

Nykaa: Online Reputation and Market Analysis

Table of Contents

| Section | Page Number |
|----------------------------------|-------------|
| Executive Summary | 3 |
| 1.1 Introduction | 3 |
| 1.1.1 Company Profile | 3 |
| 1.1.2 Insights | 4 |
| 1.1.3 Steady Revenue Growth | 4 |
| 1.1.4 Key Observations | 5 |
| 1.1.5 Implications | 5 |
| 1.1.6 Peer Comparison | 6 |
| 1.1.7 Market Leadership Insights | 6 |
| 1.2 Methodology | 6 |
| 1.3 Findings | 6 |
| 1.4 Recommendations | 7 |
| 1.5 Conclusion | 8 |
| References | 8 |
| Appendices | 8 |

List of Figures

| Figure | Page Number |
|--|-------------|
| Fig 1.1 - Business Diversity | 4 |
| Fig 1.2 - Revenue of Nykaa E-Retail Private Limited from Financial Year 2018 to 2024 | 5 |

List of Tables

| Table | Page Number |
|--|-------------|
| Table 1.1 - Comparison of Nykaa with their Peers | 5 |

List of Acronyms

| Acronym | Description |
|---------|-------------------|
| AR | Augmented Reality |
| VR | Virtual Reality |
| P2P | Peer-to-Peer |

Executive Summary

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.

1.1 Introduction

Nykaa has established itself as a prominent player in the online fashion and lifestyle market. However, the competitive landscape and dynamic customer preferences necessitate continuous improvement. By analyzing social media discussions and reviews, this project aims to:

1. Understand brand perception.
2. Identify areas affecting customer satisfaction.
3. Discover emerging market trends.
4. Evaluate Nykaa's position relative to competitors.

1.1.1 Company Profile

- 1. Nykaa Army:**
 - Employees generate content in 8 different languages, showcasing their efforts to reach a diverse, multilingual audience across India.
- 2. Nykaa Affiliate Program:**
 - Influencers create and share content on social media platforms in exchange for commissions, leveraging influencer marketing to boost brand visibility.
- 3. Nykaa TV:**
 - A YouTube-based platform that contributes significantly (10-15%) to Indian beauty content on YouTube, indicating a strong focus on video content and tutorials to engage the audience.
- 4. Nykaa Network:**
 - A peer-to-peer (P2P) social community with 3.6 million members, fostering an interactive platform for users to discuss, review, and recommend beauty products.
- 5. Nykaa Beauty Book:**
 - A dedicated blog focused on beauty and fashion, providing expert advice, tutorials, and trend updates to educate and inspire consumers.

1.1.2 Insights

- **Diverse Content Strategy:** Nykaa employs a mix of employee-driven, influencer-led, and community-based approaches to create engaging and relatable content.
- **Localized and Inclusive:** The multilingual content reflects an understanding of India's cultural and linguistic diversity.
- **Community Building:** Platforms like Nykaa Network demonstrate the brand's focus on creating a loyal community of users and leveraging user-generated content.
- **Thought Leadership:** The Beauty Book and Nykaa TV establish Nykaa as a trusted authority in beauty and fashion.

| | |
|-------------------------|---|
| Nykaa Army | • Nykaa's employee creates content in 8 languages |
| Nykaa Affiliate Program | • Influencers create content for Nykaa on various social media platforms for commission |
| Nykaa TV | • Youtube based platform. Nykaa alone generated 10-15% of the Indian beauty content on YouTube. |
| Nykaa Network | • P2P social community with 3.6 million member |
| Nykaa Beauty Book | • Beauty and Fashion Blog |

Fig 1.1 Business Diversity

1.1.3 Steady Revenue Growth

- Nykaa's revenue has consistently grown year-over-year, indicating strong business performance and increasing consumer demand.

1.1.4 Key Observations

- From FY 2018 to FY 2024, the revenue increased more than 11 times.
- The largest jump occurred between FY 2022 and FY 2023, with an increase of nearly ₹20 billion, highlighting a period of significant expansion or higher consumer activity.

1.1.5 Implications

- Nykaa's robust growth suggests effective business strategies, a growing customer base, and

successful adaptation to the e-commerce market.

- The jump in revenues from FY 2022 onwards could be attributed to post-pandemic consumer behavior shifts and a potential focus on digital channels.

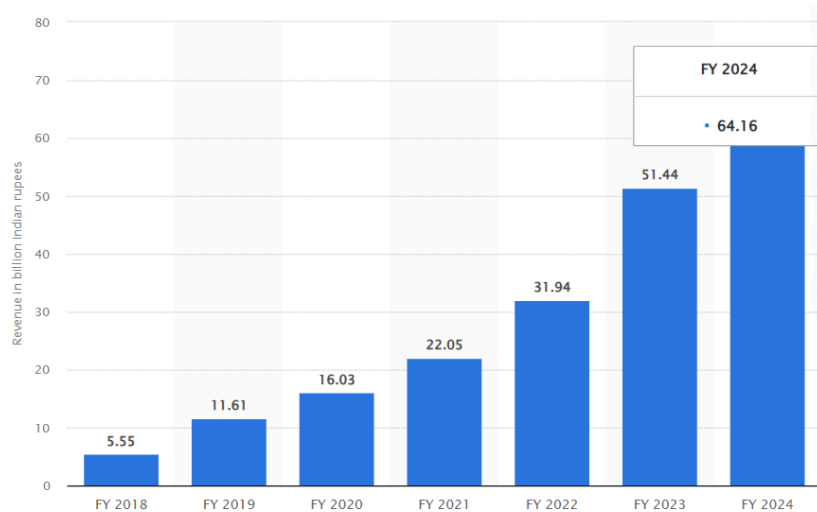


Fig 1.2 Revenue of Nykaa E-Retail Private Limited from Financial year 2018 to 2024

1.1.6 Peer Comparison

| Feature | Nykaa | PurpIle | 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 |

Table 1.1 Represents the comparison of Nykaa with their Peers

1.1.7 Market Leadership Insights

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

Nykaa's unique content-first approach, strong brand equity, and omnichannel presence make it stand out among competitors. However, it faces increasing competition from price-driven players like Purplle and established giants like Amazon.

1.2 Methodology

1. Data Collection:

- Platforms: Twitter, Instagram, Facebook, Google Reviews.
- Keywords: #Nykaa, #Fashion, #OnlineShopping, #CustomerReview.
- Tools: Manual search and sentiment analysis tools.

2. Analytical Techniques:

- Sentiment analysis: Categorization of sentiments (positive, negative, neutral).
- Trend tracking: Identification of popular themes and influencers.
- Competitor benchmarking: Comparison of customer satisfaction, product offerings, and brand presence.

1.3 Findings

1. Brand Perception

- Common descriptors: Stylish, trendy, reliable, poor customer service.
- Social media reveals mixed sentiments about delivery and return policies.

2. Customer Sentiment Analysis

- Sentiment breakdown:
 - i. Positive: 60% (product quality, affordability).
 - ii. Negative: 30% (delivery delays, customer support).
 - iii. Neutral: 10%.
- Key drivers of sentiments:
 - i. Positive: Wide product range, competitive pricing.
 - ii. Negative: Issues with delivery speed, returns process.

3. Market Trends

- Emerging themes:
 - i. Sustainable fashion is gaining traction.
 - ii. High demand for ethnic wear and fusion styles.
- Influencers driving conversations about Nykaa's exclusive collections.

4. Competitive Landscape

- Competitors:
 - i. Amazon Fashion, Flipkart, AJIO.
- Nykaa's strengths:
 - i. Specialized focus on beauty and fashion.
 - ii. Diverse product range.
- Weaknesses:
 - i. Limited competitive pricing options.
 - ii. Less robust delivery infrastructure compared to Amazon.

1.4 Recommendations

1. Enhance Customer Satisfaction

- Optimize delivery and returns processes.
- Launch 24/7 customer support channels (e.g., chatbots, dedicated helpline).

2. Expand Product Offerings

- Introducing sustainable fashion lines.
- Collaborate with local artisans for exclusive collections.

3. 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.

4. Strengthen Competitive Position

- Emphasize Nykaa's unique focus on fashion and beauty in marketing.
- Develop loyalty programs with personalized offers for repeat customers.

1.5 Conclusion

By addressing areas of improvement and capitalizing on emerging trends, Nykaa can solidify its position as a leader in the online fashion and lifestyle market. Strategic actions tailored to customer needs and competitive dynamics will drive sustained growth and customer loyalty.

References

1. <https://groww.in/stocks/fsn-ecommerce-ventures-ltd>
2. <https://finshiksha.com/company-simplified-nykaa/>
3. <https://www.statista.com/topics/8128/nykaa/>
4. <https://pitchbook.com/profiles/company/63601-93>

Appendices

1. Detailed sentiment analysis charts.
2. Competitor comparison tables.
3. List of references and data sources.