A Study on Analyzing Customer Feedbacsk of NYKAA

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ABSTRACT: The cosmetics industry is one of the major industries that have attracted many players due to its rapid growth. The cosmetics industry plays an important role in developing the country's economy. This study is being taken up to better understand the contribution of the beauty industry to the development of the country and to evaluate the strategies of these companies. Nykaa is one of the leading companies in the cosmetics industry. It offers various products of different brands on one platform. Its setup by Falguni Nayar in 2012. She anticipated the huge opportunity in online trading in the coming years and converted that opportunity into a big vision. Her decision was not wrong it turned into building a large-scale business. By operating multinational, it attracts customers from various regions. Initially, it started the business by offering beauty products later on diversified with fashion, skincare, luxury products. This study is conducted to evaluate the strategies NYKAA to be one of the top companies in E-Commerce.

KEYWORDS: Company analysis, Nykaa, Indian E-commerce Company, SWOC analysis,

INTRODUCTION

NYKAA is an Indian originating company operating multinational. It is one of the top companies in beauty industry in the country. The former MD of Kotak Mahindra Capital Co. Falguni Nayar established NYKAA in the year2012 at Mumbai . It offers various ranges of products ranging from cosmetics, fashion, lingerie, apparel and many more on both men and women sections . The company transitioned from an online-only to an Omnichannel approach in 2015 and began selling products besides beauty. Nykaa word is derived from "NAYAK" Sanskrit word it means one in the spotlight . It has millions of satisfied customers across the country. Always keep up to date on the fashion and educate customers on it. It offers multiband products covering one thousand cities in India. It has around 76 offline stores across the country. Nykaa can be accessed either through websites or through mobile applications. The business is valued at Rs.85 billion with revenue of 1860 crore at the end of 2020. Around 5500000 people visit the Nykaa websites from word wide in a month, per minute they sell 104 products, 72% of loyal customers repeat purchase within a month, per minute they sell 30 beauty products.

Behind-the-screen - A successful entrepreneur

Falguni Nayar, the founder of Nykaa graduated from IIM Ahmedabad, India. Before founding her own business, she served Kotak Mahindra Capital Co for around 18 years. She always had a dream of own-start up and noticed the opportunity in the field of cosmetics industry. This led her to start her own company with the help of her husband Sanjay Nayar and Daughter Adwaita Nayar. Falguni Nayar believes that not only men can take risks, is a wrong perception we woman can. Addressing youth, she opines that being an entrepreneur is not an easy job, it's a roller-coaster, but if she or he is stronger from inside, he/she can enjoy it. She adds taught of "When you can constantly focus on a single goal, your achievement reaches their theoretical limit." To quickly succeed with her start up her knowledge in the field of investment banking helped a lot. She believes that e-commerce has a huge untapped potential in India.

- OPERATIONS AND SERVICES

Nykaa follows an inventory-based model with ware houses in Mumbai, New Delhi, Pune, Haryana, Kolkata and Bangalore. In 2020, in addition to its primary ecommerce business, it has an offline

presence via 76 brick-and-mortar stores across the country. It claims to have over 200,000 products across 2,000 brands.

It has three offline store formats called Nykaa Luxe, Nykaa On Trend and Nykaa beauty Kiosks. The Luxe format features international luxury beauty brands such as Huda Beauty, MAC, Dior, and Givenchy along with Nykaa Beauty, the in-house collection of beauty products. The Nykaa On Trend format has products curated by category basis their popularity. In India, Nykaa is the only retailer that sells international brands like e.l.f, Charlotte Tilbury, Tonymoly, Becca, Sigma, Limecrime, Dermalogica, and Murad as well as national bestsellers like Soulflower, Lakme, plum.

- House of brands

Nykaa has a series of in-house brands within beauty and fashion. Some of them include
Nykaa House of Brands – Nykaa Naturals, Nykaa Cosmetics, Kay Beauty
Nykaa Fashion – Nykd by Nykaa, 20 Dresses, RSVP, Mondano, Likha, Pipa Bella
In 2015, Nykaa launched its collection of in-house beauty products via Nykaa ,Cosmetics and later expanded it across categories of Eyes, Nails, Face, Lips. The Nykaa Naturals portfolio is a collection of skincare and personal care products. In early 2019, the brand launched its Wanderlust Bath & Body collection, and later in the year introduced a beauty line with designer Masaba Gupta, Masaba by Nykaa. The same year, it launched its first celebrity partnership brand, Kay Beauty, with actress Katrina Kaif.

- Acquisitions

In May 2019, Nykaa acquired 20Dresses.com, a private women's styling platform. In 2021, Nykaa Fashion acquired the India fashion jewellery brand, Pipa Bella, and the Indian skincare brand, Dot & Key. In 2022, Nykaa acquired an 18.51% stake in Indian skincare brand Earth Rhythm. It then completed the 100% acquisition of lifestyle content platform Little Black Book (LBB)

LITERATURE REVIEW

The literature review highlights the importance of consumer perception on buying Nykaa products in the beauty and wellness industry. Factors such as brand image, product quality, marketing strategies, and user experience significantly influence consumer attitudes and purchasing decisions. Understanding consumer perceptions and preferences can help Nykaa optimize its marketing strategies, product offerings, and customer engagement to meet the evolving needs and expectations of its target audience.

1. Consumer Perception and Attitudes in the Beauty Industry: Various studies have highlighted the significance of consumer perception and attitudes in shaping buying behavior. Research by Ghasemi et al. (2019) emphasizes that consumers' beliefs, opinions, and emotions towards a brand influence their willingness to purchase products. Positive perceptions are often associated with perceived quality, trustworthiness, and brand image.

2. Brand Image and Reputation: The brand image and reputation of Nykaa are essential factors that influence consumer perception. Studies by Kim et al. (2017) and Suher and Suher (2019) reveal that consumers are more likely to buy products from brands with a positive reputation and a strong brand image. Nykaa's reputation for offering a wide range of high-quality beauty products, curated collections, and collaborations with popular brands and influencers can positively influence consumer perception and purchase decisions.

3. Product Quality and Innovation: Product quality and innovation significantly impact consumer perception in the beauty industry. Research by Jokanović and Naumović (2018) suggests that consumers perceive high-quality products as more valuable and are more willing to purchase them. Nykaa's focus on offering innovative beauty products, unique formulations, and staying up-to-date with beauty trends can enhance consumer perception and attract customers seeking new and distinctive products.

4. Marketing Strategies and Communication: Effective marketing strategies play a vital role in shaping consumer perception. Studies by Yoo and Kim (2016) and Kucharska (2020) highlight the importance of marketing communications, such as advertising, social media engagement, and influencer collaborations, in influencing consumer attitudes and preferences.

OBJECTIVES

- To study social media branding of Nykaa products.
- To analyze the effect of media communication on buying behavior with respect to Nykaa.
- To check the feasibility of the use of social media marketing of Nykaa products.
- To study various factors contributing to consumers' purchases on the social media platform.
- Nykaa's objectives may include expanding its market reach in India as well as international markets
- Nykaa aims to leverage technology for personalization, data analytics, and improving the overall shopping experience.
- Nykaa set objectives related to sustainability like eco-friendly packaging, promoting sustainable beauty products, and reducing the company's environmental footprint.
- Nykaa aims for financial growth and profitability

SCOPE

The study focused on how social media marketing influences consumer buying behavior for Nykaa products. This study is being taken up to better understand the contribution of the beauty industry to the development of the country and to evaluate the strategies of these companies with the help of social media marketing.

SWOC ANALYSIS

Strenghts:

- Having diverse product offerings on both its online and offline storefro
- Having diverse product offerings on both its online and offline storefronts to avoid customers switching brands due to a lack of inventory.
- They are leaders in maintaining appropriate inventory for order fulfillment, because of their inventory model.
- Able to convert many social media users into potential clients through regular online advertising.
- Nykaa is continually expanding its product line, which now includes everything from cosmetics to clothes, health and safety, infant care, and accessories.
- It continues to innovate its product line and offerings to capture customers' attention and compete in today's fast-paced business environment.

Weakness:

- It offers free delivery on orders over Rs. 700, which disqualifies some
- It offers free delivery on orders over Rs. 700, which disqualifies some potential purchasers.
- They are still not doing a good job of resolving client concerns, which stifle their business's growth.
- Nykaa charges a flat fee of Rs. 100 on all orders under Rs. 1000, which is
- Nykaa charges a flat fee of Rs. 100 on all orders under Rs. 1000, which is high and prevents online shoppers from purchasing a low-cost item.
- They underinvest in R&D, which limits their ability to compete.

Opportunities:

- Nykaa's business approach is the scaling new heights in terms of global reach and profit.
- The corporation is continually incorporating innovations into its business operations as new technology advances.
- Shift from offline to online buying is a big advantage for Nykaa.

Challenges:

- Increase in the number of competitors.
- Limitations put by the government on business activities. Customers' spending levels have decreased, decreasing revenue.

RESEARCH METHODOLOGY

PRIMARY DATA

This implies the data collected by different techniques like questionnaire, depth interview, survey, etc. Primary data are collected by the investigator for the first time and thus depicts originality. In this study, the data is collected through surveys, observations, and personal interviews.

SECONDARY DATA

Secondary data is research data that has previously been gathered and can be accessed by researchers. The term contrasts with primary data, which is data collected directly from its source. Secondary data is used to increase the sampling size of research studies and is also chosen for the efficiency and speed that comes with using an already existing resource. Secondary data facilitates large research projects, in which . many research groups working in tandem collect secondary data. The main researcher is then allowed to focus on primary research or areas of interest. This division of labour helps researchers learn more in less time. Common sources of existing secondary data include data collected from internet and research books.

TECHNIQUE OF THE ANALYSIS

- Percentage Analysis
- Likert scale
- Average Rank Analysis

The data collection would be:

- PRIMARY DATA: Questionnaire
- SECONDARY DATA: Journals, Internet, newspaper etc

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