

Analysis of Brand Strategy & Developing a Buyer Persona for **NYKAA**

By-AISHWARYA N



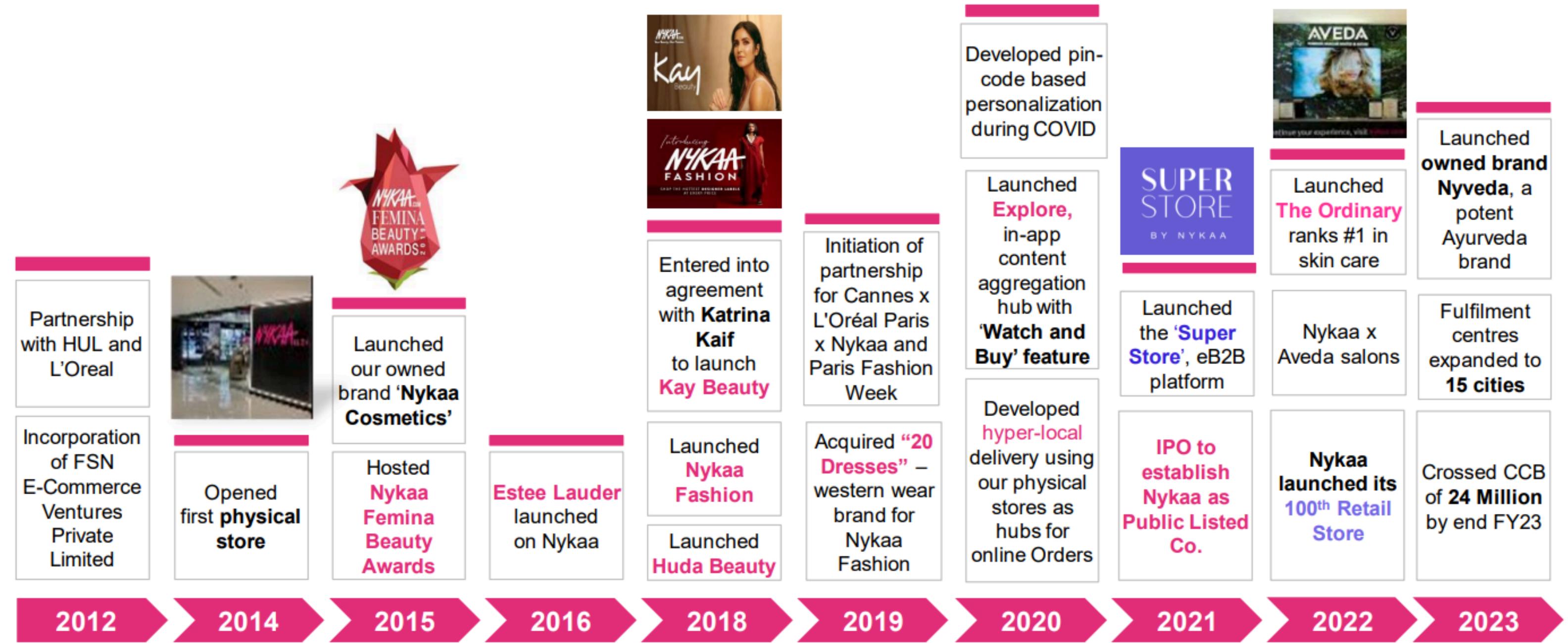
NYKAA

- It is an Indian e-commerce company that focuses on beauty, wellness and fashion products. It was founded by Falguni Nayar in 2012. It offers a wide range of cosmetics, skincare, haircare, fragrances, personal care items for both men and women. It has a wide collection of well-known global and Indian brands. Nykaa is a direct-to-consumer (D2C) brand which purchases products directly from manufacturers. It also has offline stores, including Nykaa Luxe, Nykaa Beauty Kiosk, and Nykaa and it also offers a membership program called Nykaa PRO. It is known for its delivery services, customer support and a robust online presence which is making it a leading beauty company in India.
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The Nykaa Journey Over the Years



Source- <https://www.nykaa.com/media/wysiwyg/2021/Investors-Relations/pdfs/Investor-Presentation-Q2.pdf>

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A Comprehensive Analysis of Nykaa's Marketing Research, Marketing Strategy & Marketing Services



Marketing Research

Nykaa's marketing research is aimed to understand consumer preference, market trend, and competitive strategy for achieving business growth. It uses data analytics and customer insights through digital engagement in order to refine its product offerings and its marketing campaigns.

1. Consumer Preference

Nykaa collects and analyzes customer data to understand shopping habits such as purchase frequency, preferred brands, and average order value; product preferences such as skincare, makeup, and haircare; engagement patterns like which content and offers attract the most clicks. It reported **43.5%** increase in unique clicks on its personalised content and promotions. The brands mobile is responsible for more than **70%** of orders , which shows customers prefer shopping through their phones.

2. Competitor and Market Analysis.

It continuously monitors its competitors like Amazon, Purplle and myntra to stay ahead in the industry. They observe what its competitors are offering in terms of products , prices, services and they also analyze their sales strategies, discounts to understand what attracts customers. They also track social media, websites and advertisements of their competitors. They gather insights from customer reviews and ratings to understand preferences and trends, it always keep an eye on new market trends, products and consumer behaviour to adjust its strategies. Nykaa holds **40%** market share in India's online beauty segment.

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3. Digital and Influencer Marketing Research

Nykaa studies the effectiveness of digital marketing campaigns by analyzing social media, influencer impact and Ad campaign ROI. Nykaa's influencers generate **3x** higher engagement than traditional ads. Nearly **2500 beauty influencers** collaborate with Nykaa annually.

4. Customer Feedback and Personalization

Nykaa actively collects customer feedback through product reviews and ratings, AI driven personalized recommendations and surveys & loyalty programs. Nykaa's **AI-driven recommendations increased repeat purchases by 25%**. It offers over **150,000+** products.

5. Offline Expansion Research

Nykaa studied offline shopping trends before expanding its retail stores and the research showed consumer prefer testing beauty products before purchasing it, this led to open **187+** physical stores across India.

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Loyalty Programs
7%

Offline Promotions
12.7%

Content Marketing
16.9%

300M

165M

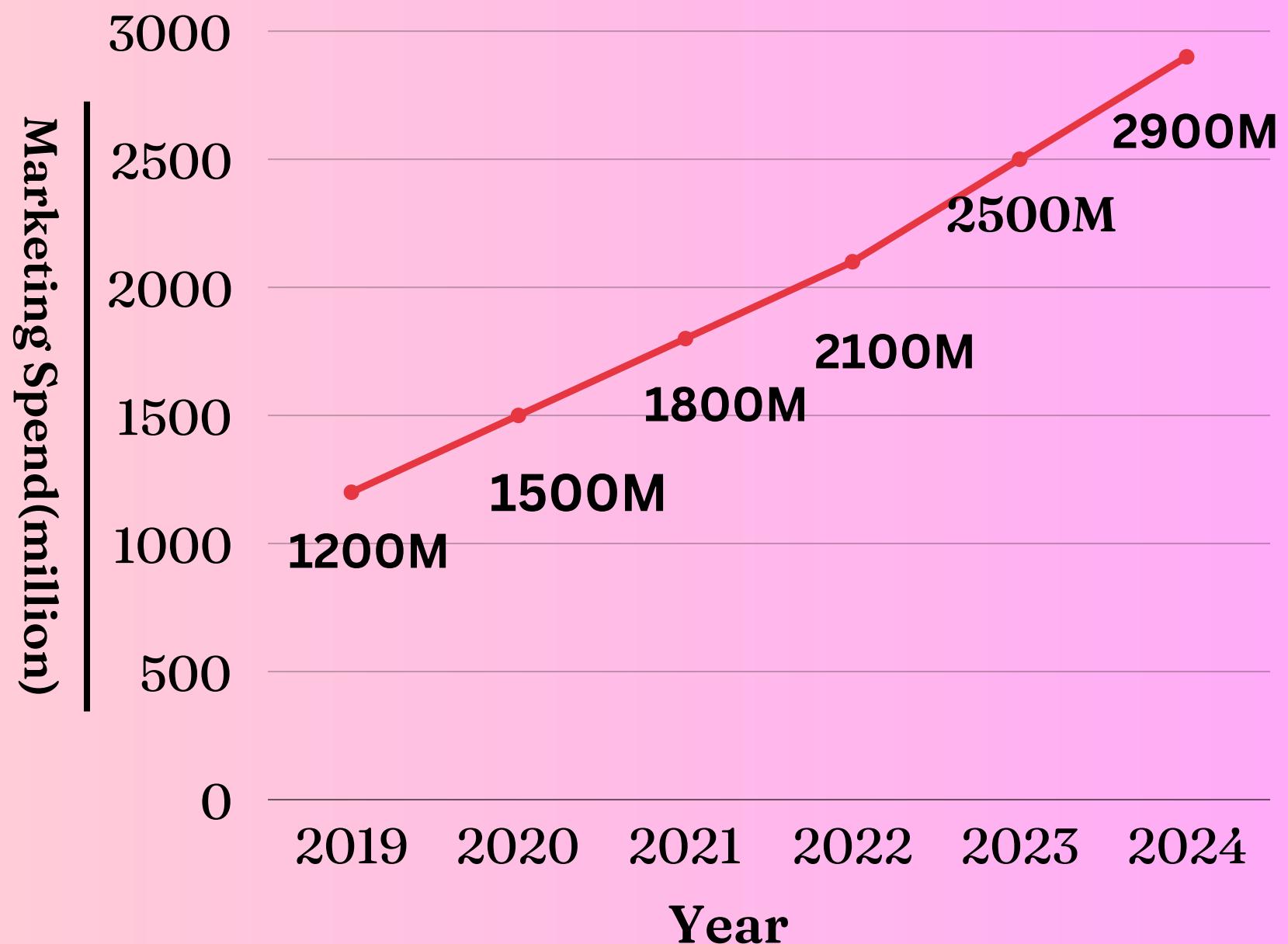
400M

600M

Digital Ads
38.1%

Influencer Marketing
25.4%

Nykaa's Marketing spend distribution



Nykaa's Trend Analysis

This graph shows consistent growth in marketing investment which highlights nykaa's focus on digital advertising, influencer marketing.

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Marketing Strategy

The Marketing Strategy of Nykaa revolves around a customer-first approach, focusing on product diversity, innovative pricing, and digital engagement. It uses influencer collaborations, content marketing, social media, and SEO to build a strong online presence.

1. Target Audience

Nykaa targets a broad audience of 18-50 years especially women, with a focus on active customers aged 19-25, by offering a variety of skincare, hair, and makeup products while nourishing deep customer relationships through personalized services and engaging marketing strategies.

2. Influencer and Social Media Marketing

It collaborates with beauty influencers, bloggers, and celebrities to promote its products. The data had shown that **41%** of consumer discovered new products through influencers. Nykaa had about **3 million** reach with just 100k followers in 48 hours. It produces valuable content which includes beauty tips and skincare tutorials and this content is shared across YouTube, Instagram and blogs which helps in engaging its customers.

3. Products

Another important aspect is its focus on product quality, this has helped them to build a strong reputation among customers and industry experts. This has also helped them to become India's leading beauty retailers.

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4. Pricing, Offers and Discounts

Since 2014, Nykaa has offered competitive prices on all its products and it also offers free shipping over Rs.500. It also has number of seasonal discounts and offers . The Pink Friday sale is Nykaa's biggest event, it offers numerous discounts on Nykaa's products , which are offenly designed to attract customers.

5. Omni-channel strategy

It uses both onilne and offline channels to expand its reach. The offline retail retail stores allows customers to experience the brand physically.

6. Data-Driven Decisions

Nykaa uses data analytics to understand consumer behavior, personalize recommendations, and optimize products assortments.

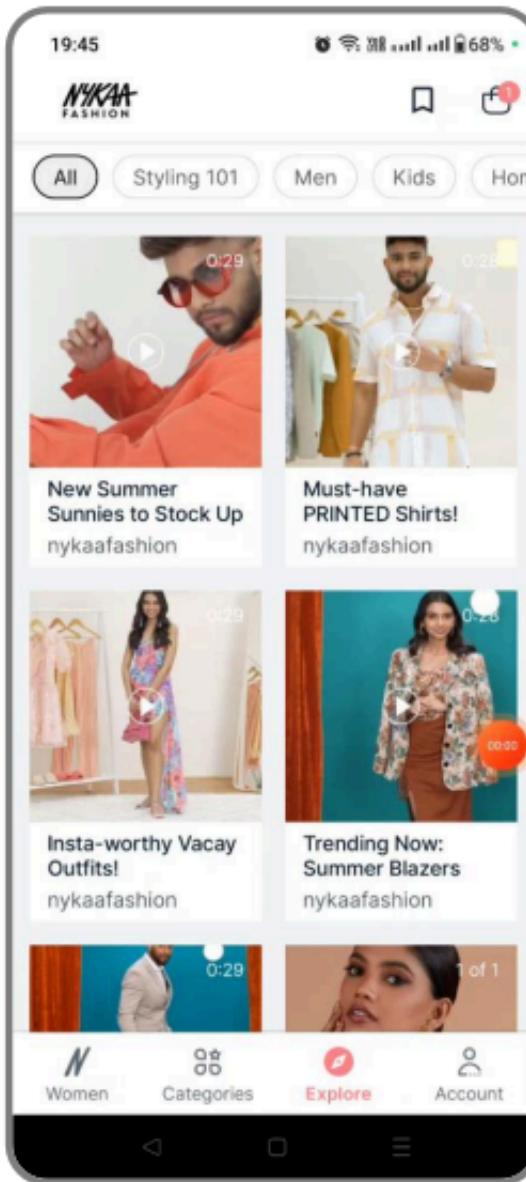
7. Strategic Partnership &Customer Engagement

It has partnership with numerous global brands which allows it to offer a wide variety of products. Nykaa actively engages with its customers through personalized emails, loyalty programs, and social media. The Nykaa Beauty Book is one of the significant initiatives to promote customer engagement and loyalty

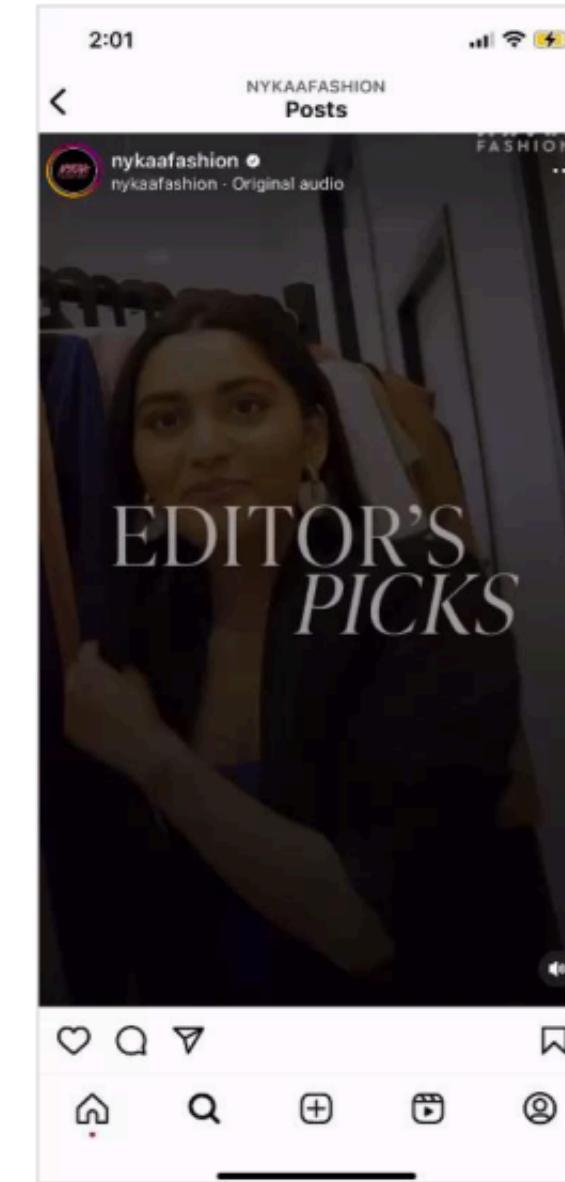
Engaging customers on and off the platform

Watch & Buy

Simplifying styling tips, education on latest trends and launches by constantly revamping content to commerce properties like Watch & Buy and Editor's Picks

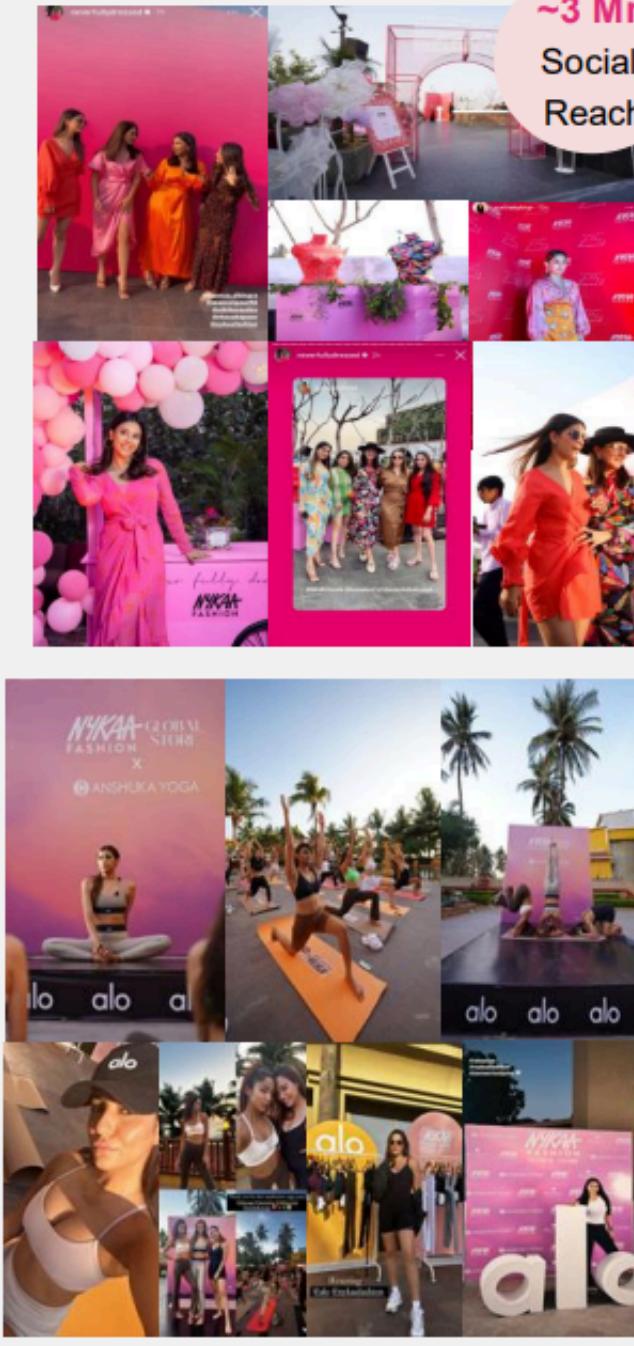
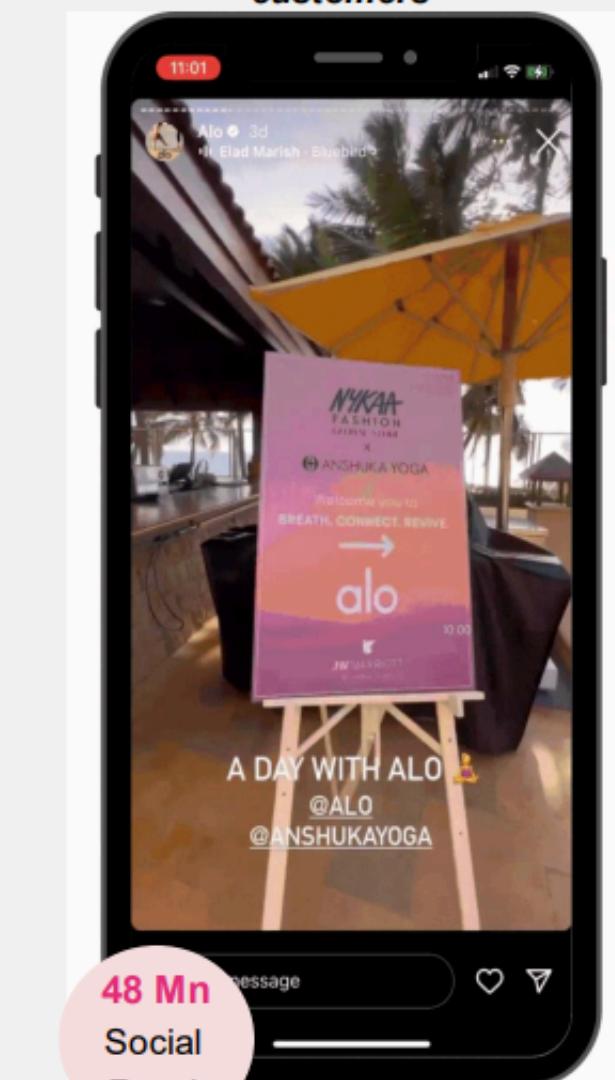


Editor's Picks



Events and Launches

Customizing events for global brand partners like Alo and Never Fully Dressed to help interact directly with customers



~3 Mn Social Reach

Source-<https://www.nykaa.com/media/wysiwyg/2021/Investors-Relations/pdfs/Investor-Presentation-Q2.pdf>

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Marketing Services

Nykaa offers a wide range of marketing services to promote its brand and products. These services include:

1. Digital Advertising

Nykaa invests heavily in digital ads across Google, Facebook, Instagram, and YouTube to reach a wide audience. These ads are targeted to specific buyer personas based on their browsing habits and preferences.

2. Influencer Marketing

Nykaa collaborates with beauty influencers, makeup artists, and skincare experts to promote their products through reviews, tutorials, and brand partnerships.

3. Affiliate Marketing

Nykaa partners with affiliate marketers to promote their products through blogs, social media, and websites.

4. Content Marketing

Nykaa produces engaging content through its websites, blog, and social media channels to build brand loyalty and educate its customers about skin care and makeup.

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6.PR and Events

Nykaa hosts beauty events, influencer meet-ups and product launches to target its customers.

7. SEO and SEM

It employs SEO strategies to ensure its products rank high on search engine results, increasing organic traffic.



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Enhancing the buying journey across touchpoints

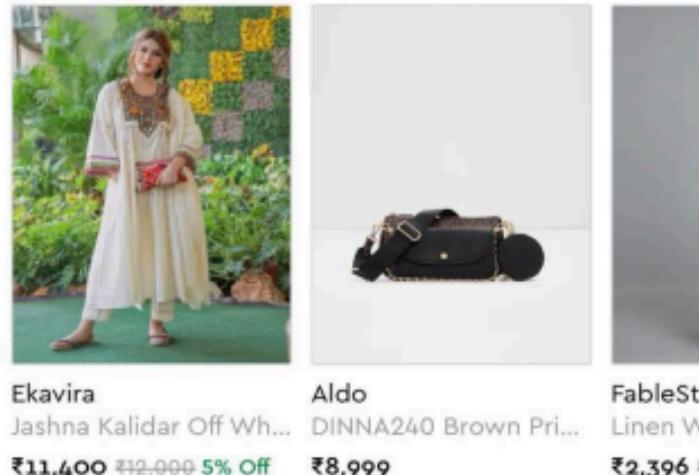
Personalization

Launching hyper personalised recommendations to customize the discovery experience

Are you still searching for Co-ords?

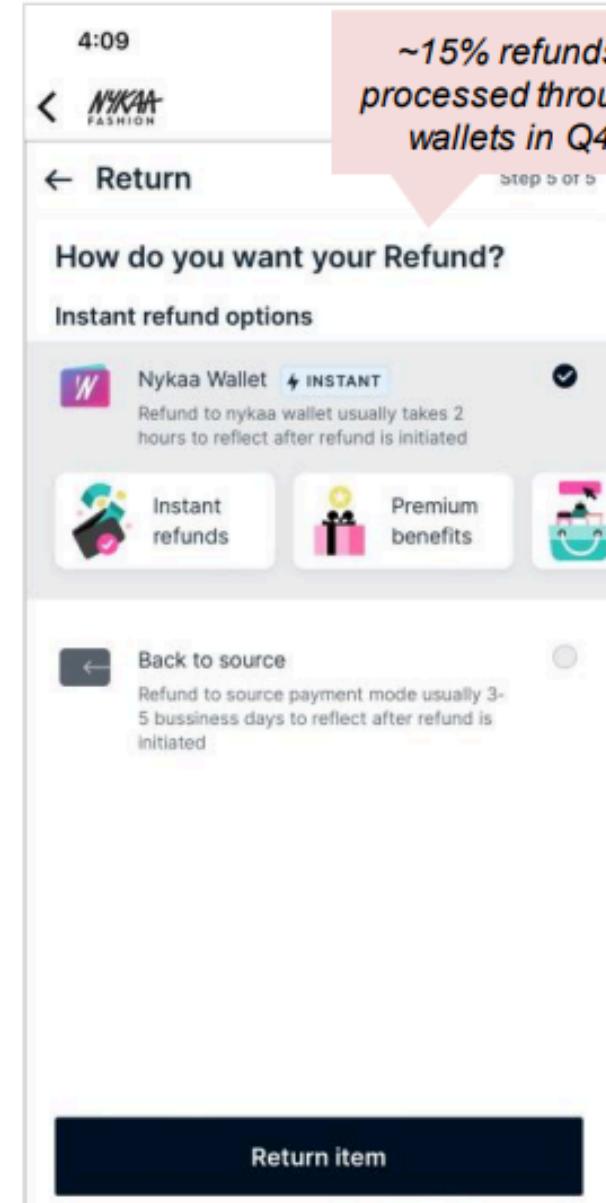


We think you'll love



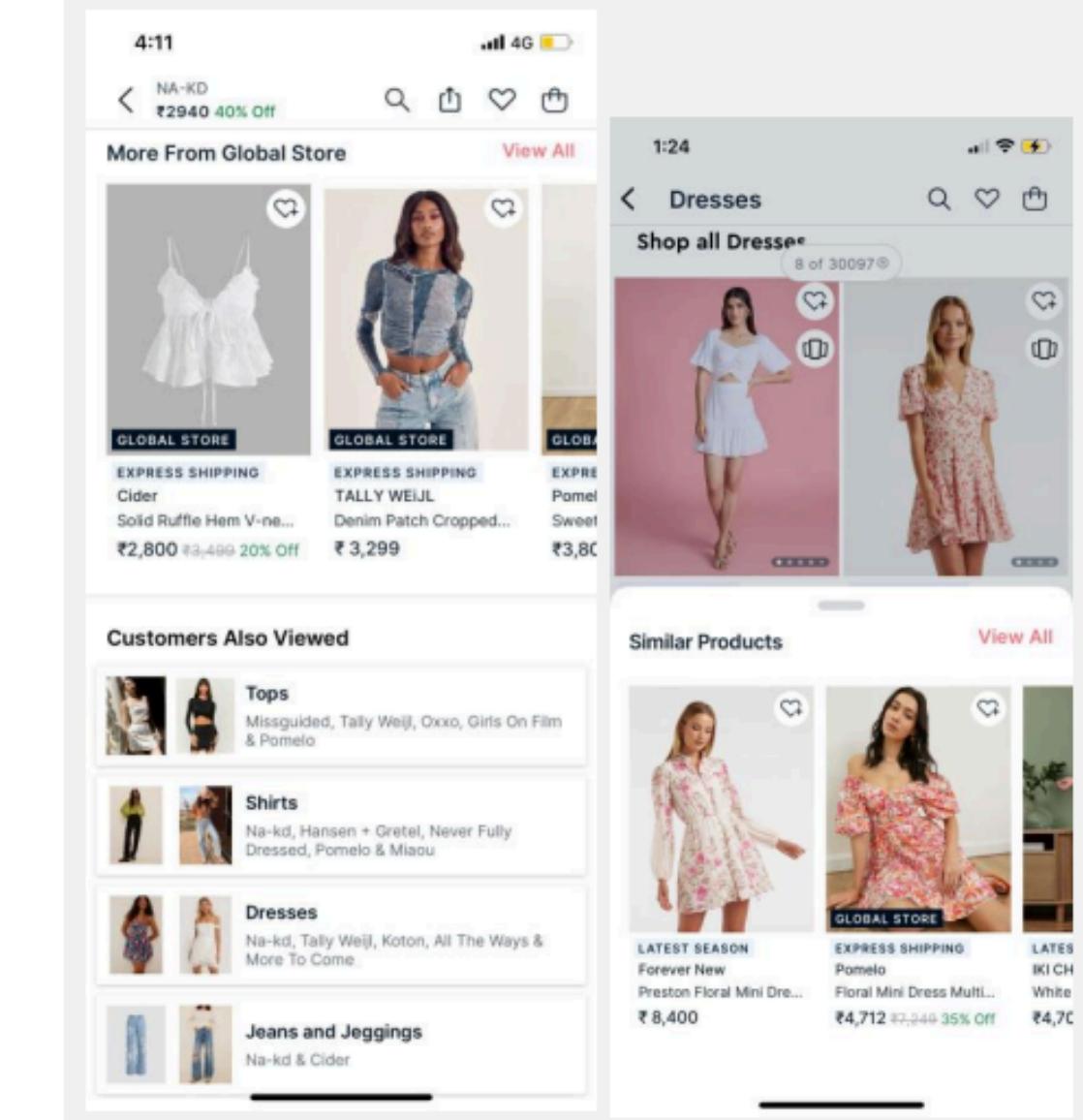
Refund to Wallet

Enabling customers to get instant refunds to their Nykaa wallets – fungible balance across Nykaa.com and Nykaa Fashion.com



Recommendation Engine

Revamping recommendation widgets across different landing pages to help customers choose easily from a plethora of products



Source-<https://www.nykaa.com/media/wysiwyg/2021/Investors-Relations/pdfs/Investor-Presentation-Q2.pdf>

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SWOT Analysis of NYKAA

STRENGTH

- Strong brand recognition
- Both online and offline stores to enhance customer trust
- Offers 2,400+ exclusive and diverse products
- Effective digital and influencer strategy
- High customer loyalty & engagement

OPPORTUNITIES

- Growing internet use and online shopping in small cities
- Increasing men's grooming products
- Expanding its fashion segment
- Partnerships with influencers and celebrities
- Expansion of offline stores
- Expanding its categories into health supplements and wellness products

WEAKNESS

- Premium pricing which makes less affordable for middle class customer
- Limited offerings for men
- Limited international brand
- Nykaa fashion faces challenges
- High competition
- Dependence on Online Sales

THREATS

- Intense competition, new competitors
- Changing trends
- Delivery delays & high return rates
- New laws on cosmetics which can change sales operation
- Heavy discounting by competitors
- Negative reviews and customer complaints

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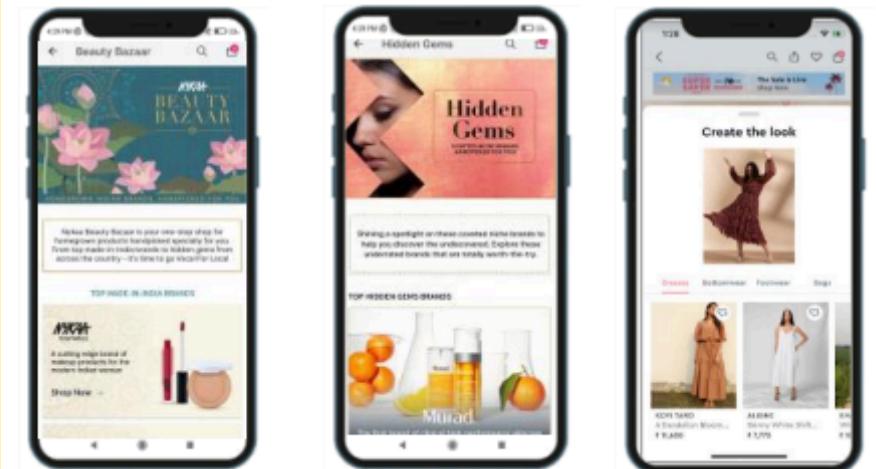
Curation



Authenticity

Style driven, Aspirational and Newness

Personalized Discovery



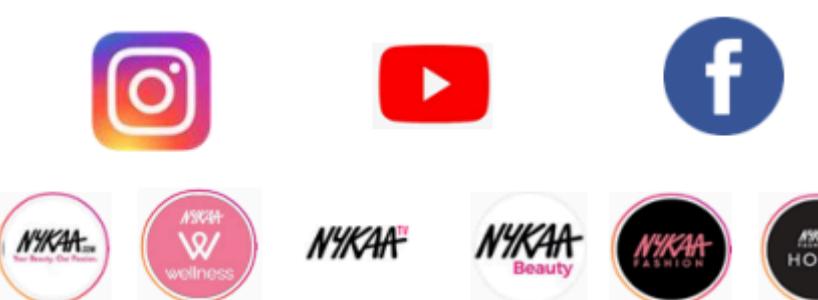
Content



Content Led Marketing using social media

Influencer Marketing

Education & Awareness



**~15 million Social Media followers
as on March 31, 2023**

Convenience



Omni channel experience

Seamless discovery to delivery

Beauty Advisory and Interactive Customer service

**154 Stores⁽¹⁾
across 60 cities⁽¹⁾** → BPC + Fashion

Source- <https://www.nykaa.com/media/wysiwyg/2021/Investors-Relations/pdfs/Investor-Presentation-Q2.pdf>

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Competitors of Nykaa

purple.com

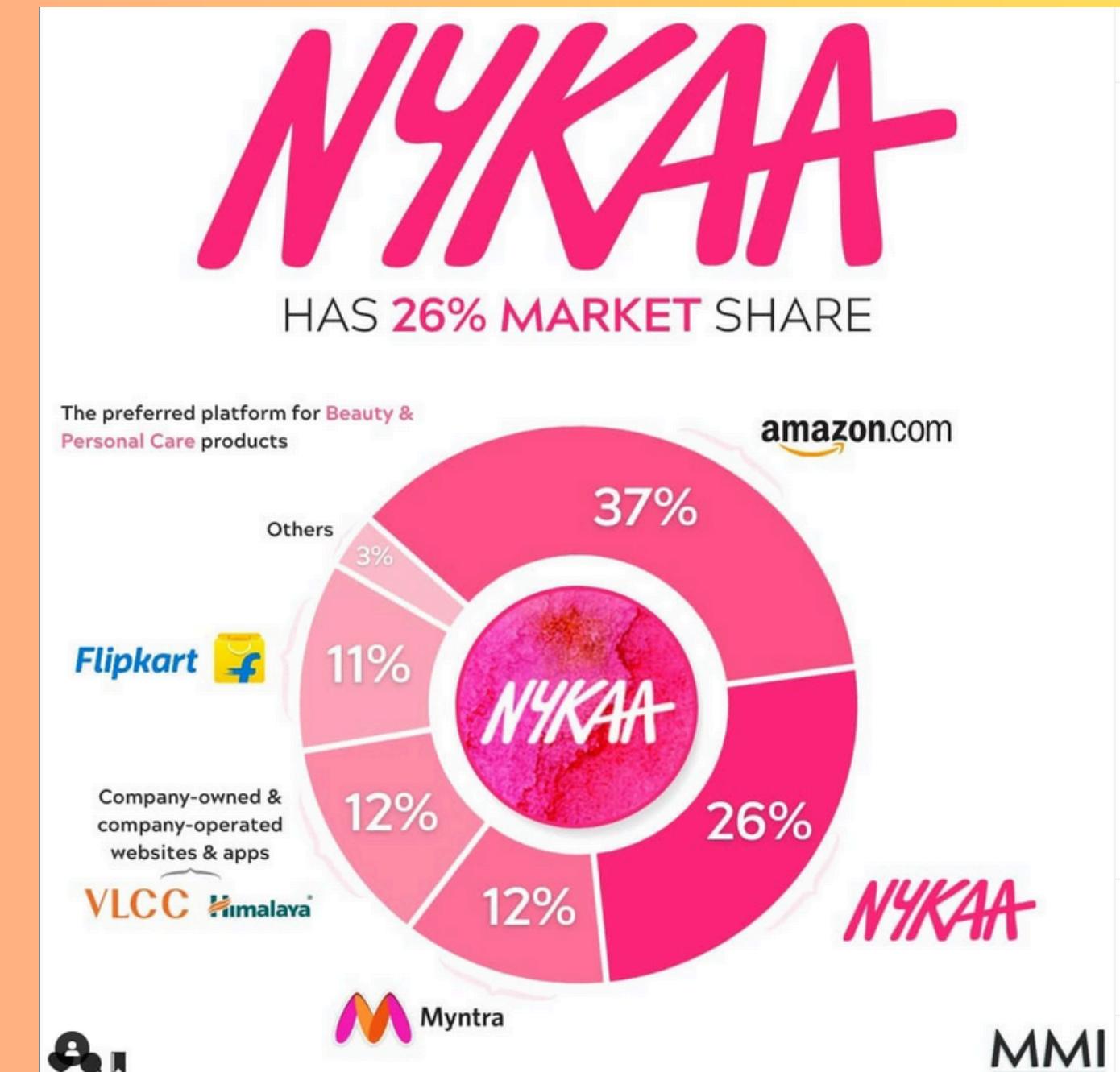
amazon

Myntra

SEPHORA

mamaearth®

Flipkart



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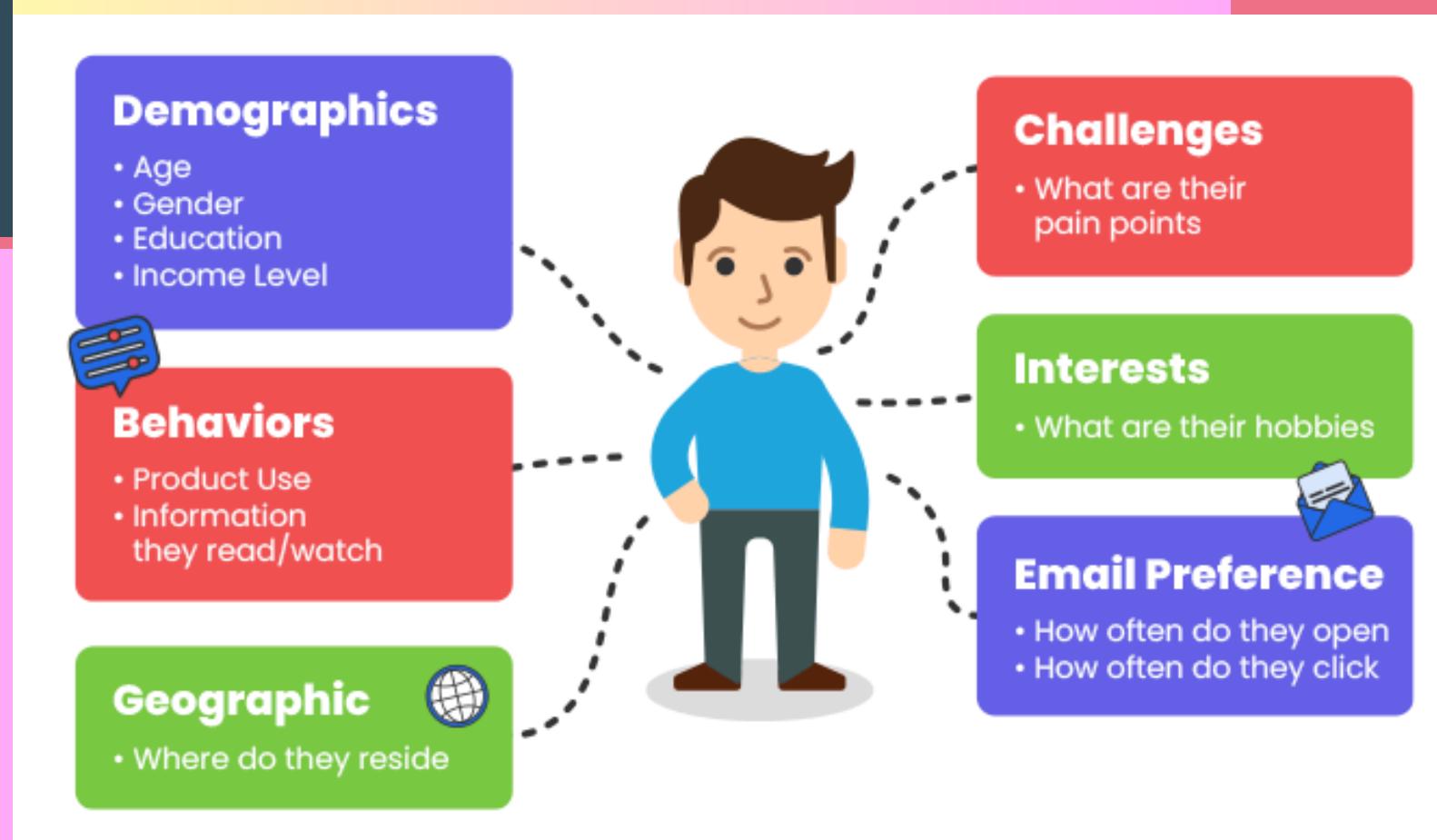


IMPORTANCE

It is crucial in digital marketing as it helps to understand company's ideal customer, personalize their marketing efforts and increase engagement and conversions. A well defined buyer persona makes digital marketing more effective. Business that understand their audience deeply can create targeted campaigns, improve engagement and maximize sales.

BUYER PERSONA

It is a semi-fictional representation of company's ideal customer based on market research, real data, and customer insights.



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Buyer Persona of Nykaa

Demographics

1. Age: 25
2. Gender: Female
3. Location: Karnataka
4. Income: 4-6LPA

Online behaviour

Comfortable with online shopping due to variety of products, reading reviews & watching tutorials before purchasing, prefer shopping from trusted platform, seeks recommendations on previous purchase.

Psychographics

1. Interests: Skincare, makeup, fashion
2. Values: Quality, cruelty free and eco friendly products
3. Lifestyle: Active on social media enjoy online shopping
4. Traits: Looking for new beauty products
5. Personality: Enjoy trying trendy products, engaging with beauty influencers on social media

Needs

1. Wide range of high quality skincare, makeup products.
2. Convenient shopping experience
3. Personalized recommendations
4. Exclusive discounts

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Challenges

1. Overwhelmed by vast number of products available online.
2. Concern over product authenticity.
3. Struggle to find right product.
4. Price of premium products
5. shipping delays

Solution

1. It simplifies by offering expert reviews and top rated products.
2. Ensures authenticity by getting products directly from reliable brands.
3. It provides product descriptions deeply, skincare guides & tutorials to choose correct products.
4. It offers variety of products across different price range. Regular sales and promotional discounts.
5. It ensures fast delivery services and also provides tracking options.

Consumer Journey of Nykaa



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Awareness: Nykaa attracts its customer through influencer collaboration, social media ads and and it also offers engaging content related to beauty trends, skincare tips, product reviews, and AI generated content to build brand awareness.

Decision & Purchase: After getting complete details about the product the customer adds their to product to Nykaa cart and gets to purchase from Nykaa's online store, receives order confirmation and starts tracking the shipment.

Consideration: When a customer knows they want a but not decided which one to buy. They start exploring Nykaa's website or app looking for different brands, reading customer reviews, watching influencer recommendations, and comparing prices. They might add products to their cart but have not made the final decision yet. In this stage Nykaa keeps them engaged by showing personalized suggestions, offering discounts, sending reminders, and providing helpful content like product guides and tutorials to help them choose the best option.

Retention: Nykaa focuses on keeping customers happy so they keep shopping on the platform. After a purchase, Nykaa encourages customers to shop again by offering loyalty program, special discounts, and personalized product suggestions based on their past orders. They also remind customers when it's time to restock and it also offer easy return options . By making shopping enjoyable and rewarding, Nykaa makes sure customers stay loyal and keep coming back.

Thank You