

# Nykaa Business Analysis

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# Overview of the Company

Nykaa, a leading online fashion and lifestyle retailer, aims to strengthen its market position by leveraging social media insights and customer reviews. This analysis identifies key trends, customer sentiments, and competitor comparisons, culminating in strategic recommendations to enhance brand perception and customer satisfaction.



## A BRIEF HISTORY OF

# NYKAA

- 2012**  
Nykaa was founded by Falguni Nayar as an ecommerce app for beauty & wellness.
- 2015**  
Nykaa launched its collection of in-house beauty products, via Nykaa Cosmetics.
- 2015**  
Nykaa became omnichannel by opening its first physical store.
- 2018**  
Nykaa launched new verticals: Nykaa Man and Nykaa Fashion.
- 2019**  
Nykaa acquired 20dresses.com and launched first celebrity partnership brand Kay Beauty.
- 2020**  
Nykaa raised INR 100 crore from Steadview capital and entered the list of Unicorn Startups.
- 2021**  
Nykaa Fashion acquired Indian fashion jewelry brand, Pipa Bella.

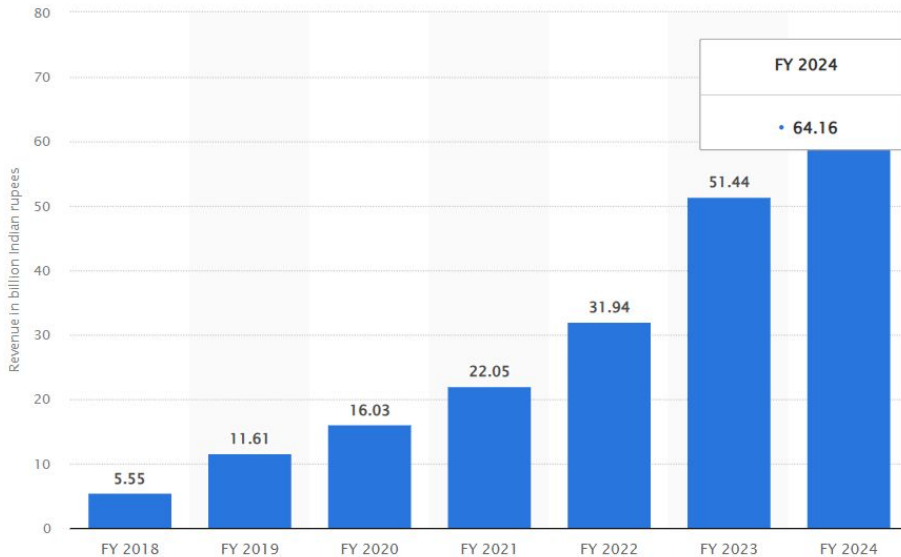
# Business Vertical

01	Nykaa Army	<ul style="list-style-type: none"><li>Nykaa's employee create content in 8 different languages.</li></ul>
02	Nykaa Affiliate Program	<ul style="list-style-type: none"><li>Influencers create content for Nykaa on various social media platforms from commission.</li></ul>
03	Nykaa TV	<ul style="list-style-type: none"><li>Youtube based platform. Nykaa alone generate 10-15% of the Indian beauty on YouTube.</li></ul>
04	Nykaa Network	<ul style="list-style-type: none"><li>P2P social community with 3.6 million member.</li></ul>
05	Nykaa Beauty Book	<ul style="list-style-type: none"><li>Beauty and Fashion Blog.</li></ul>

# Financial Growth

## Revenue of Nykaa E- Retail Private Limited from financial year 2018 to 2024

(in billion Indian rupees)



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### Release date

August 2024

### Region

India

### Survey time period

FY 2018 to FY 2024

### Supplementary notes

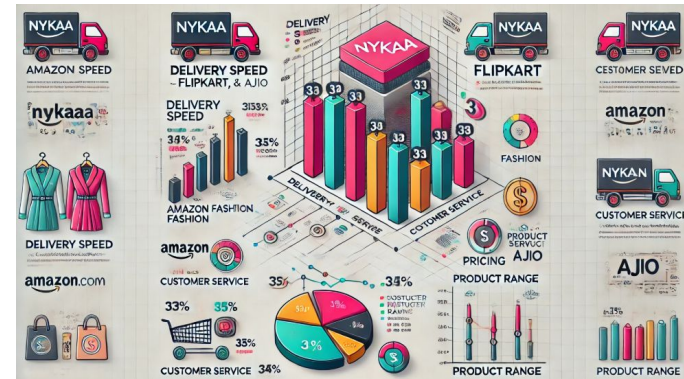
India's financial year begins in April and ends

## Peers Comparison

Feature	Nykaa	Purplle	Myntra	Amazon
Revenue (FY 2024)	₹64.16 billion	~₹10 billion (estimate)	Not disclosed (beauty)	Not disclosed (beauty)
Target Audience	Urban, premium, mid-tier	Tier 2, Tier 3, affordable	Fashion-conscious	All price segments
Marketing Strategy	Content-driven, influencers	Price-focused, regional	Cross-sell via fashion	Price and availability
Omnichannel Presence	Yes (offline + online)	Limited	No (online only)	No (online only)
Product Portfolio	Extensive (exclusive & private-label)	Mid-range brands	Premium brands	Long-tail international

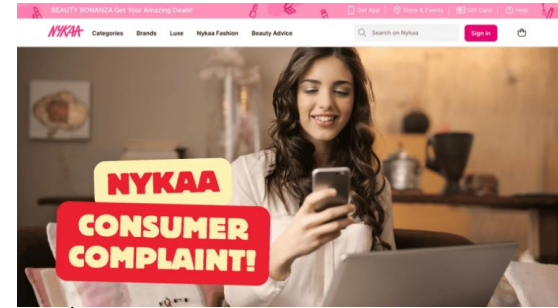
# Market Leadership Insights

- **Nykaa:** The clear **market leader**, driven by its diversified revenue streams (online + offline) and content-led engagement.
- **Purple:** A **challenger brand** targeting affordable segments and smaller cities.
- **Myntra & Amazon:** Strong players due to their ecosystems, but beauty is a secondary focus.



# Brand Findings

- **Brand Perception:** Nykaa is recognized as stylish, trendy, and reliable, but struggles with poor customer service, especially concerning delivery and returns.
- **Customer Sentiment:** Positive feedback (60%) highlights product quality, affordability, and variety, while negative feedback (30%) centers on delivery delays and inefficient support.
- **Market Trends:** Growing interest in sustainable fashion and ethnic/fusion styles; influencers are driving visibility for exclusive collections.
- **Competitive Landscape:** Nykaa strengths lie in its specialized focus on beauty and fashion and diverse product range, but it faces challenges in pricing and delivery infrastructure against competitors like Amazon and Flipkart.
- **Opportunities:** Improving logistics and returns, leveraging influencers, and expanding sustainable and ethnic fashion offerings can drive customer satisfaction and market share.



# Brand Suggestion

- **Enhance Customer Satisfaction**
  - Optimize delivery and returns processes.
  - Launch 24/7 customer support channels (e.g., chatbots, dedicated helpline).
- **Expand Product Offerings**
  - Introducing sustainable fashion lines.
  - Collaborate with local artisans for exclusive collections.
- **Boost Marketing Strategies**
  - Partner with influencers to highlight emerging trends.
  - Leverage AR/VR technologies for virtual try-ons.
  - Engage customers through innovative social media campaigns.
- **Strengthen Competitive Position**
  - Emphasize Nykaa unique focus on fashion and beauty in marketing.
  - Develop loyalty programs with personalized offers for repeat customers.



# Conclusion

- **Address Areas of Improvement:** Enhance customer service, streamline delivery processes, and simplify return policies to boost satisfaction.
- **Capitalize on Emerging Trends:** Focus on sustainable fashion and ethnic/fusion styles to align with evolving consumer preferences.
- **Solidify Market Position:** Strengthen Nykaa leadership in online fashion and lifestyle by addressing gaps and leveraging strengths.
- **Tailor Strategic Actions:** Align initiatives with customer needs and competitive dynamics for targeted growth.
- **Drive Sustained Growth:** Foster customer loyalty and expand market share through consistent improvements and innovation.