

A Study on Social Media Marketing of NYKAA Products and its Impact on Consumers

Ms. Simran Motwani¹ and Prof. Kiran Nagare²

Research Scholar, MAEER's MIT Arts Commerce and Science College, Alandi (D), Pune, India¹

Assistant Professor, MAEER's MIT Arts Commerce and Science College, Alandi (D), Pune, India¹

Abstract: *Technological evolution has recognized the potential of online social media channels in building strong brand reputation. Companies are leveraging analytical methods like Sentiment analysis to monitor the brand reputation. With an increase in digitalization, E-commerce has become the need of the hour and has compelled many industries to go digital. Cosmetic Industry being one, rightly leveraging the use of digital technologies to tailor its products based on consumer's demands. This study is based on an Indian cosmetic brand, Nykaa. Three diverse social media platforms are utilized for data collection and gain insight on customer reviews by conducting sentimental analysis on the user-generated reviews thereby, further concluding the impact over brand reputation.*

Keywords: Nykaa

I. INTRODUCTION

Social networking websites have upgraded the delivery of information to customers, shifting from a traditional one-to-many to one-to-one communication, thus becoming more customer-centric.

Such real-time engagement in the digital world works the same as face-to-face communication, thereby enhancing the speed of marketing operations.

We spend most of our time attached to our devices surfing through the internet generating a tremendous amount of data that can be utilized to understand a customer's perspective towards a brand, product, or service.

Reviews and ratings by customers are playing an important role for the companies to know where their product stands and finally to predict the purchasing decision of the customers.

Monitoring Social media activities is a process to stay connected to our customers and with the metrics generated, we can measure the customer sentiment towards services offered.

Sentiment Analysis helps to interpret and classify emotions and opinions into positive, negative, and neutral sentiments within text data, using Natural Language Processing.

Analysis of feedback and comments through social media can help businesses to maintain Customer Relationship and enhance Customer Experience.

It can also be useful while introducing a new product or service in the market, by doing competitor analysis where they stand by making an informed decision. Internet has now become a mainstream platform for conducting business.

People are avoiding visiting any physical store as everything is easily accessible virtually and at very good deals.

Cosmetic being a nascent industry of this e-commerce business is gaining a lot of consumer interest and is tending to grow at a faster pace.

These businesses are making proper use of social media by keeping their customers updated and providing timely replies to the frequent questions asked.

Consumers are actively participating in discussions and sharing knowledge with other consumers about the products or services.

This active behavior is changing the marketing approach of companies as consumers are invading the marketing sphere of many companies.

Social media can be a powerful tool for any organizational can increase your visibility. Enhance relationships, establish two-way Communication with customers, provide a forum for feedback, unimproved awareness and reputation of the organization. For these reasons, social media websites have become an important platform for organizations.

The comparison of social media advertising channels as whole and tradition channels advertising as a whole result in favor of social media advertising channels.

On every aspect of the advertising respondents agree that social media advertising channels are better than that of tradition media advertising.

Social media allows exchange of ideas, opinions, stories and facts among individuals who may be living in different parts of the world.

Facebook and Instagram are among the most popular social media platforms. These platforms often offer user-generated content and individualized accounts.

There are currently 3.78 billion users of social media worldwide and by using social media brands can target this huge audience and generate significant leads.

1.1 OBJECTIVES OF THE STUDY

- To study social media branding of Nykaa products.
- To analyze the effect of media communication on buying behavior with respect to Nykaa.
- To check the feasibility of the use of social media marketing of Nykaa products.
- To study various factors contributing to consumers' purchases on the social media platform

1.2 SCOPE OF THE STUDY

The study focused on how social media marketing influences consumer buying behavior for Nykaa products. This study is being taken up to better understand the contribution of the beauty industry to the development of the country and to evaluate the strategies of these companies with the help of social media marketing.

1.3 RESEARCH METHODOLOGY

Research methodology is widely used as a way to solve the research problem. Research methodology refers to various steps adapted by the researcher to study the problem with objectives.

Research design: The research design is descriptive as it is based on a survey conducted among Social media users.

Data collection:

- Data is collected through both primary and secondary sources.
- Primary data is collected by conducting surveys using questionnaire method.
- Secondary data is collected from journals, newspapers, websites etc

Sampling: In present study, "Convenient Sampling Method" is used among various publics.

Sample Size: 50 respondents are chosen as a sample size for the study.

II. REVIEW OF LITERATURE

Anannya padhi and Antra Sharma (2022)

A major contribution to the GDP of the economy comes from the businesses which constitute Small and Medium Enterprises (SMEs) run by the residents in these parts.

Initially, the marketing mix of these SMEs revolved around the traditional practices, however, with the introduction of Digital India and the wave of COVID-19 pandemic, a shift towards adopting social media marketing (SMM) strategies is evident.

Therefore, this paper attempts to study the impact of SMM strategies on SMEs. Although SMEs themselves are a part of Sustainable Development Goals (SDGs), they help immensely in attaining the rest of the SDG goals such as food security through employment generation, SMEs should try to extract the benefits that SMM has to offer for their growth and optimal outreach of businesses.

Dr. B. Ravi and Mr. S. Sujayakumar (2021)

The word of marketing has undergone unimaginable changes in the last century. The level of transformation marketing practices, tools and techniques have undergone, is beyond one's wildest imagination. They need to know what drives are needed in order to ensure an effective outcome and to build successfully promotional campaigns things in line with their fan's needs.

The advantages of social media marketing speak for themselves by generating a high degree of brand loyalty and reducing the company's contact gap with its customer.

III. COMPANY PROFILE

Company Profile

Nykaa is an Indian e-commerce company headquartered in Mumbai. It sells beauty, wellness and fashion products through its website, mobile app, and over 100 physical stores. In 2020, it became the first Indian unicorn startup headed by a woman.

Nykaa sells products which are manufactured in India as well as internationally. In 2015, the company expanded from online-only to an omnichannel model and began selling products apart from beauty. As of 2020, it retails over 2,000 brands and 200,000 products across its platforms.



History

In April 2012, Falguni Nayar, a former managing director at Kotak Mahindra Capital Company, founded Nykaa as an e-commerce portal curating a range of beauty and wellness products. The brand name Nykaa is derived from the Sanskrit word nayaka, meaning actress or "one in the spotlight". The website was first launched around Diwali 2012, and was available commercially in 2013.

In 2015, the company expanded from online-only to an omnichannel model and began selling fashion products.

In 2018, Nykaa launched Nykaa PRO. It is a premium membership program that provides users special access to professional beauty products and offers on the Nykaa app. In 2018, the company also launched an online beauty forum called Nykaa Network.

In March 2020, Nykaa raised ₹100 crore (US\$13 million) from Steadview Capital at a valuation of US\$1.2 billion, making it a unicorn startup. This was followed by another tranche of ₹67 crore (US\$8.4 million) funding by Steadview in May 2020.

In October 2020, the company launched Nykaa Man, India's first multi-brand e-commerce store for men's grooming. The company expanded into fashion by launching Nykaa Design Studio, which was renamed to Nykaa Fashion.

In November 2020, global asset management firm Fidelity invested in the company through a secondary sale of shares from an existing equity investor.

In December 2020, Nykaa Fashion launched its first store in Delhi, making the fashion business omnichannel.

Nykaa opened its initial public offering (IPO) on 28 October 2021. The IPO raised ₹5,352 crore (US\$670 million) at a valuation of US\$7.4 billion. Nykaa was publicly listed on the NSE and BSE on 10 November 2021, and its price rose by 89.2% on opening day, valuing the company at nearly US\$13 billion. Founder Falguni Nayar, who owned a 53.5% stake in the company, became India's wealthiest self-made female billionaire on the listing day.

Operations and Services



Actress Janhvi Kapoor has been Nykaa's brand ambassador since 2018.

Nykaa follows an inventory-based model with warehouses in Mumbai, New Delhi, Pune, Haryana, Kolkata and Bangalore. In 2020, in addition to its primary ecommerce business, it has an offline presence via 76 brick-and-mortar stores across the country. It claims to have over 200,000 products across 2,000 brands.

It has three offline store formats called Nykaa Luxe, Nykaa on Trend and Nykaa beauty Kiosks. The Luxe format features international luxury beauty brands such as Huda Beauty, MAC, Dior, and Givenchy along with Nykaa Beauty, the in-house collection of beauty products.

The Nykaa On Trend format has products curated by category basis their popularity. In India, Nykaa is the only retailer that sells international brands like e.l.f, Charlotte Tilbury, Tonymoly, Becca, Sigma, Limecrime, Dermalogica, and Murad as well as national bestsellers like Soulflower, Lakme, plum.

House of Brands

Nykaa has a series of in-house brands within beauty and fashion. Some of them include:

Nykaa House of Brands – Nykaa Naturals, Nykaa Cosmetics, Kay Beauty

Nykaa Fashion – Nykd by Nykaa, 20 Dresses, RSVP, Mondano, Likha, Pipa Bella

In 2015, Nykaa launched its collection of in-house beauty products via Nykaa Cosmetics and later expanded it across categories of Eyes, Nails, Face, Lips.

The Nykaa Naturals portfolio is a collection of skincare and personal care products.

In early 2019, the brand launched its Wanderlust Bath & Body collection, and later in the year introduced a beauty line with designer Masaba Gupta, Masaba by Nykaa. The same year, it launched its first celebrity partnership brand, Kay Beauty, with actress Katrina Kaif.

Acquisition

In May 2019, Nykaa acquired 20Dresses.com, a private women's styling platform.

In 2021, Nykaa Fashion acquired the India fashion jewellery brand, Pipa Bella and the Indian skincare brand, Dot & Key.

In 2022, Nykaa acquired an 18.51% stake in Indian skincare brand Earth Rhythm. It then completed the 100% acquisition of lifestyle content platform Little Black Book (LBB).

TYPES OF NYKAA PRODUCTS

- Foundation
- Lipstick
- Nail paint
- Face Wash
- Deodorant Spray
- Essential Oils
- Kajal
- Eyeshadow Palette
- Primer
- Eyeliner

VISION AND MISSION

Vision of Nykaa

- Bring inspiration and joy to people, everywhere, every day.

Mission of Nykaa

- To create a world where our consumers have access to a finely curated, authentic assortment of products and services that delight and elevate the human spirit.

NYKAA - MARKETING STRATEGY

Nykaa has stood as one of the most competent players in the beauty and fashion space due to its robust marketing strategy, which is carved with digital marketing at its core.

The brand not only focuses on marketing in the Tier 1 cities but also pitches all the potential customers from the Tier 2, 3, and 4 cities.

• Social Media Marketing

Nykaa has 4 social media accounts for the marketing of its in-house brand My Nykaa, Nykaa beauty for the promotion of its e-commerce platform, Nykaa fashion to promote its e-commerce apparel store, and Nykaa beauty book, which helps the audience with numerous beauty and makeup tips.

The company has its accounts on diverse social media platforms to extensively promote the brand on social media. The brand is also engaged in posting the content created by its influencers via its social media handles. Therefore, influencer marketing plays an important part in the promotion of Nykaa.

• You tube Marketing

Nykaa has a full-fledged you tube marketing strategy. The brand refrains from focusing on selling its products via its you tube channel but concentrates more on offering consumable content, including beauty, personal care tips, makeup hacks, and much more, to its target audiences.

Furthermore, the brand also runs you tube ads from time to time to target its customers. Thus, the you tube marketing of Nykaa is fueled with quality content that keeps the audience engaged and relevant ads.

• Event Marketing

Event marketing is another important marketing strategy that Nykaa leverages to pitch the target customers at the right time and right place. Nykaa has successfully sponsored the popular femina Miss India event, one of the largest beauty events in India on a number of occasions, and is still tied to the same event.

SWOT Analysis

STRENGTHS:

- Rising Net cash flow
- MACD Crossover Above Signal Line
- Company with Zero Promoter Pledge
- Strong Momentum: Price above short-, medium- and long-term average.
- Company with No Debt

WEAKNESSES:

- Negative Breakdown First Support.
- Major fall in TTM Net Profit.
- Degrowth in Quarterly Revenue and Profit in Recent Results.
- Declining profits every quarter for the past 2 quarter

OPPORTUNITIES:

- Brokers upgraded recommendation or target price in the past three months.
- RSI indicating price strength

THREATS:

- Profit to Loss Companies.
- Increasing Trend in Non-Core Income

IV. DATA ANALYSIS & INTERPRETATION

Table 1: Showing Gender of Respondents

Sr.No.	Gender	NO. OF RESPONDENTS	PERCENTAGE
1	Male	12	24%
2	Female	38	76%
	TOTAL	50	100%

INTERPRETATION

The above table shows that (24%) respondents were male and (76%) respondents were female.

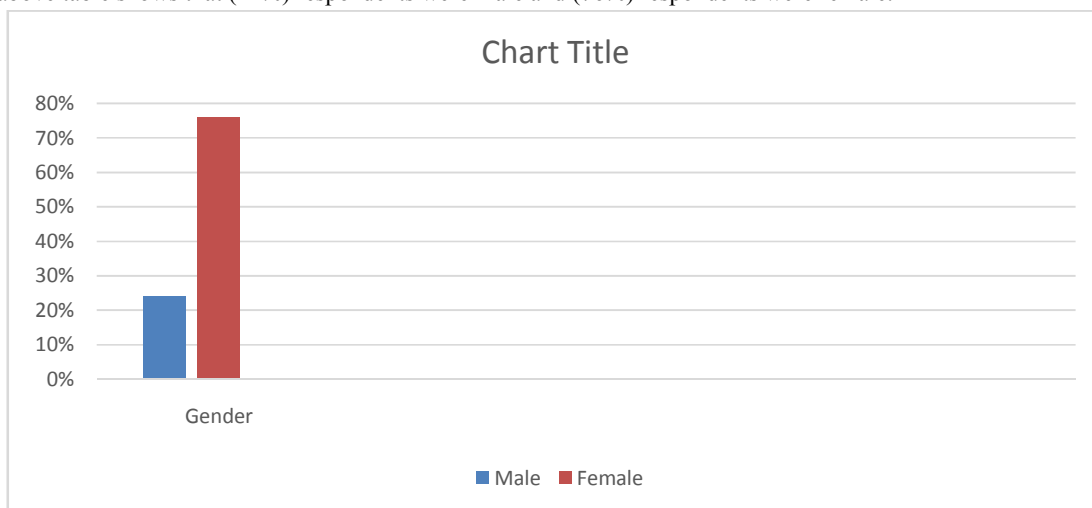
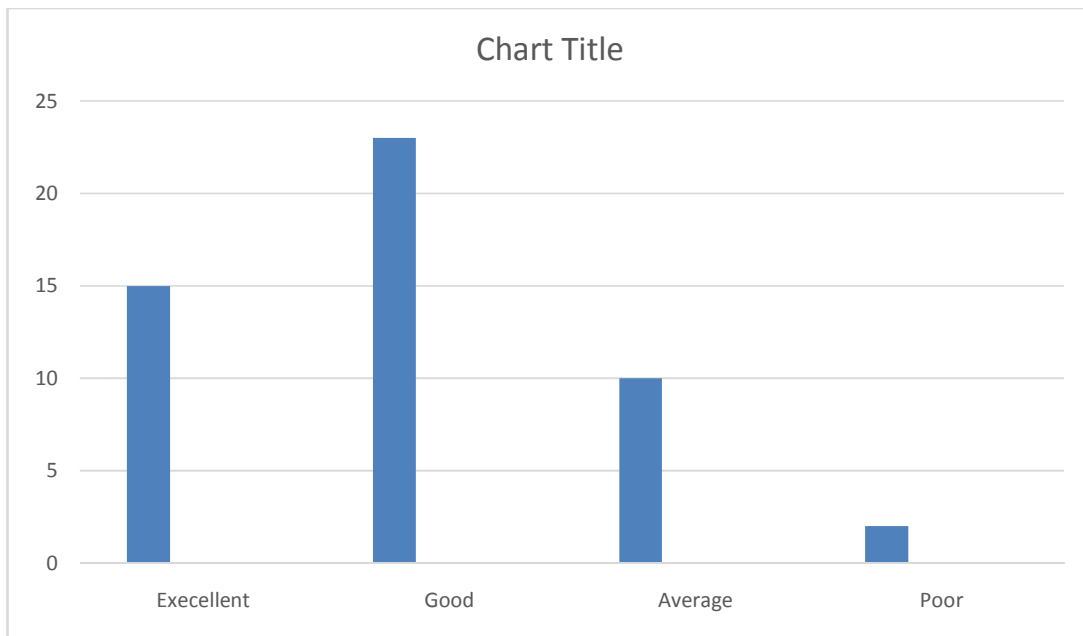


Table 2: Showing Social Media Rating of The Respondent.

FACTORS	NO. OF RESPONDENTS	LIKERT SCALE	TOTAL SCORE
Excellent	15	4	60
Good	23	3	69
Average	10	2	20
Poor	2	1	2
TOTAL	50		151



(Source: Primary data)

INTERPRETATION

Likert Scale = $\sum(fx) / \text{Total number of respondents}$
 = 351/120
 = 2.92

INFERENCE

Likert scale value is 2.92, which is greater than 2, so the respondents rating was good.

Table 3: Frequency of purchase from Nykaa online portal

Gender	No. of respondents	Percentage
Male	12	24%
Female	38	76%
Total	50	100%

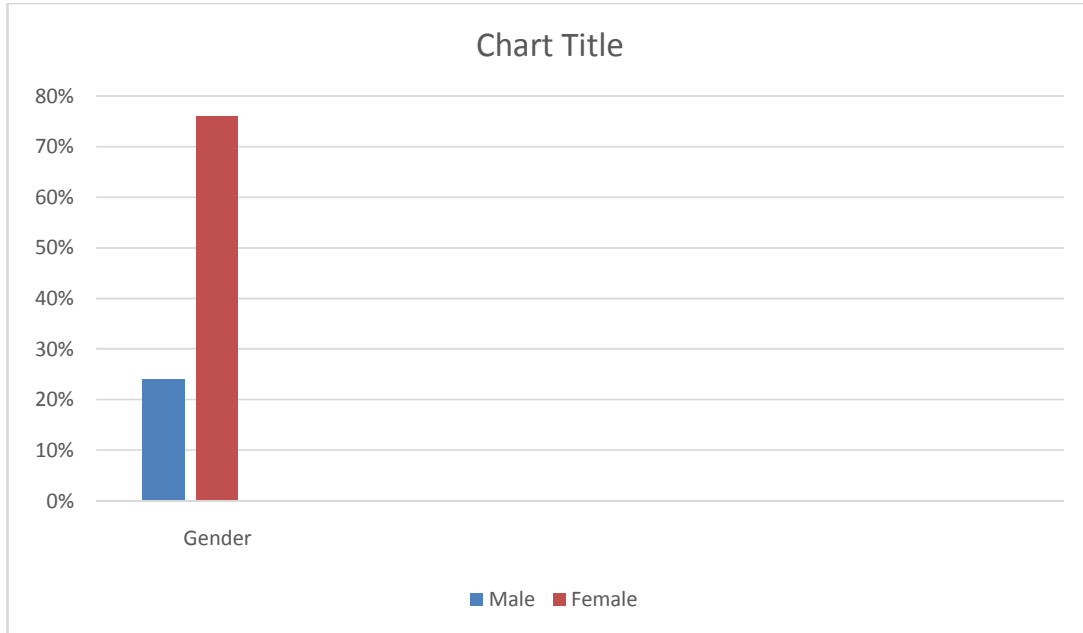


Table 4: What type of product are preferred to buy from Nykaa?

	Male	Female	Number of respondents	%
Personal care	6	31	37	74%
Home and kitchen	2	6	8	16%
Clothing and Accessories	12	38	50	100%
Others	3	7	10	20%
Total				

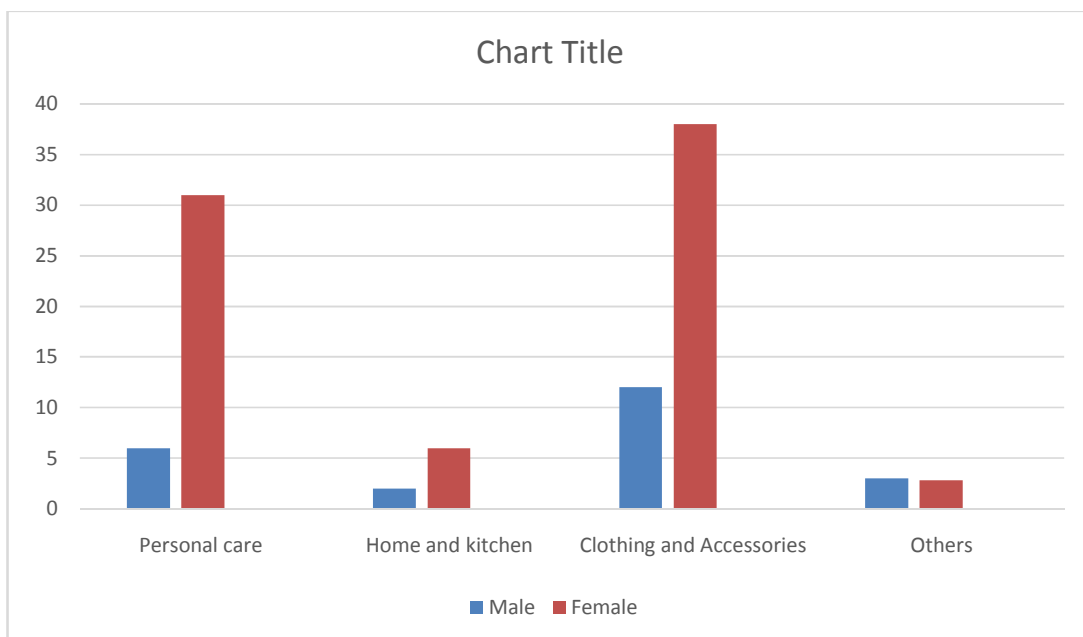


Table 5: How satisfied are customers from the purchase of Nykaa products?

	No. of respondents
Excellent	21
Good	17
Average	10
Bad	2
Poor	0
Total	50

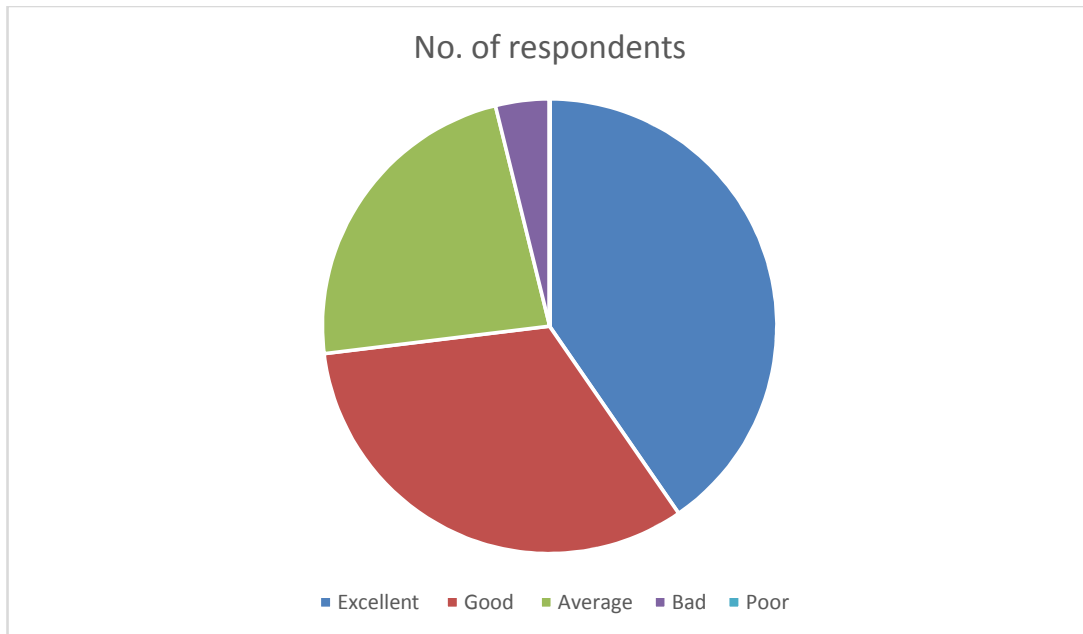


Table 6: How often customers see Nykaa ads on social media?

	No. of respondents
Very often	30
Often	12
Not much	6
Never	2
Total	50

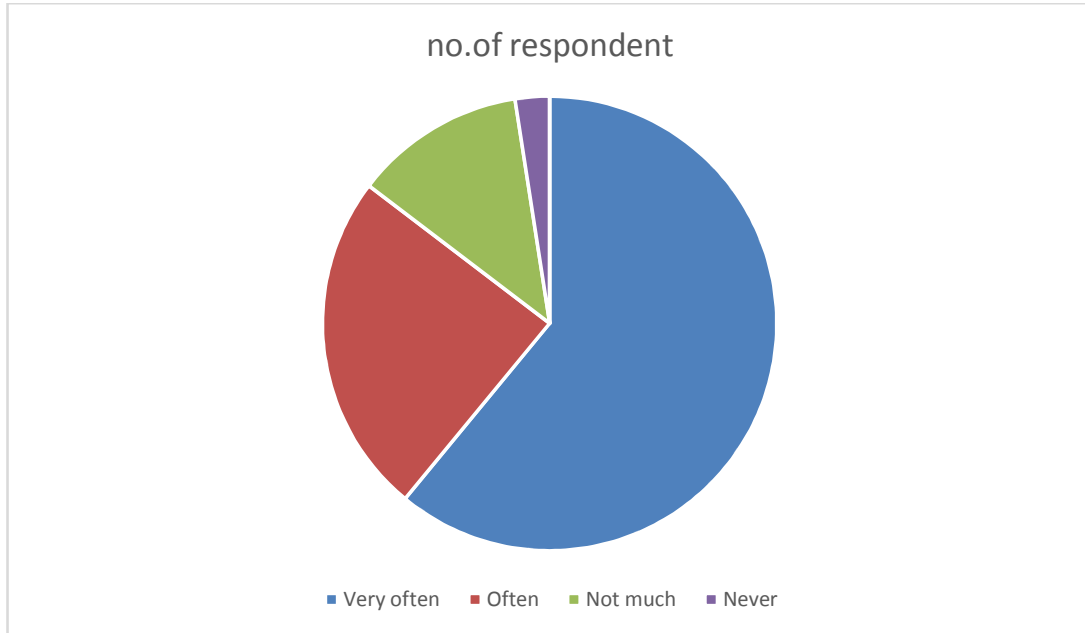


Table 7: What type of branding attracts customers the most?

	No. of respondents
Discounts	13
Variety of products	22
Quality of products	8
Offers	7
Total	50

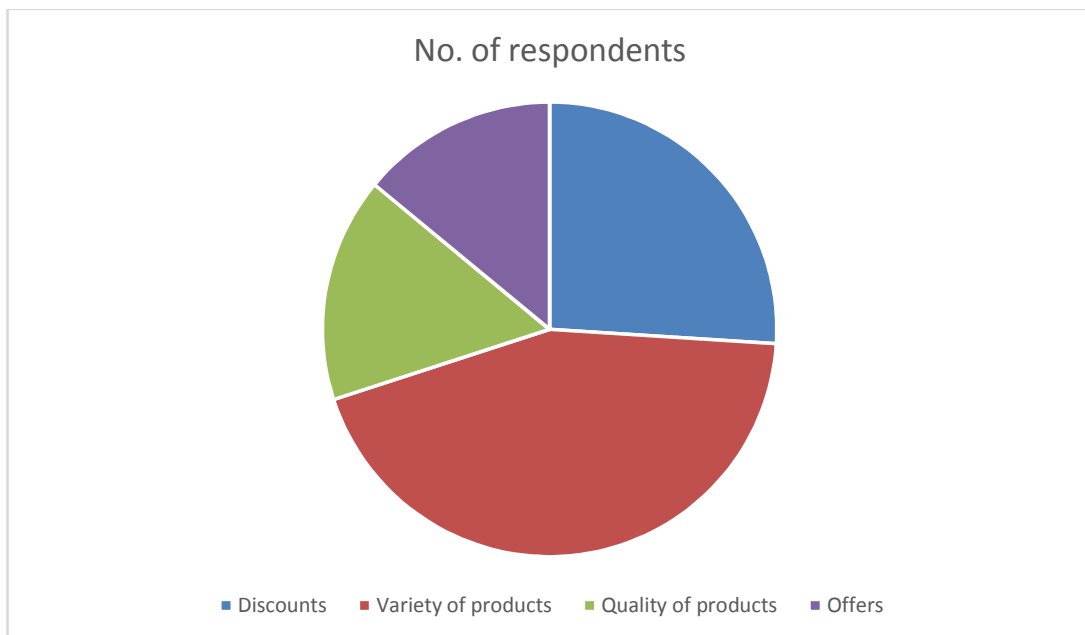
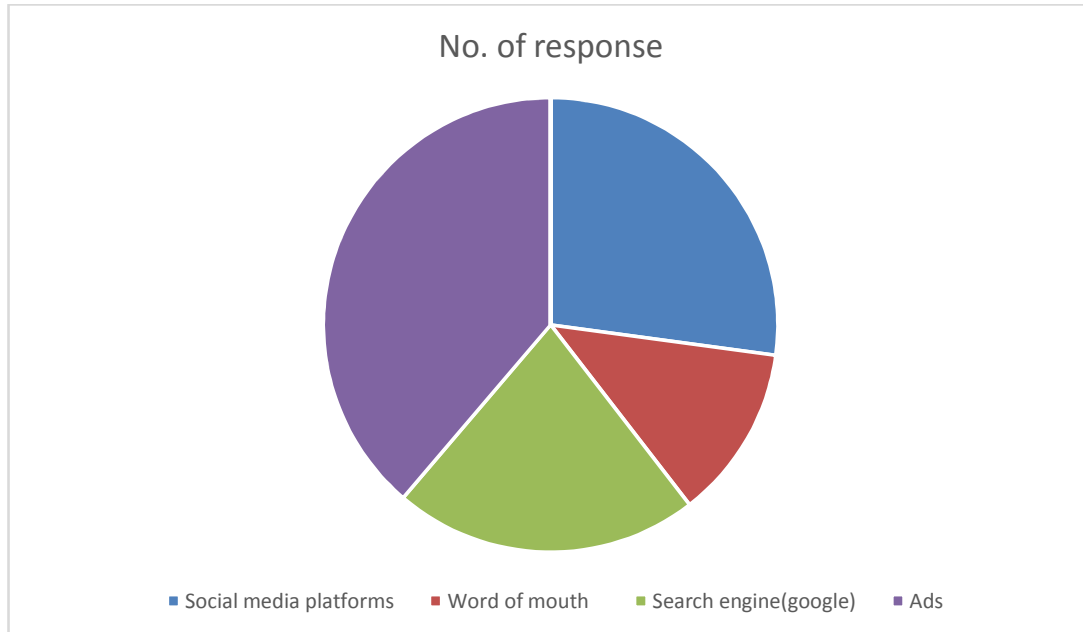


Table 8: Mode of awareness about Nykaa.com

	No. of response
Social media platforms	35
Word of mouth	16
Search engine (google)	28
Ads	50
Total	129



V. FINDINGS, CONCLUSION & SUGGESTIONS

FINDINGS

Students and salaried persons are most frequent users of Nykaa.

Word of mouth was more influential in promotion as many people were made aware by their friends and family when customers recommend this website to them.

Highly discounted products got out of stock quickly, since customers purchased it as soon as they could when they see high discount on good featured product.

The services provided by Nykaa are good and even more scope of development is there for increasing the customer strength.

Digital marketing techniques like social media branding, search engine marketing, links providing other website and advertisement also functioned well for promotion of this website

Fast delivery is one of best service Nykaa is providing.

Different payment options available in Nykaa made customers more satisfied and comfort for paying while purchasing product.

Most of customers have good experience with Nykaa while purchasing products.

Most of them are satisfied with the services of Nykaa and so that they succeed in retaining the customers.

SUGGESTIONS

The company Nykaa can pitch its beauty products for men which apparently do not have a great reach amongst the consumers.

As people are being more conscious about their skin, they are shifting to herbal products. Nykaa can promote its herbal products in order to increase its consumption which leads to increase in sales.

The company can avail gift vouchers to its potential customers and new customers so that they can attract them to repeat their purchase.

Out of stock items can made available as soon as possible and intimate the needed customers

Should look for International/ Overseas markets or Neighbouring Countries

VI. CONCLUSION

The study reveals that main reason for growing importance of online marketing is the increasing literacy about internet among people. They have identified that internet is truly advantageous through which they can serve their various purposes mainly social networking, online shopping & media sharing (photo, music, video). This efficacy of internet has intensified their tendency of being online. Today’s consumers strongly feel that every company must use this efficacy to strengthen its marketing efforts. So that they will get motivated to use online marketing with the intent of getting access to exclusive content about the brand and getting discount and sharing their feedback about brand with the advertiser. With the advent of internet technology, consumers’ preference towards traditional marketing tools has decreased. The major benefits of online marketing are its capability of interaction between consumers and advertisers followed by availability of wide range of information & ease of shopping. These benefits make online marketing superior than traditional marketing. But at the same time consumers are susceptible about the user-safety side of internet. They feel that online marketing is unsafe as it may lead to increase in frauds & privacy issue. Social media marketing is truly an emerging marketing tool and if properly used it can gain more audience than traditional marketing.

BIBLIOGRAPHY

- [1]. www.google.com
- [2]. www.en.m.wikipedia.org
- [3]. www.nykaa.com

QUESTIONNAIRE

Gender of the respondent

Male	Female	Not applicable

What is the frequency of purchase from online shopping portal?

Very often	Often	Not much	Never

How often do you purchase from Nykaa online shopping portal?

Very often	Often	Not much	Never

What type of product you prefer to buy from Nykaa?

Personal care	Home and kitchen	Clothing and Accessories	Others

How satisfied are you from the purchase of Nykaa products?

Excellent	Good	Average	Bad	Poor

How much will you rate Nykaa?

5 (excellent)	4(good)	3(average)	2(bad)	1(poor)

How often you see Nykaa ads on social media?

Very often	Often	Not much	Never

What type of branding attracts you the most?

Discounts	Variety of products	Quality of products	Offers

Mode of awareness about Nykaa.com

Social media platforms	Word of mouth	Search engine (google)	Ads

In which social media platform, you see most of the Ads

Instagram	Facebook	Twitter	others