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The Integration of Omnichannel Logistics in Retail: A Case Study of Nykaa

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ABSTRACT: This research paper looks at how Nykaa, a top Indian omnichannel retailer, uses automation, AI, and new logistics ideas to connect its online and offline supply chains. Nykaa has turned its stores into micro-fulfillment centers by making smart investments in AI robotics and route optimization. This has sped up deliveries, improved inventory accuracy, and lowered the company's carbon footprint. Nykaa's logistics experts provided primary data, and quantitative methods like descriptive statistics and SWARA were used to find the main problems and solutions for putting the plan into action. The results show that Nykaa is a leader in omnichannel retail logistics and give other retailers a plan for going digital.

I. INTRODUCTION

In India's fast-changing digital economy, omnichannel logistics has become a must-have for retailers. Nykaa started out as an online store for beauty and wellness products, but it has now become an omnichannel business by combining its physical stores with its digital operations. This lets customers order online and pick up their items in stores (BOPIS), return items through different channels, and get their orders faster. Nykaa has set the standard for integrating retail logistics by using AI-powered tools, automating warehouses, and keeping track of inventory in real time. This study looks at how well these new ideas work and what problems come up when trying to use omnichannel logistics on a large scale.

II. LITERATURE REVIEW

1. Integration of omnichannel logistics
According to Kamble et al. (2018), combining online and offline supply chains makes deliveries faster, lowers costs, and makes customers happier. Nykaa is following this trend by connecting its inventory systems and turning its physical stores into hybrid delivery hubs.
2. Technology in the logistics of retail
AI, robotics, and software as a service (SaaS) are important tools for automating logistics. The \$520 million AI partnership and the company's own route optimization tool have made last-mile delivery much better.
3. Problems with Implementation Studies show that high implementation costs, complicated integration, and worries about data privacy are some of the problems (Sony & Naik, 2020). These are in line with what Nykaa's internal departments found, and they were looked at using the Likert and SWARA methods.

III. RESEARCH METHODOLOGY

A. Research Approach

The investigation employed a descriptive-analytical research approach to evaluate Nykaa's logistics strategy and measure perceived obstacles.

B. Data Gathering

- Primary Data: Structured surveys were distributed among 30 Nykaa employees working in logistics, warehousing, sustainability, and IT departments.
- Secondary Data: This included Nykaa's official documents, industry publications (ET Retail, YourStory), and resources such as Statista and IBEF.

C. sampling Method

Purposive sampling was utilized to ensure that the sample included professionals who are actively engaged in supply chain transformation.

D. Analytical Tools

Descriptive statistics (mean, standard deviation, mode) were employed to assess survey answers. SWARA (Step-wise Weight Assessment Ratio Analysis) was used to prioritize logistics barriers

IV. DISCUSSION OF FINDINGS**Top Identified Barriers**

- Complexity of Integration (Mean = 4.30): This is the primary obstacle, highlighting the challenges in synchronizing legacy systems across various platforms.
- Elevated Implementation Expenses (Mean = 4.15): Considerable investment is needed for AI integration, enhancements in warehousing, and employee training.
- Data Protection Risks (Mean = 4.00): Consolidated databases pose security weaknesses that necessitate strong cybersecurity measures.

Financial Effects (Time Series Analysis):

- GMV increased by 28%
- PAT rose by 90%

This indicates that, despite the costs associated with implementation, omnichannel logistics resulted in significant operational and financial improvements.

V. STRATEGIC RECOMMENDATIONS

1. Gradual Investment: Focus on areas with high demand to alleviate financial pressure.
2. Utilize Current Locations: Transform retail stores into fulfillment centers to lessen reliance on warehouses.
3. Employee Development: Enhance the skills of staff to increase adaptability and boost digital proficiency.
4. Technology Collaborations: Partner with logistics technology companies to create scalable systems.

VI. CONCLUSION

Nykaa's transition to an omnichannel logistics model illustrates how leveraging technology, careful planning, and infrastructure integration can optimize supply chain efficiency. The incorporation of AI, real-time analytics, and mixed fulfillment strategies has enhanced customer experience, lowered environmental impact, and positioned Nykaa as a leader in retail. Although challenges such as integration complexity and expenses exist, they can be mitigated through gradual implementation and digital investment. Nykaa serves as a model for retailers adapting to the omnichannel landscape.

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