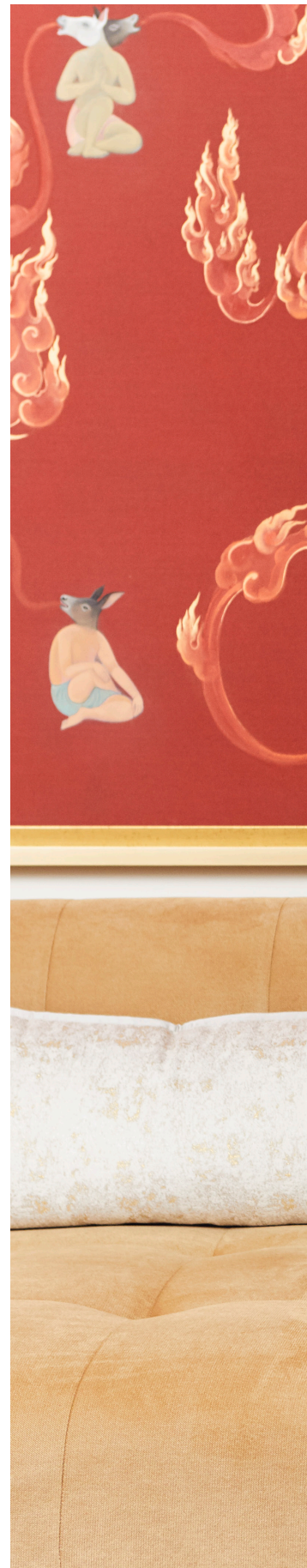
Nayar is a role model for a new generation of Indian women who aspire to run ventures. But she also serves as a reminder of the low participation of women in India’s growing economy, even as employees. India’s female participation in the workforce is the lowest among South Asian economies. Reversing this is seen by experts as a way of accelerating both economic growth and gender equity. Today at Nykaa, the ratio of employees for men and women is almost even, with women accounting for 43% of the entire workforce.

“We are a young company, and it shows in our mindset and in the way we engage with our consumers,” Nayar says. “We believe in the power of influencers, and we believe in the virality of communication. We have a team called the Nykaa army that is educating and interacting with our audiences through social media every day.”

Harshbeena Zaveri, the Managing Director of another Mumbai business, automotive component manufacturer NRB Bearings, appreciates the significance of success such as Nayar’s.

“While corporations in India today increasingly see leadership from a range of diverse communities and also factor in gender equality,” she says, “the reality is that

FALGUNI NAYAR created a multibillion-dollar beauty e-commerce market in India through her own brand and online platform. She talks to Brunswick’s **PAVAN LALL**.



PHOTOGRAPH: COURTESY OF NYKAA



there's a fine line between establishing women in leadership just to check a box as opposed to recognizing that the women thus selected are for reasons of natural ascendancy." It is important to see women like Nayar in traditional male leadership roles, as entrepreneurs and CEOs in fields such as finance, banking, science and engineering, Zaveri says.

Nayar started her career in consulting with A.F. Ferguson & Co. before spending 18 years at Kotak Mahindra Bank, where she became the Managing Director of its Investment Bank and Director of its institutional equities division. Since founding Nykaa, she has received many awards including *The Economic Times* Businesswoman of the Year and Ernst and Young's Entrepreneur of the Year, both in 2019. Nayar is on the boards of several other companies as well, including Kotak Mahindra Bank, Indian consumer goods manufacturer Dabur and the National Council of Applied Research.

It was her familiarity with risk, from her investment background, that led her to finally take the leap out of banking to start her own business.

"Entrepreneurship to me is taking risks and especially doing so when the path is not very clear," she says. "If you want to be in a business that you can go into with a 100% foolproof plan, then that is most likely a sector where there are a lot of players and therefore no first-mover advantage."

Such logic formed the basis of her choice of internet beauty sales. Nayar was aware that the active market was huge globally but tiny in India, representing real potential. She reckoned she could create the scale needed to unlock that potential.

"I wanted to create a space and carve out a niche before large conglomerates entered, which by the way is exactly what happened later," she says. "It's easy to scale in Dubai or Singapore but in a country as diverse as India it's a different ballgame. We presently service more than 27,000 zip codes across India, potentially reaching over 98% of the market."

Nykaa, barely a dozen years old, has created a baseline for an entire market that barely existed before in the country. That success has also helped make Nayar a billionaire, one of Forbes' Top 10 Richest Women of India.

Competition in the space is growing. Nykaa is a now listed firm, with all the market pressures that being public brings. But Nayar feels ready for whatever challenges come. She has always embraced complexity, bringing that to bear in the company's online presence, which she calls education-led and very open-ended. Nykaa has more than 10 websites, four apps, over 20 different Instagram handles and more.

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PAVAN LALL is an author and former journalist with Fortune India. He led communications and public relations for Nykaa ahead of its listing in 2021. He is now a Director with Brunswick in Mumbai.

"We were very comfortable with customers visiting our platforms and not buying but just learning," she says. "Some customers would visit 40 to 50 times a month but not buy more than three or four times. We get 1.4 billion visits from 40 million unique visitors and last quarter our social media reach was close to a billion."

The rise in beauty consumption in India is expected to accelerate dramatically, as per capita incomes climb. The average Indian consumer spends online about \$15 on beauty products annually, but in more developed markets, that figure is around \$200 a year. Nykaa customers average around \$80 annually. At the top end, Nayar says, her customers are no different from the "California consumer."

Part of the brand's popular appeal is its promotion of inclusivity, a tendency that Nayar sees as helping to break down barriers in the culture.

"I was the proudest when three male employees from Nykaa went to one of our brand partners' offices and were trying lipstick swatches on their skin and their team asked if we didn't have women associates who could do that. When men are willing to try color swatches, in a way it breaks gender stereotypes," Nayar says. A Nykaa video in 2019 focused on women of color, in an industry long criticized for focusing its marketing on light-skinned women.

Nykaa is also a broader platform for the growth for other beauty brands. "We created and built the market," she says. "And today there are a ton of new vibrant D2C [direct-to-consumer] brands, who retail on our platform and grow to a point that they feel confident to even want to go international."

While her own brand is known widely, the actual business still has room to grow, Nayar says. But she also sees potential beyond profit. Her role models include Kotak Mahindra Bank founder Uday Kotak whom she had seen build a business from scratch, and Deepak Parekh of HDFC, who created the bedrock of housing finance in India today and exemplifies corporate governance built over the long term.

"I wasn't as interested in just making a quick buck as opposed to building a brand that would outlive me," she says.

In her spare time, Nayar enjoys leisure travel. She recalls how she went trekking one season a few hours outside the rugged landscapes of Manali in Northern India. There, she ran into a bunch of local teenage girls running roadside teashops. They were all wearing lipstick. They had all heard of Nykaa. "None of them were Nykaa customers ... yet," Nayar says.

"Ultimately women must be bold, believe in themselves and dream big." ♦