

India's Premium Beauty & Personal Care Market Landscape

NYKAA

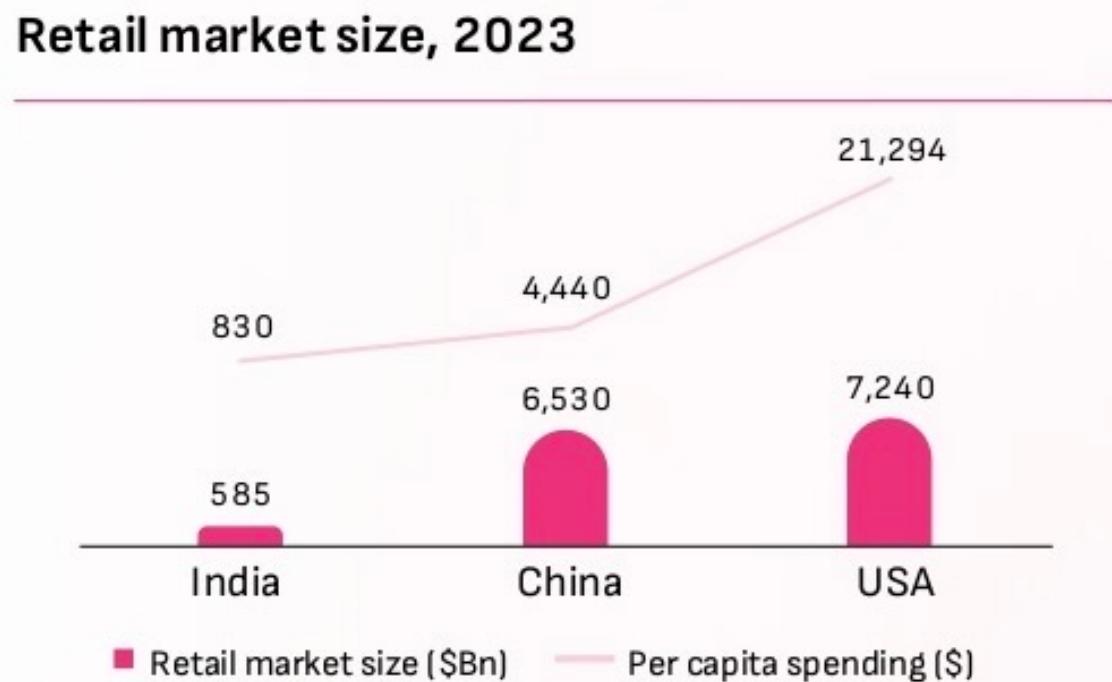
Desired goal: Turn post-purchase anxiety into delight and trust for high-value item buyers

Assumption: Infinite tech bandwidth

Understanding post purchase anxiety: Negative emotional state a customer experiences **after making a purchase** but **before receiving the product**. This anxiety stems from uncertainty and concerns related to various aspects of the transaction.

Global Market Landscape: The graph indicates substantial room for growth in India's retail sector. Higher e-commerce penetration will collectively drive the next level of growth

[Source](#)



Indian market: Improved consumer spending beyond Tier II+ cities. The rapid increase in internet usage has paved the way for India's e-retail industry

[Source](#)



Why Nykaa - Beauty & Personal Care (BPC) segment?

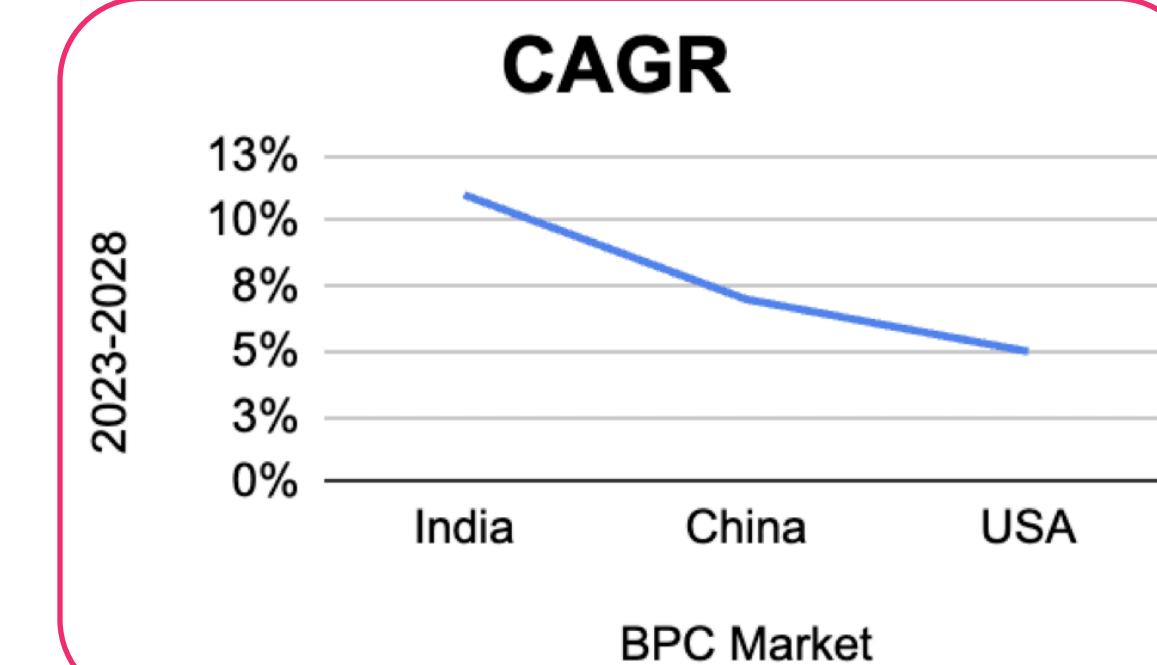
Shows Consistent Growth: It smooths out annual growth fluctuations, giving a clearer picture of long-term performance.

Indicates Market Potential: A higher CAGR (like India's 13%) signals a fast-growing, high-opportunity market.

Supports Strategic Planning: Informs investment, expansion, and product decisions based on expected market trajectory.

CAGR represents the growth prospect on India's premium BPC segment

[Source](#)



Why offline store matters? Consumers are exploring multiple channels, initially purchase in-store but move online for ease, making offline expansion a key strategy.

Industry Trends

- Premiumisation of BPC consumption:** Beauty spending grows as consumers embrace advanced, premium personal care routines
- Evolving consumer preferences:** Gen Z and millennials embrace trend-driven, influencer-led beauty shopping



Understanding the product

[Source](#)

30%	255000	187+	68+	41.7 mn	25%
Market share	SKUs Count	Offline stores	Cities presence	Annual order placed	YOY GMV



Understanding the product and identifying actors

NYKAA

Feature	Nykaa BPC	Tira	Tata CLiQ Palette	SUGAR Cosmetics
Luxury Brand Depth	★★★★★	★★★★★	★★★★★	★
Offline Retail Presence	Strong	Rapidly Expanding	Minimal	Moderate
Customer Loyalty Programs	Nykaa Prive	Tira Rewards (building)	Tata Neu Integration	SUGAR Rewards
Target Audience	Urban, HNIs, beauty enthusiasts	Urban, luxury-seekers	Premium skincare buyers	Millennial/Gen Z
Post-Purchase Support	Moderate (issues with returns, refunds)	Improving (still scaling support infra)	Inconsistent (delivery, refund delays)	Quick D2C response, reliable
Return/Refund Experience	Mixed reviews (esp. on high-value items)	Limited feedback, building trust	Often delayed or denied on luxury SKUs	Fast replacements, easier D2C return
Delivery Experience	Reliable in metros, delayed in Tier 2/3	Fast in Tier 1, improving in others	Reported delays, packaging issues	Fastest among peers (D2C advantage)

SWOT Analysis to understand the current scenario better

Strength: Extensive luxury brand portfolio with strong offline retail presence.

Weaknesses: Inconsistent post-purchase support, especially for high-value items.

Opportunities: Enhance post-purchase services to boost customer satisfaction and loyalty.

Threats: Emerging D2C brands offering superior post-purchase experiences.

Secondary Research to understand post purchase anxiety

DH Dhanya S Lrj Verified Reviewer
Missing product ←
Apr 12, 2025
I had ordered 4 products, and I have received 3 products. One product is missing. There is such negligence from Nykaa; I've never experienced this type of situation.
Loss: \$347
Preferred solution: Deliver product or service ordered
Comment Helpful

Click here Source

App store
review

Research provides real, unfiltered user feedback

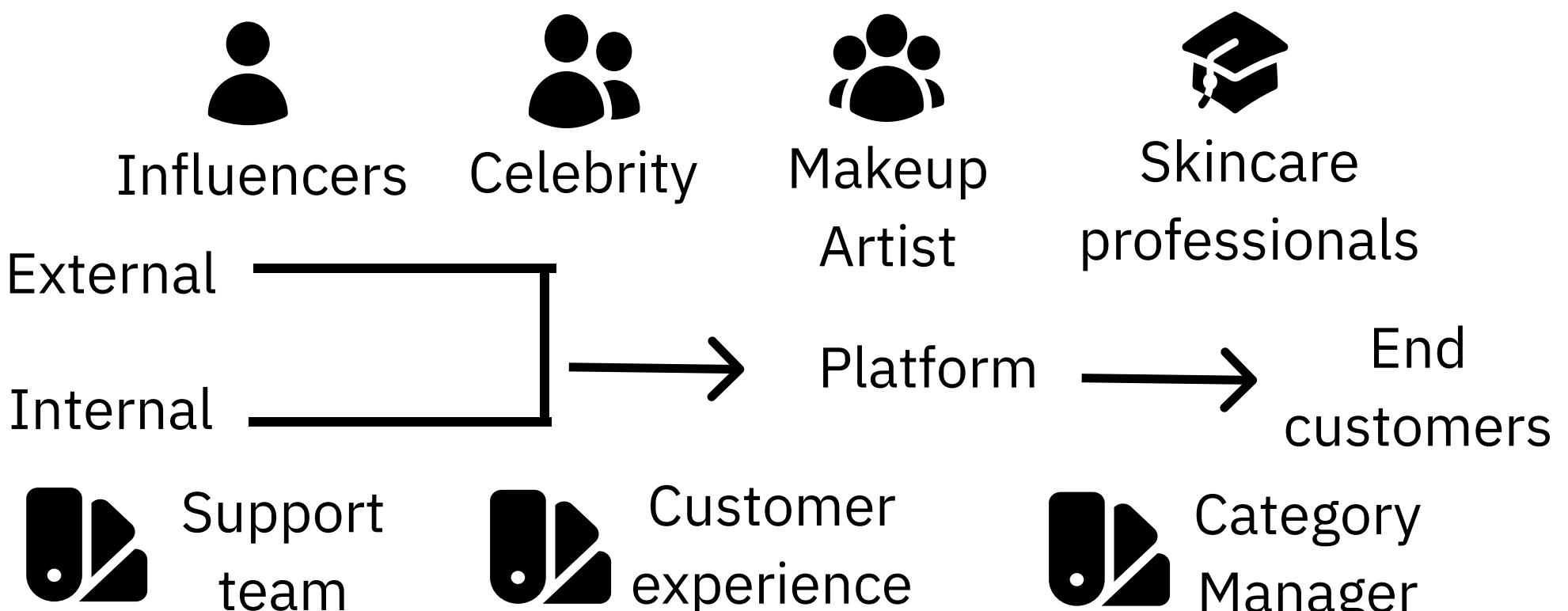
Where is the gap: delays, poor customer support, refund denial

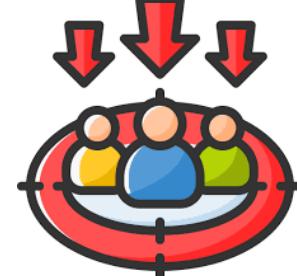
Reviews highlight that customers value transparent communication, timely delivery updates

Scammed by nykaa
★☆☆☆☆
Ngawanglhamo21
I would like to say please dont order anything from nykaa they are doing scammed. I had order two product and already paid amount and now they don't deliver my product from ten days. Please be careful.

Developer Response
Hey! We're sorry to hear about your recent order. Please email to support@nykaa.com more

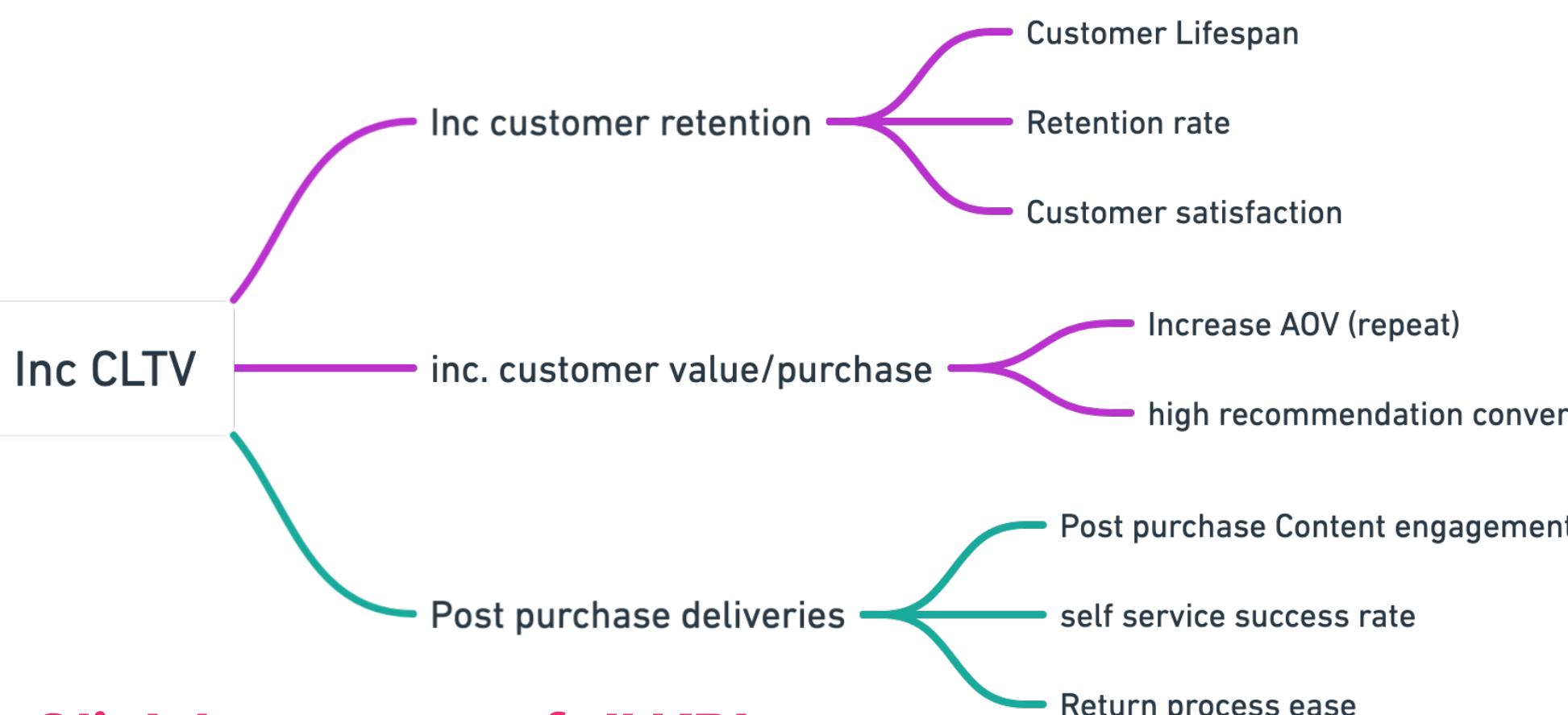
Actors Involved





Mapping outcomes and defining target audience

Mapping business outcome to product outcome



[Click here to see full KPI tree](#)

Made with Canva

Business outcome

- Increase customer life time value
- Increase revenue



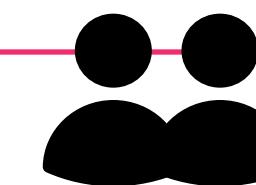
Product outcome

- Increase customer retention rate
- Increase average order value (repeat customer)
- Enhance self service success rate
- Increase conversion rate

Guesstimate

- Retaining 34% of customers annually vs. 22% directly improve CLTV
- Rs. ~3.100 AOV increase from Rs. ~2000, signifies direct revenue growth and improved profitability

[Click here to see calculations](#)



Target user segment

Demographics: **Age:** 18–35 years, **Gender-** Predominantly female, with a growing male customer base, **Income Level:** Middle to upper-middle class with high disposable income

Psychographics: **Aspirational Consumers:** Seek premium, global beauty brands and are willing to invest in quality products, **Informed Shoppers:** Value product authenticity, detailed information required regarding the purchase

Unmet needs

- Control and Visibility Over the Delivery Process
- Peace of Mind Regarding Authenticity and Quality (Post-Purchase)
- Clear and Proactive Communication
- Accessible and Knowledgeable Product Support
- Effortless and Trustworthy Return/Exchange Process

Sources

Why chosen target segment will deliver the impact?

- Meeting unmet needs increases retention, boosting customer lifetime value (CLTV)
- Targeting affluent, informed 18–35 consumers drives higher spend and loyalty which will directly enhance CLTV and add to revenue



Hypothesis

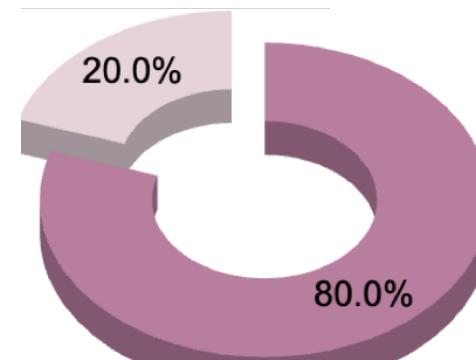
Aspirational and informed shoppers experience post-purchase anxiety stemming from concerns about product authenticity, inadequate delivery tracking, difficulty understanding the return policy, and unmet needs for accessible and knowledgeable post-purchase product support.



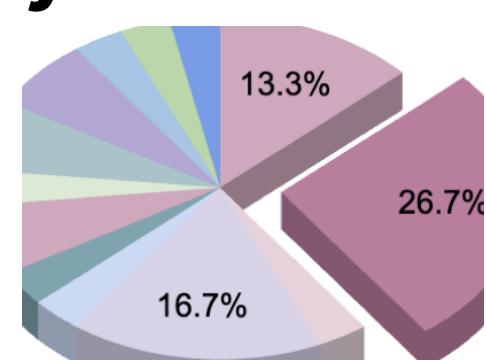
Problem Validation - Primary + Secondary

Research

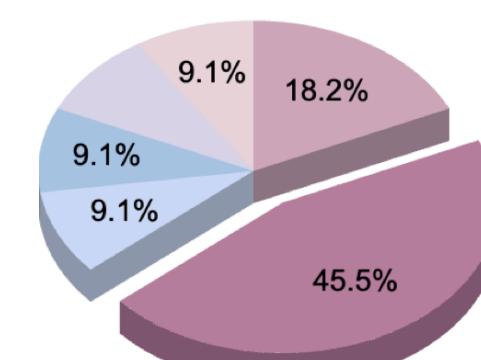
Primary Research



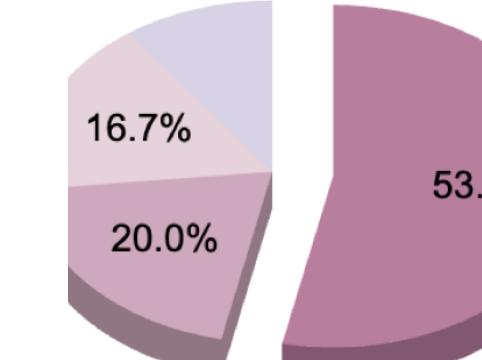
80% high-value item buyers



~27% have ordered skincare product



The delivery waiting period posed issues for 45%

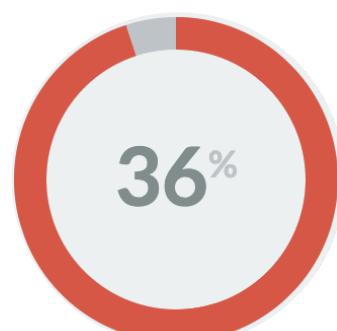


53% reported slow response times from post-purchase support team

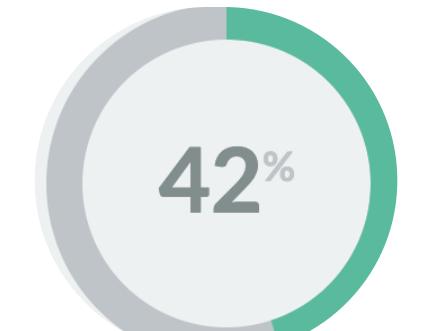
Friction Points

- Delivery delays fuel post-purchase anxiety
- Customer support response time is a major pain point
- Strengthen pre-delivery customer support for (**Prive members**)
- Enhance AI-powered virtual try-on tools

Pre-delivery pain points

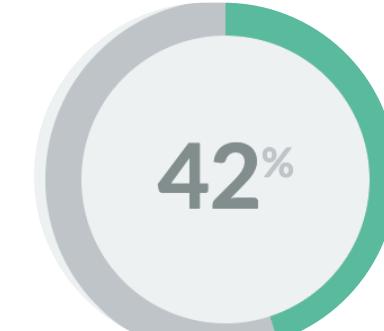


Delivery status progress(not satisfied)



Difficult to reach customer support

Post-delivery pain points



Unsatisfied with effectiveness of resolution



Return products due to suitability and fit issue

[Click here- Review the complete survey](#)

User Survey: 30+ respondents
Interviews: 2

Secondary Research

Growth trajectory for premium BPC segment



50% CAGR
Premium GMV

₹ 4250

Premium GMV

60%

Shipping delays

Nykaa's order's and complaint data to understand the challenges

20000/month
Luxe orders

800/month _____

Complaints pre delivery

[Click to see what customer's has to say](#)

W. Cartwright
Verified customer



Avoid shopping at Nykaa: Disappointing Customer Service and Damaged Products

My experience with Nykaa (nykaa.com) was extremely unpleasant. I recently purchased a Huda eye shadow palette desert dusk online from their website and to my dismay, the product arrived damaged on 30th July, 2020. I immediately registered a complaint with their customer care email address ***@nykaa.com, providing pictures of the damaged item as evidence.

However, to my disappointment, I did not receive any response from Nykaa for two days. When I decided to follow up with them after 48 hours, they informed me that they would initiate the approval process and asked me to provide more pictures of the damaged product, along with the invoice and a picture of the courier package. They also informed me that I would have to wait for an additional 72 hours.

R. Luettgen
Verified customer



Disappointing Experience with Nykaa: Poor Customer Service, Unusable Product, Delayed Refund

I recently had a rather unpleasant experience with Nykaa (nykaa.com), an online beauty store that I had heard great things about. My order ID was NYK-***787402 and I had ordered three products, which came to a total of INR 1578. I chose to prepay for my order for convenience.

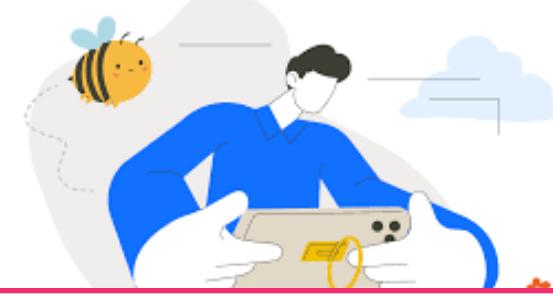
Challenges

- Return policies lack clear visibility
- Shipping delays drive most complaints
- Personalised wedges recommendations

Insights from research

- 50 % CAGR in the premium BPC segment highlights escalating consumer demand, necessitating enhanced high-value product experiences and loyalty drivers
- 60% of pre-delivery complaints stem from shipping delays, emphasizing customers' craving for precise, transparent delivery updates to alleviate anxiety

[Click all the Pink texts to see sources](#)



User persona's and their narratives

User Persona



Sonali Singh

Age: 24

Business Analyst, Kolkata

Bio: Shops often on Nykaa after seeing influencer recommendations though she enjoys discovering new products. She finds the face scan feature unreliable and worries about product quality.

Wants & Needs

- Assurance that the product fits her skin type even post-purchase but before dispatch
- Transparent, real-time delivery updates without needing to chase support

Pain points

- Can't confidently judge product suitability from recommendations
- Delivery updates lack clarity and timeliness
- Frustrated by delayed customer support when seeking help



Prathiksha Kankaria

Age: 27

Entrepreneur, Jamshedpur

Bio: Juggling a busy lifestyle, she expects quick deliveries and hassle-free support. When things go wrong—be it wrong shades or delays—she struggles to find time to fix it.

Wants & Needs

- Wants faster delivery to match her unpredictable, travel-heavy schedule
- Needs an easier return/refund process that doesn't require lengthy support interactions

Pain points

- Lack of proactive updates on order or return status
- Delivery updates lack clarity and timeliness
- Time-consuming return/refund process

User's Narrative



See what Sonali Says:

" Last week, I ordered a serum but started doubting it the next day—couldn't cancel, and the delivery updates were all over the place. When I reached out to support, it took ages to get a reply. I just want a bit more confidence and clarity before and after I hit Buy."

Let's hear Prathiksha's narrative:

" I ordered a lip tint before a last-minute work trip, hoping it would arrive in time. The delivery kept getting delayed without clear updates. Post-trip, I realized it wasn't the right shade. But with my hectic schedule, I couldn't spare time for calls or emails. I just need faster delivery and easy returns, without all the back-and-forth."

When I want to change my mind or track my new serum order

But I can't cancel it, the delivery updates are confusing, and support is slow

Help me easily cancel, get clear real-time delivery notifications, and fast support responses

So I feel confident and informed before and after I "Hit Buy"



Consolidating all the pain points into a problem statement

NYKA

What is the true problem?

High-value BPC shoppers experience frequent **delivery delays, inconsistent cancellation options, low tracking engagement, slow support responses, and ineffective personalized recommendations**, undermining their confidence and driving more complaints.

Why does this problem exists?

- 45% of premium shoppers report delivery waiting issues, revealing widespread fulfilment anxiety among high-value buyers
- Support resolves ~47% tickets within SLA; 53% of users wait >12 h and recommendation CTR remains <8%
- 53% of users face support response delays beyond 12 hours, undermining post-purchase confidence.

Customer's

- Faster, More Reliable Support
- Personalized Product Discovery helps in better Product Fit
- Smoother Cancellations will give users more Control
- Improved Delivery Experience will facilitates lower Anxiety

What value does it generates?

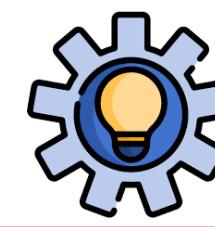
Nykaa

- ↗ • Inc. Revenue via Higher Average Order Value
- ↘ • Dec. Complaint Volume & Support Costs
- ⬆ • Inc. Conversion from Existing Traffic
- ↑ • Inc. Retention & Lifetime Value (LTV)

Why to solve now?

- Premium BPC segment grows at 50% CAGR, driving significant **revenue growth** for Nykaa
- 800 monthly pre-delivery complaints among 20,000 luxe orders (4%) **undermine brand trust and loyalty**
- 53% of high-value customers endure support delays beyond 12 hours, **increasing churn risk**

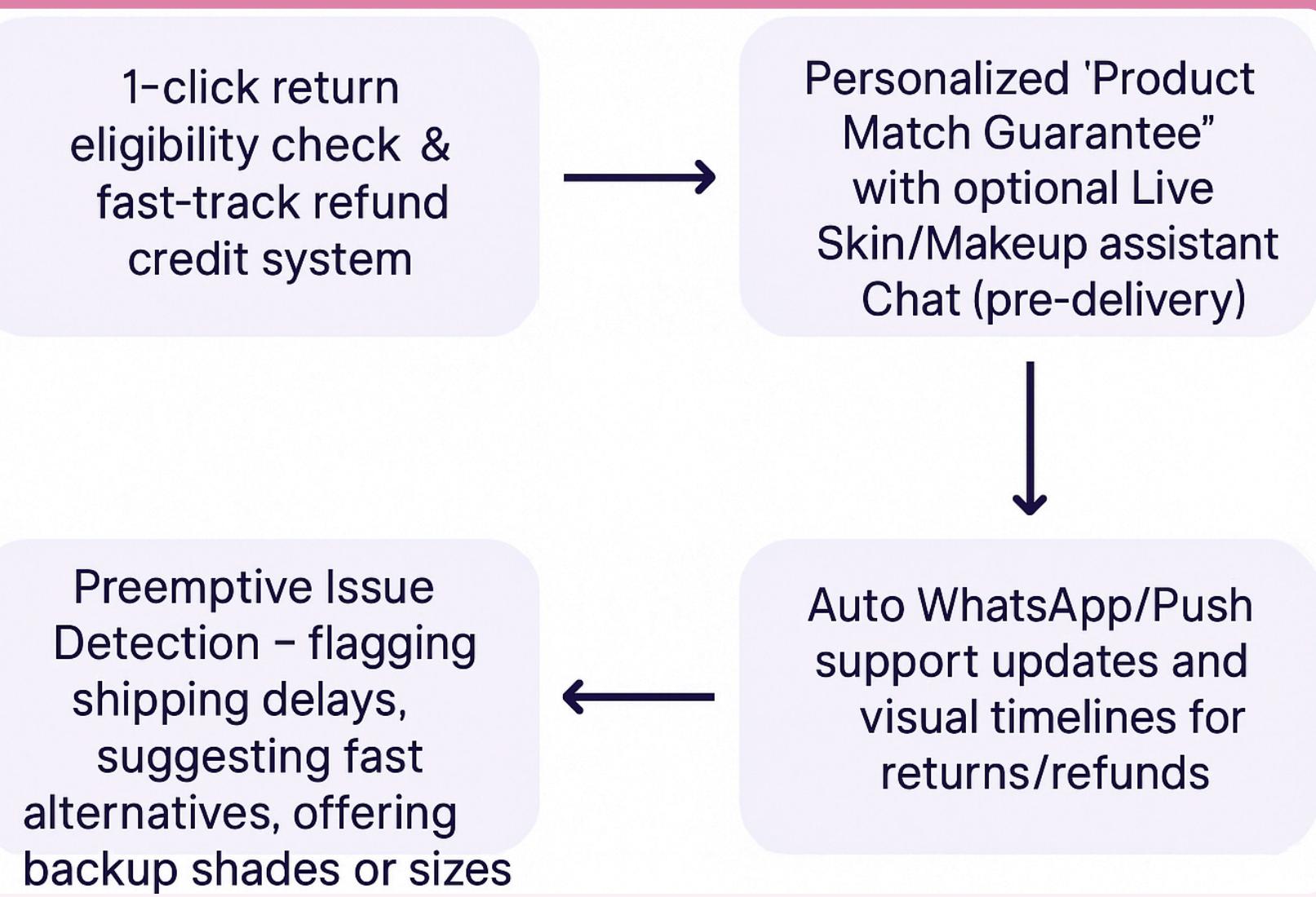
- Increasing personalized recommendation CTR from <8% to > or equal to 15% drives a ~12% **uplift in average order value**



Identifying And Prioritising The Solution

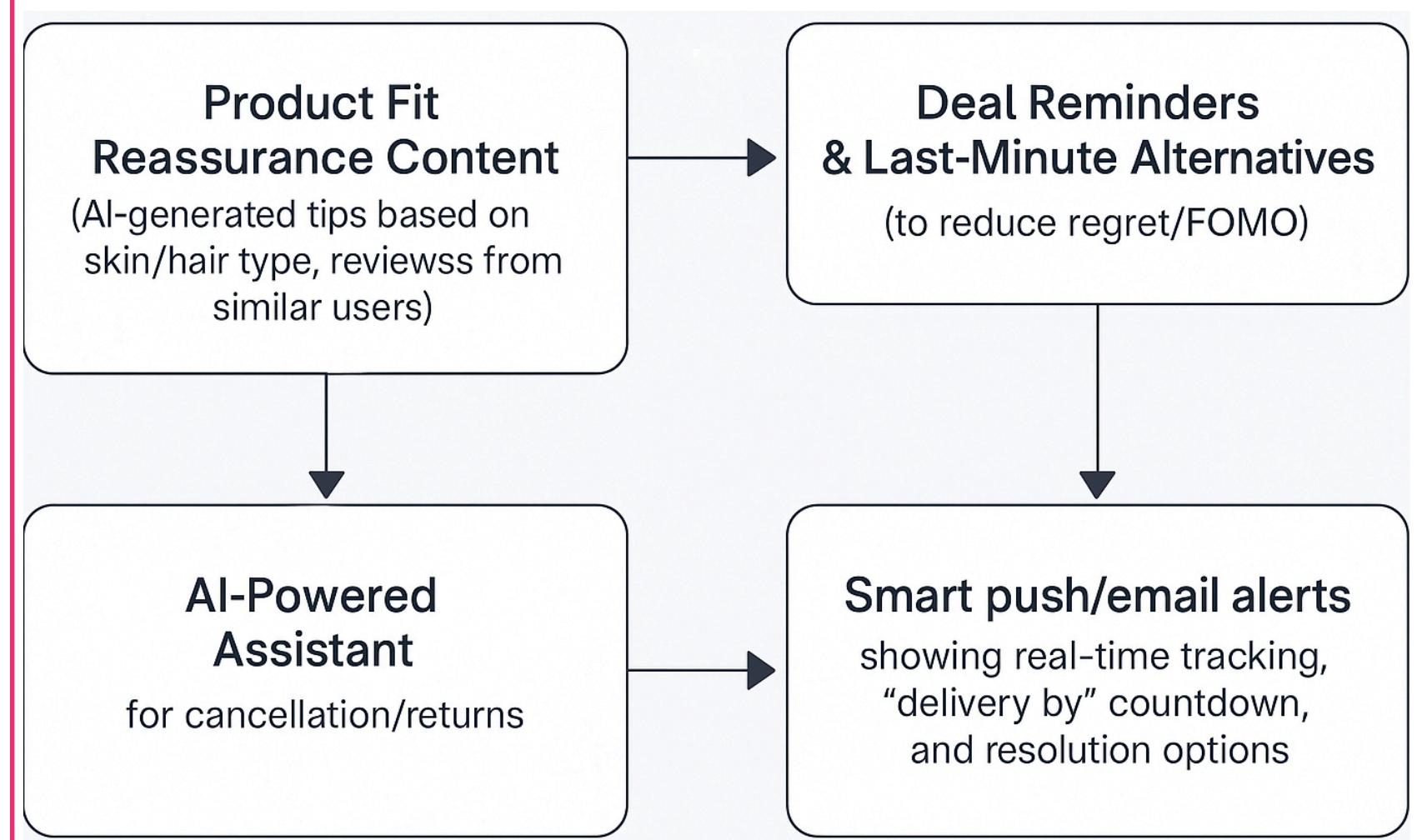
Solution 1: Nykaa Care+

What It Is: An AI + human hybrid personal assistant system designed for busy users



Solution 2: Nykaa EasyFit

What It Is: A dynamic content & support flow that's triggered ***post-order but pre-dispatch***



How it solves the core problem

- Busy users avoid frustration of waiting or repeated contact
- Returns and refunds are made effortless
- “Product Match Guarantee” reduces regret-driven returns
- Allows Nykaa to recover delayed experiences with real-time smart interventions

How it solves the core problem

- Addresses fear of wrong fit by offering **content-driven reassurance** before dispatch
- Reduces WISMR (***Will I Still Make the Right choice?***) anxiety post-purchase
- Keeps the **customer engaged** on the platform
- Real-time updates and smart support reduce dependency on agents

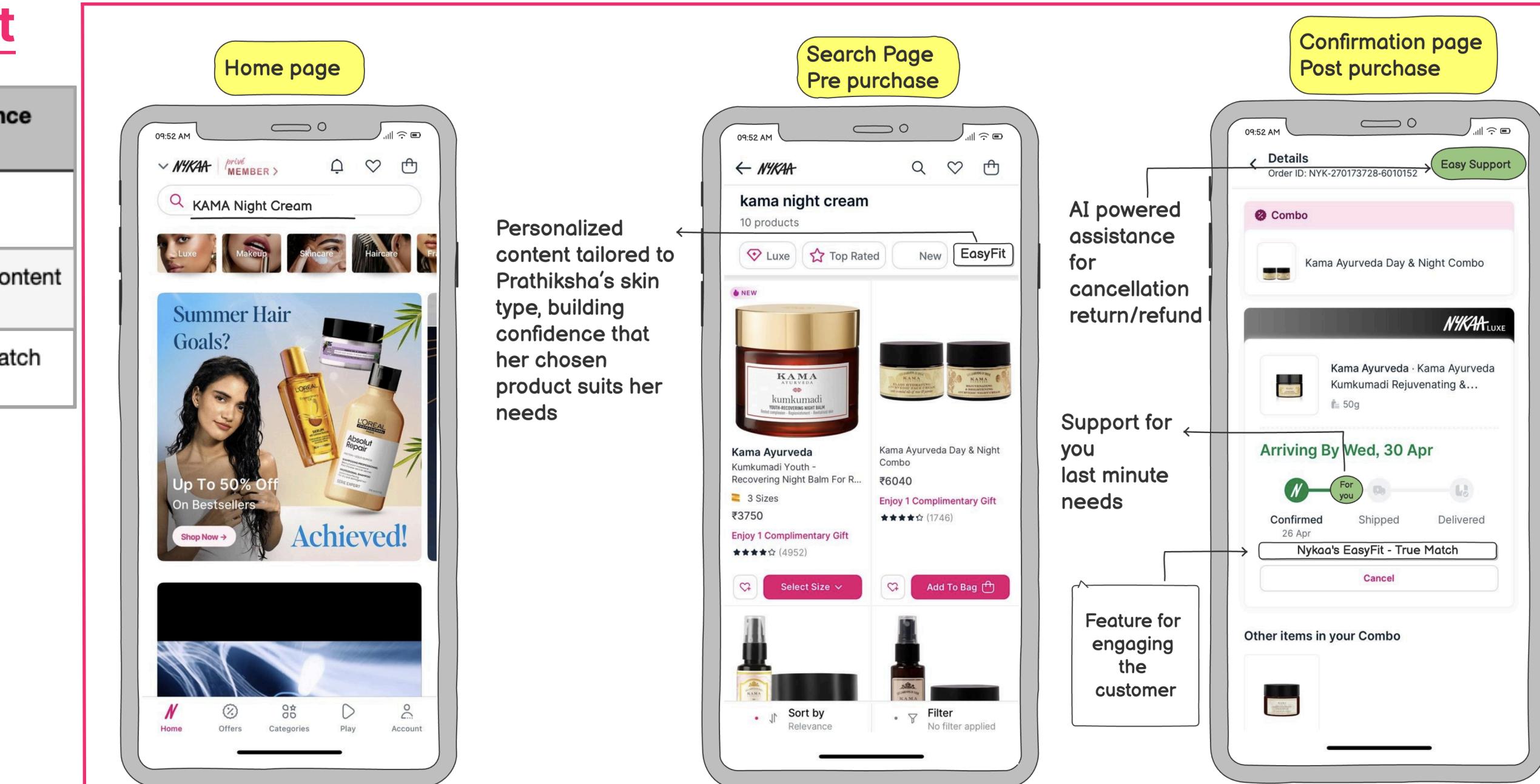
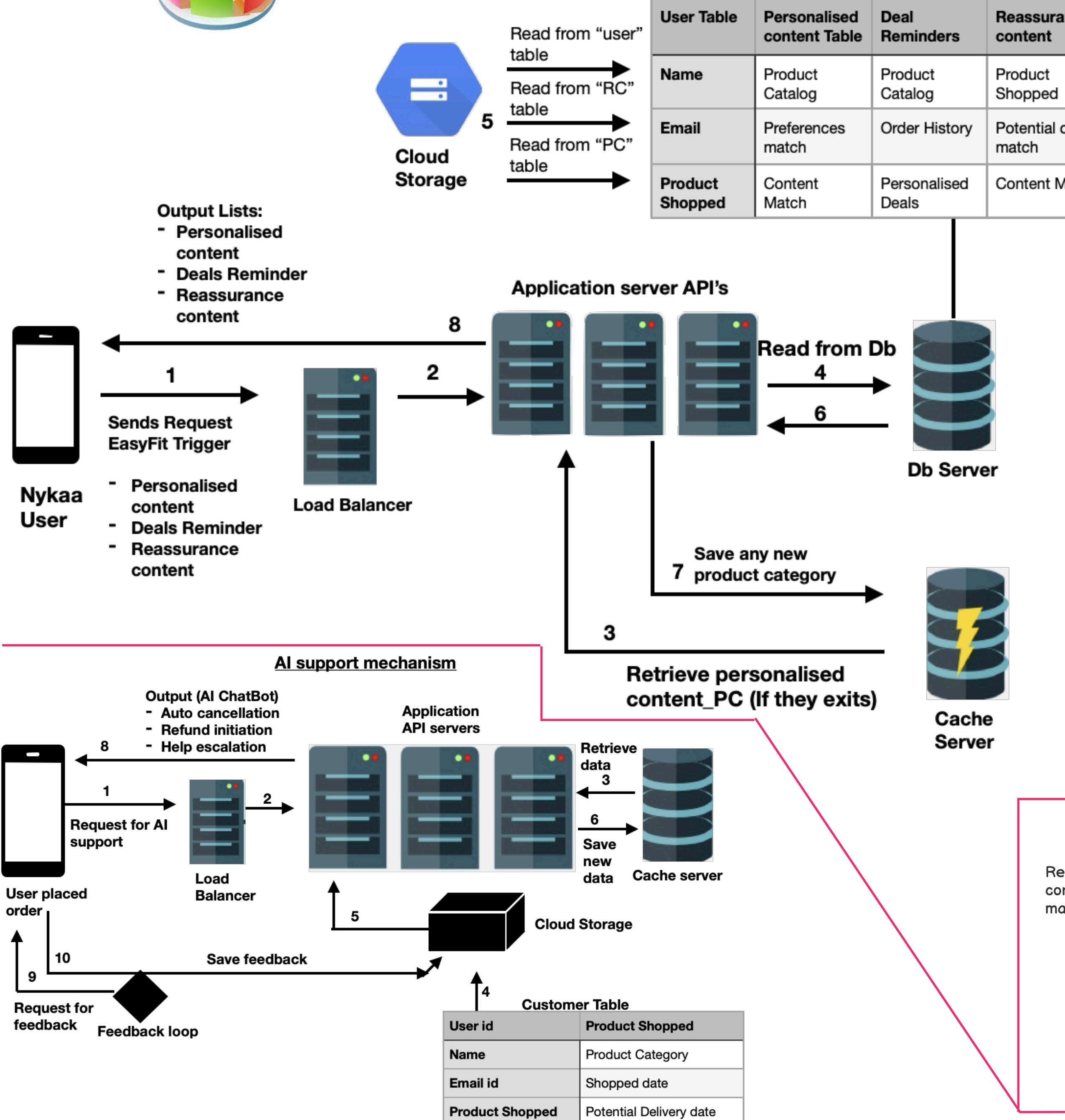
Pain points	Care+	EasyFit
1. Engagement	3	5
2. Regret driven returns	3	4
3. Fear of missing out (on deals, alternatives)	2	5
4. Customer support	4	4
5. Return hassle	3	3
6. Real reviews	2	5
Total	17	26

Source → Prioritisation framework

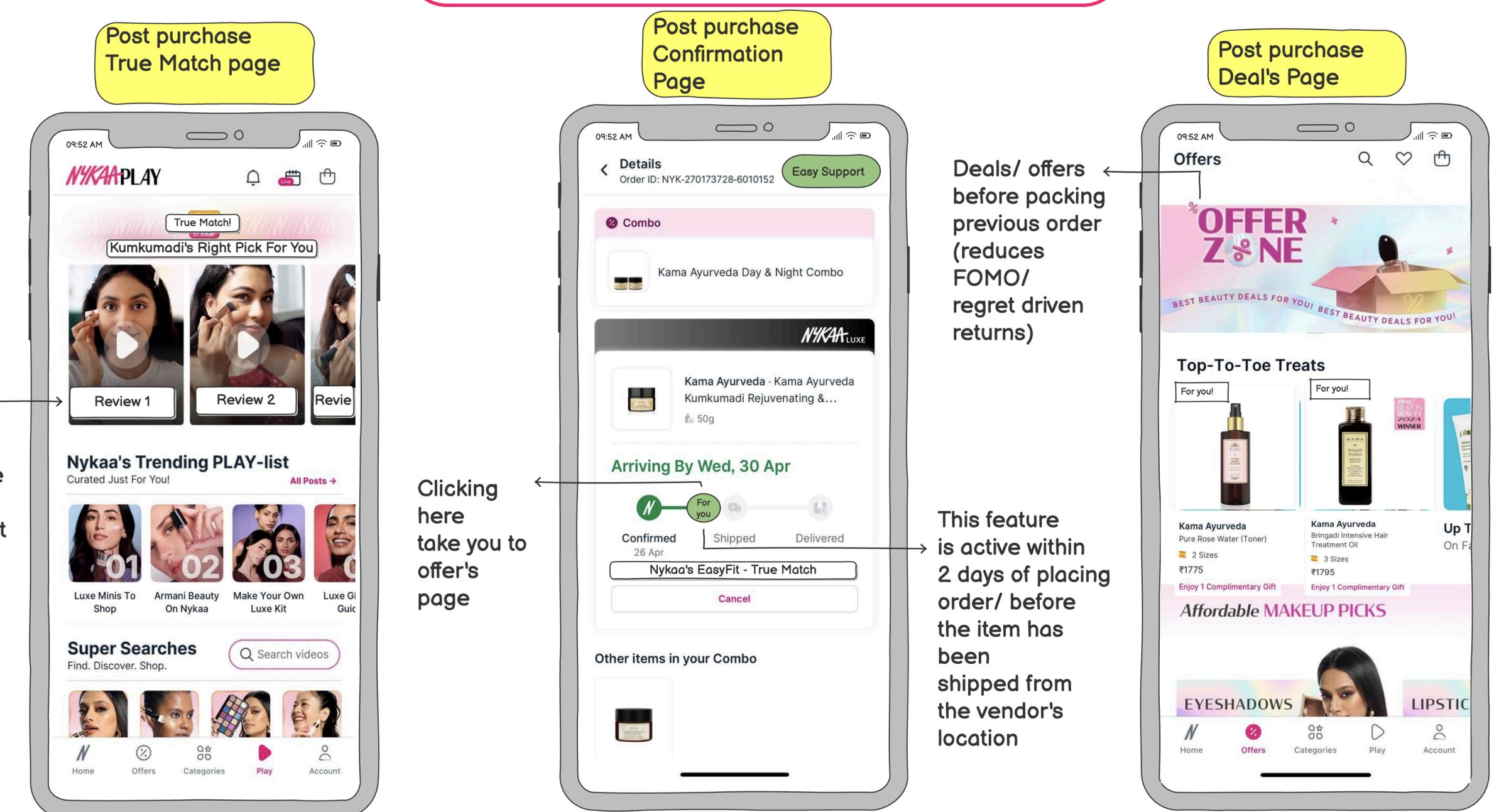
Parameters	Care+	EasyFit
1. How deep the pain point is	17	26
2. Scale	3	3
3. Competitive advantage	3	4
Final Score		23
Final Score		33



System Diagram & Wireframe for Nykaa's EasyFit



Wireframe For EasyFit Feature





Metrics and Pitfalls + Mitigation Strategy

Why The Solution Might Fail?

Risk Factor: Poor Adoption of EasyFit Features

Impact: Low engagement leads to limited data for personalization improvements

Mitigation: Use real-time feedback loops, influencer validation, and first-time walkthrough nudges

Risk Factor: Low Accuracy of Fit Prediction

Impact: Decreased Average Order Value (AOV) due to loss of trust

Mitigation: Continuously refine models with user feedback + past behaviour data

Risk Factor: Operational Constraints in Faster Fulfilment

Impact: Missed delivery promises leads to increased complaints

Mitigation: Limit initial rollout to metro zones + integrate inventory forecasting

Risk Factor: Complex User Experience or Poor Onboarding

Impact: Drop-offs during setup or non-usage of core features

Mitigation: Clear upfront communication and transparency in the return/refund process

Metric type	Metric Name	Description
North Star	Customer Retention Rate	Retention captures the long-term impact of reduced post-purchase anxiety, better fit assurance, and easier returns
L1 Metric	Repeat Purchase Rate	% of premium users who make a second purchase within 60 days
L1 Metric	AOV (Repeat Customers)	The average amount spent per order by repeat buyers who interact with EasyFit
L1 Metric	Self-Service Success Rate	% of customer queries resolved without human intervention through AI chat, WhatsApp flows, or EasyFit features
L1 Metric	Personalized Recommendation CTR	% clicks on Smart Match or skin-type tips
L2 Metric	Time to Resolution	Avg. time to resolve return/refund tickets
L2 Metric	Product Match-Related Return Rat	% returns due to mismatch for EasyFit users