Nykaa: Product Dissection

Overview:

Nykaa is a leading e-commerce company headquartered in Mumbai, India. It specializes in selling beauty, wellness, and fashion products. As of 2024, the platform offers over 6,250 brands and 1,200,000 products available through its website, mobile app, and 150+ multi-brand retail stores. In 2020, Nykaa became India's first unicorn startup led by a woman. Founded back in 2012 by Falguni Nayar, Nykaa transitioned from an online-only store to an omnichannel business model by 2015. This allowed the company to expand its product portfolio beyond beauty products. The website initially launched in November 2012 and has been commercially available since 2013. As of 2022-23's annual report, Nykaa has a Gross Merchandise Value (GMV) of INR 97,433 million, witnessing a +41% growth compared to the previous year.

Real-World Problems Solved by Nykaa:

Nykaa has harnessed a D2C business model to bridge the gap between manufacturers and beauty shopping enthusiasts. As a result, a wide & authentic assortment of the finest beauty and fashion products across established local & global brands are offered to its customers at competitive pricing. Nykaa is the first D2C beauty retailer in India with an omnichannel presence. In addition to its website & application, it retails products across 150+ brick-and-mortar stores which include Nykaa Luxe stores, Nykaa On Trend, and Nykaa Kiosks.

The traditional beauty industry of India lacked omnipresence, this challenged a consumer's accessibility of her desired beauty/cosmetic products to choose from. Nykaa's integration with direct manufacturers and collaborations with leading international brands enables it to procure high-quality products without middlemen intervention. Such an innovative

approach of abridging Manufacturers to customers, via an inventory-based business model allows it cut costs significantly, thereby serve its offering at a competitive pricing. Since its initiation in 2012, Nykaa leveraged the wave of e-commerce popularity. In the wake of the booming digitalization era, it decided to serve customers, via its online presence (Nykaa's website). This was a gamechanger move, as it resonated with the needs of its convenience-seeking shopper, for whom acquiring a product is just a click away. Nykaa, offers a wide range of established national brands, international brands, luxury brands, and emerging labels and designers; to choose from. Targeting the niche segment of passionate Young middle-class and upper-middle class females, who aspires to be bold and beautiful. Moreover, Nykaa has collaborated with beauty and fashion influencers to promote their products, resulting in increased brand visibility and appeal to younger, socially connected customers. With a commitment to innovation, be it new product launches, app updates, and AR technology for virtual try-ons, keeps it ahead in the beauty industry. By personalizing the beauty-shopping experience, Nykaa provides a seamless user experience, empowering customers to feel satisfied, inspired and confident.

Thus, to conclude, Nykaa's innovative approach to personalized beauty products has set it apart from other players in the industry. It has garnered significant attention and appreciation from customers, particularly those residing in Tier-2 cities. By providing education, the platform empowers customers to make informed decisions about their beauty needs, thereby reducing their dependence on external sources. In doing so, Nykaa has established itself as a reliable, customer-centric platform that prioritizes personalized service over mere product offerings. Harnessing disruptive technologies and a focused marketing strategy, have enabled Nykaa to become India's leading beauty retailer.

How did Nykaa revolutionize the Indian Beauty Industry?

Problem 1: How does Nykaa's D2C model disintermediates to make products accessible at competitive pricing?

Challenge: An urban Indian woman who aspires to enhance her beauty and achieve her limitless potential faces challenges in acquiring the desired beauty products from both local and global brands. Traditional retail stores often lack variety and offer products at Maximum Retail Price without any discounts. Furthermore, acquiring authentic products at competitive prices is a challenge, leaving consumers to endure the constraints of traditional retail shopping.

Solution: Nykaa's adoption of the Direct-to-Consumer (D2C) model addresses the issue of intermediation by establishing a direct link between the manufacturers of beauty products and the end-users. This strategy resolves the inefficiencies traditionally associated with middlemen (longer procurement time & higher costs), streamlining the supply chain to enhance consumer access to authentic, high-quality products. Disintermediation helps Nykaa procure products directly from the manufacturer, at a lower

cost. This eliminates middlemen's margin, allowing Nykaa to offer products to its customers at a lower price.

Problem 2: How did Nykaa leverage influencer marketing to increase brand awareness and reach a larger audience?

Challenge: In today's competitive e-commerce landscape, beauty retailers like Nykaa face challenges in building brand awareness and reaching their niche audience. The main issue is creating brand visibility in a highly saturated market and engaging with the niche segments using appropriate positioning strategies. As young, urban females increasingly engage with digital platforms, brands must leverage these effectively to foster recognition and loyalty while ensuring a consistent and personalized customer experience.

Solution: Nykaa strategically leverages influencer marketing to enhance brand visibility. By collaborating with over 4,000 social media influencers and celebrities, Nykaa effectively captures the attention of modern young females who rely on online product recommendations from their favorite content creators when making purchase decisions. This approach has significantly contributed to Nykaa's brand promotion across various online platforms.

Nykaa effectively amplifies its brand visibility by engaging influencers across India, who resonate with local demographics by promoting in regional languages. The content shared is educational, offering value beyond mere sales pitches, with how-to guides and tips. Influencers play a pivotal role in all of Nykaa's campaigns, from 'Pink Friday sales' to new product launches, generating excitement and engagement across multiple platforms.

Problem 3: What boosted the audience engagement and their interactions with Nykaa?

Challenge: What is even more challenging for any e-commerce company, is to engage its audience by capturing their attention. An ineffective content strategy might lead to losing the audience's interest, demeaning a brand's credibility, and lowering its conversion rates. Moreover, the brand may struggle to connect with its target audience, impacting brand awareness and loyalty; thereby failing to achieve its marketing goals.

 Solution: Nykaa's content strategy is meticulously designed to captivate its audience by offering unique and educational content across various social media platforms. The brand manages multiple social media accounts, each dedicated to specific divisions. For instance, the parent page, @mynykaa, showcases all the products they offer. However, what sets Nykaa apart is its niche-focused pages. For example, @nykaaman exclusively caters to men, ensuring relevant content without overwhelming them with female-centric posts.
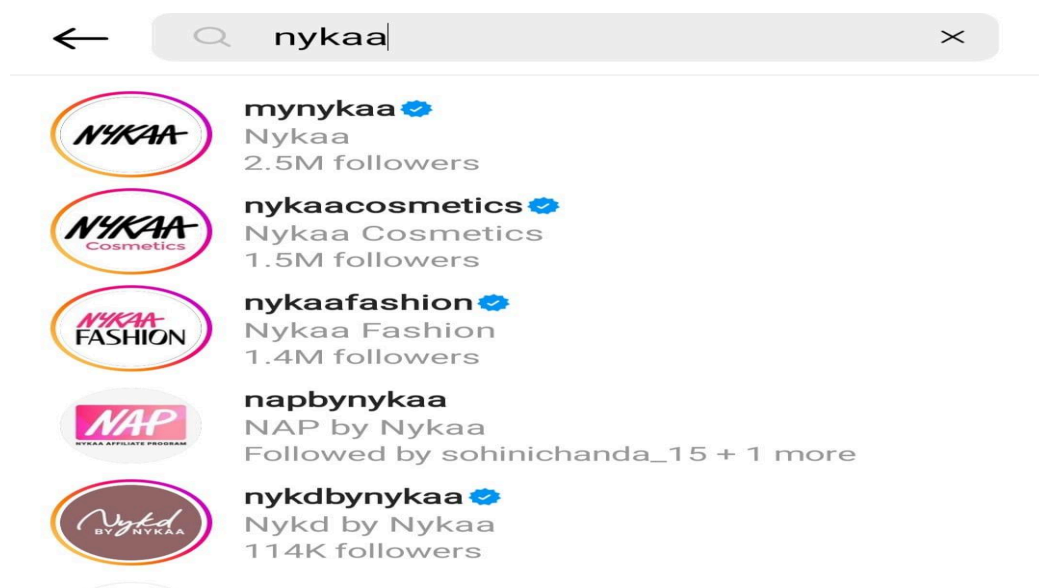
Beyond social channels, Nykaa leverages YouTube effectively. Their "Shorts" feature, akin to Instagram Reels, provides educational videos addressing various viewer concerns. Additionally, Nykaa curates playlists for different divisions—skincare, makeup, haircare, and more. Their consistent posts foster an engaged community nationwide. By understanding demographics and creating vernacular content, Nykaa has achieved remarkable success. Notably, their blog also offers captivating content, reinforcing their brand appeal.

Problem 4: How does Nykaa's UI contribute to improved user experience and foster trust among its customers?

Challenge: An inadequate user interface presents substantial obstacles, such as heightened user frustration that often culminates in cart abandonment, erosion of brand credibility, and a decline in conversion rates. Inefficient UI design complicates navigation and the checkout experience, prompting potential customers to exit the platform—potentially for good—thereby adversely impacting the company's financial performance. Consequently, the creation of a robust and intuitive UI is essential to foster user trust and encourage repeat engagement with the platform.

Solution: Nykaa's user interface stands out by enhancing the shopping experience and encouraging repeat visits. Its app is user-friendly, with a smart search feature that recalls past searches and recommends popular categories and brands.

Stream

NYKAA STREAM
LIVE
WIN FREE PRODUCTS!
Stand A Chance To
Win A Giveaway!

12th April, 4PM >

Vote Now >

SUPER SEARCHES

Cleansers
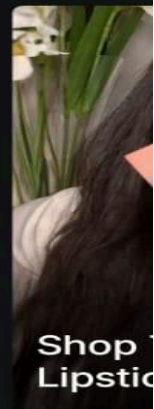
Serum

Moisturiser

Sunscreen

Lipsticks

Blushes

Fragrances

Body Care

FASTEST SELLING ON NYKAA

This Foundation Stays
On For 30 Hours?

TOP 10 Picks For
Hotter Months!

Shop
Lipsti

Beauty   Offers   Categories   Stream   Account

Interactive widgets guide users to products of interest, while the app keeps them updated on the latest deals. In-store, Nykaa offers personalized assistance through beauty advisors, available for consultations via chat, ensuring customers find their perfect match.
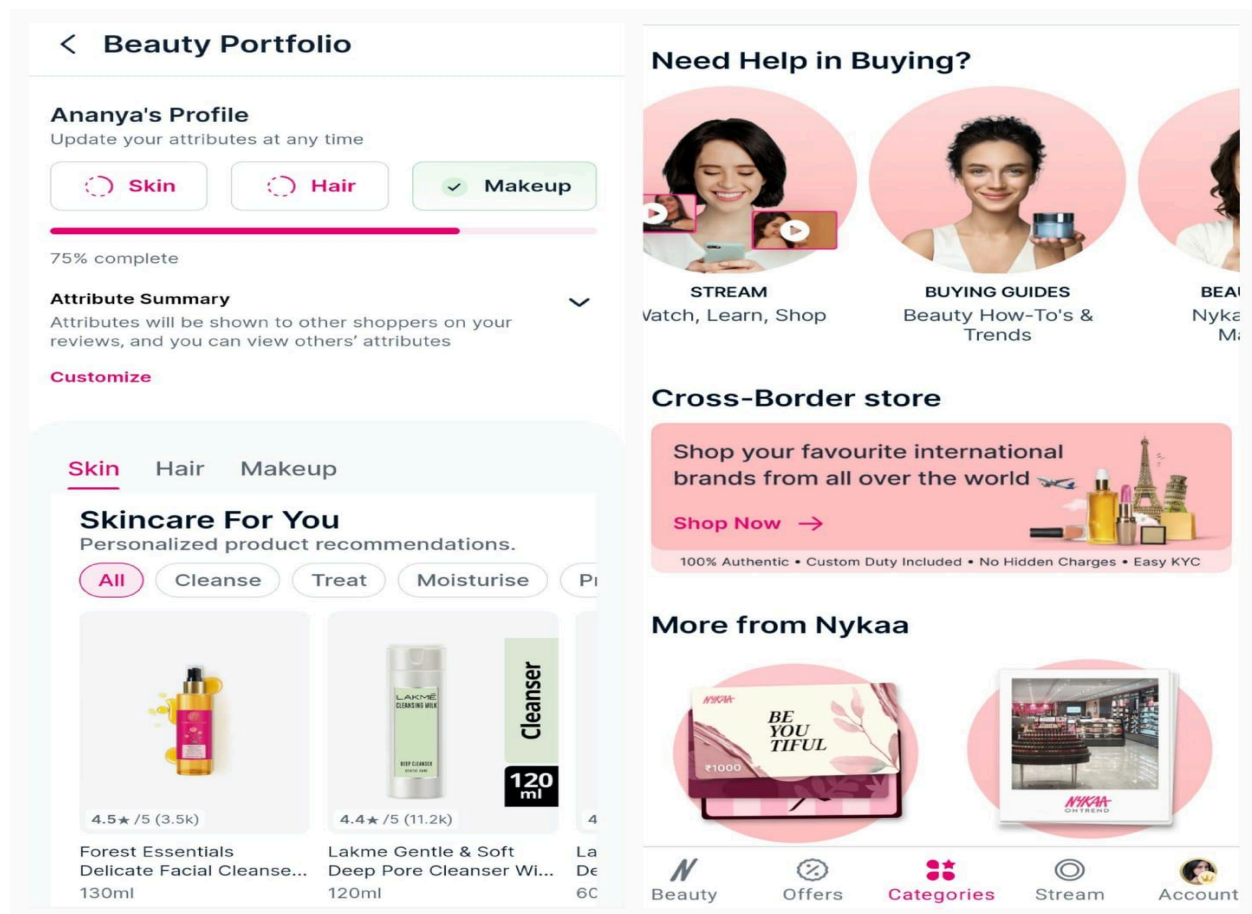
Online, AI-driven tools allow virtual try-ons and routine customization, while influencer videos provide further engagement. These features demonstrate Nykaa's commitment to not just selling products but creating a comprehensive and satisfying shopping journey.

Problem 5: How does Nykaa acquire newer customers, whilst retaining existing ones?

Challenge: Customer retention not only decides how successful a company is at acquiring new customers but also how successful they are at satisfying existing customers. It also increases ROI, boosts loyalty, and brings in new customers. India's increasingly competitive market, sustaining a loyal customer base while engaging new ones remains a critical challenge.

Solution: Nykaa entices both new and existing customers with irresistible offers by partnering with various brands. The company conducts clearance and monthly sales, timed with occasions like Diwali, Independence Day, and Women's Day. Effective marketing, especially through influencer collaborations and social media campaigns, ensures widespread promotion of these sales. This strategy not only directs customers to Nykaa's website but also engages users looking for quality products at competitive prices. Consequently, it boosts sales, attracts new customers, enhances profits, and improves customer retention and engagement, contributing to Nykaa's impressive base of over 15 million active users.

Conclusion

Nykaa transcends from being a mere marketplace to becoming a beacon of grooming expertise. It revolutionizes e-retail with a curated selection of global brands, offering more than products—it offers an experience. With nationwide functioning via an omnichannel mode (both online & offline stores), it offers a vast portfolio of products, alluring deals along with expert

advice. Nykaa is not just a brand; it's a journey towards beauty and grooming excellence.

Top features of Nykaa

1. **Wide Product Selection:** Nykaa offers an extensive range of authentic beauty and wellness products. With over 2,400+ brands, customers can find makeup, skincare, haircare, bath and body products, fragrances, grooming appliances, personal care items, and health and wellness products.

2. **Expert Advice and Videos:** Nykaa provides valuable beauty advice through expert-written articles, how-to videos, and tutorials. Customers can stay informed about the latest beauty trends and receive personalized recommendations.

3. **Luxe and On-Trend Stores:** Nykaa operates more than 190 stores, including Luxe stores, On-Trend stores and Kiosks across India. These physical stores complement the online shopping experience, allowing customers to explore products in person.

4. **Beauty Helpline:** Nykaa offers a Beauty Helpline where customers can seek assistance related to beauty and wellness. Whether it's product recommendations or skincare tips, the helpline provides personalized support.

5. **Customer Community:** Nykaa fosters an online community for beauty enthusiasts. Customers can engage with fellow beauty buffs, share experiences, and discover new products.

Nykaa's Schema Design

Description

Nykaa's database comprises essential entities: Customers, Products, Orders, Wish List, and Shopping Cart. Customers interact with diverse beauty and wellness products, placing orders, maintaining wish lists, and managing their shopping carts. Relationships connect these entities, facilitating seamless ecommerce experiences.

Entities

1. **Customers:** There are registered users who interact with Nykaa. Each customer can be identified with the help of a unique identifier (customer ID) and associated attributes such as name, email address, and contact details.

2. **Products:** Represents the beauty, wellness, and fashion items available on Nykaa. Each product has attributes like name, description, price, stock availability, and category.

3. **Orders:** Captures information about customer orders. Each order is associated with a customer and contains details about the ordered products, quantities, total cost, payment, and shipping information.

4. **Wish List:** Stores products that customers are interested in purchasing. It links to specific customers.

5. **Shopping Cart:** Represents the temporary collection of products a customer intends to purchase before confirming an order**.**

Attributes

Let us now understand what are the set of attributes for each of the 5 entities:

Customers:

- Customer ID (unique identifier): It is a unique identifier for every distinct customer. (BIGSERIAL)

- first_name: first name of a registered user (VARCHAR(25))

- last_name: last name of a registered user (VARCHAR(25))

- Email address: Email address of the user (VARCHAR(100))

- Contact details (phone number, address): phone number of the user VARCHAR(10)

Products:

- Product ID (unique identifier): Unique identifier for each distinct product, that has been listed. (BIGSERIAL)

- Name: Full name of that distinct product, as per its packaging label. (VARCHAR(50))

- Description: A detailed description of the product e.g., Function, How to Use, ingredients, etc. (TEXT)

- Price: Price of that product (DECIMAL(10,2))

- Availability: whether the product 'in stock' or 'out of stock' (VARCHAR (15))

- Category: which category the product falls into? (e.g., makeup, skincare, haircare, etc.) (VARCHAR(50))

Orders:

- Order ID (unique identifier): A unique identifier for every order (single product/assortment of products) that the customer places every single time. (BIGSERIAL)

- Customer ID (foreign key): unique identifier of every distinct registered customer. (BIGSERIAL)

- Order date: the date on which the order is placed by the customer. (DATETIME)

- order_amount: The total amount payable (billing amount) by the customer for the order that she placed. (DECIMAL(10,2))

- Payment mode: What is the mode in which the customer wants to pay for the order she placed? (cash on delivery, UPI, Credit/debit card, net banking, etc). (VARCHAR(25))

- Shipping details: the address in which the order needs to be ordered. (TEXT)

Wish List:

- Wishlist ID (unique identifier): The ID of the Wishlist in which the desired products are saved. (BIGSERIAL)

- Customer ID (foreign key): the distinct ID of every customer. (BIGSERIAL)

- Product ID (foreign key): the distinct ID of every product (BIGSERIAL)

Shopping Cart:

- Cart ID (unique identifier): ID of every cart in which products are stored before purchasing. (BIGSERIAL)

- Customer ID (foreign key): ID of every distinct customer. (BIGSERIAL)

- Product ID (foreign key): ID of every distinct product. (BIGSERIAL)

- Quantity: The number of items in the cart. (INTEGER)

Customers

•customer_id
•First_name
•Last_name
•email
•contact_number

Products

•product_id
•Name
•Description
•Price
•Availability
•category

Orders

•order_id
•customer_id
•order_date
•order_amount
•payment_mode
•shipping_details

Wishlist

- •wishlist_id
- •customer_id
- •product_id

Cart

- •cart_id
- •customer_id
- •product_id
- •quantity

Relationships

One-to-Many:

1.   Customers and Orders: A customer can place multiple orders, but a particular order (with a unique order ID) can only be placed by one customer.

2.   Products and Orders: A product can be part of multiple orders, but in every distinct order, can have a particular product, no matter how many quantities of this same product you order.

One-to-one:

1.   Customers and Wishlist: A customer can own a single wish list, one wishlist belongs to one customer, at a time.

2.   Customers and Cart: A customer can own a single shopping cart, also, one shopping cart can be attributed to one customer.

Many-to-Many:

1.   Products and Wishlist: A product can be in multiple wish lists, also,

multiple wishlists can have this same product.

2.   Products and Cart: A product can be in multiple shopping carts, multiple carts can have the same products as well.

Entity Relationship Diagram
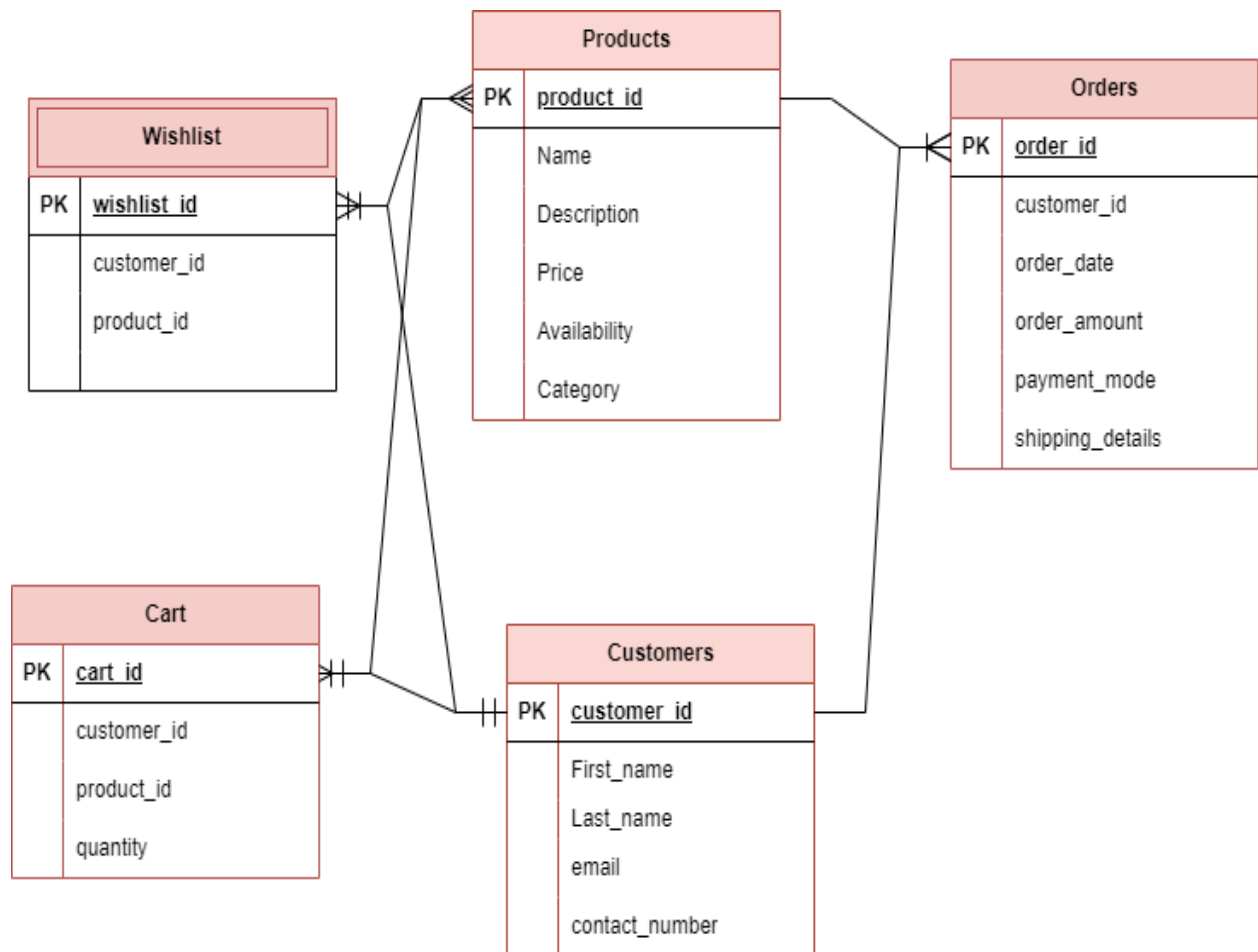
Conclusion

In our exploration of Nykaa's schema and e-commerce ecosystem, we've uncovered a vibrant platform that transcends beauty and wellness. Nykaa's commitment to authenticity, expert guidance, and community engagement sets it apart. From its extensive product selection to personalized advice, Nykaa empowers users to embrace their unique style. As we navigate the intricacies of its database, we recognize how Nykaa's schema fuels seamless interactions, making beauty accessible to all