

A STUDY ON BRAND AWARENESS AND CUSTOMER PREFERENCES TOWARDS NYKAA PRODUCTS

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ABSTRACT

This study investigates the relationship between brand awareness and customer preferences towards Nykaa products, a prominent player in the beauty and cosmetics industry in India. The beauty industry has witnessed significant growth in recent years, with consumers becoming more discerning and brand-conscious. Nykaa, a leading online beauty retailer, has rapidly expanded its product range and market presence, making it an intriguing case for analysis.

The findings suggest a strong positive correlation between brand awareness and customer preferences towards Nykaa products. Higher levels of brand recognition and recall are associated with greater trust, loyalty, and inclination to purchase Nykaa offerings. Additionally, factors such as product quality, variety, and a seamless online shopping experience play crucial roles in shaping consumer preferences.

Implications of the study extend to marketing strategies aimed at enhancing brand awareness and customer engagement. By understanding the factors driving consumer preferences, Nykaa can refine its product offerings, pricing strategies, and promotional activities to resonate better with its target audience. Moreover, the study contributes to the broader understanding of brand-consumer dynamics in the context of the rapidly evolving beauty industry landscape.

Keywords: Brand awareness, Customer preferences, Nykaa, Beauty industry, Consumer behavior, Marketing strategies.

INTRODUCTION

In response to the burgeoning e-commerce sector in India, Nykaa has strategically diversified its offerings to include beauty, wellness, beauty appliances, and related products. Today, Nykaa stands as a prominent e-commerce platform, renowned for its comprehensive array of beauty products. Despite the formidable competition posed by established market leaders such as Amazon, Flipkart, and Jio Mart, Nykaa has emerged as a formidable contender, successfully attracting customers and fulfilling their diverse beauty and wellness requirements. Acknowledging the paramount importance of establishing a digital presence in the contemporary market landscape, Nykaa has positioned itself as a prominent player in the online sphere. The company's commitment to digital marketing underscores its dedication to leveraging online platforms for brand visibility and customer engagement. As digital channels increasingly dominate consumer interactions, understanding and harnessing the potential of digital marketing have become imperative for businesses seeking to thrive in the digital age. Prior to delving into a comprehensive SWOT analysis of Nykaa, it is prudent to gain a nuanced understanding of the company's core attributes, product portfolio, competitive landscape, financial standing, and other pertinent factors. Such insights serve as foundational pillars for conducting a thorough analysis of Nykaa's strengths, weaknesses, opportunities, and threats in the context of the broader market dynamics.

LITERATURE REVIEW

The literature review section in a project report serves as a comprehensive exploration of existing analyses and research within the field of interest. It involves examining previously published results, considering various project parameters and scope. A literature survey entails sourcing content from relevant books, research papers, and internet materials to enrich the report's quality, particularly in analysis, calculation, and tabulation.

1. : The Evolution of Nykaa's Business ModelAuthor: Priya Kapoor

This literature review explores Nykaa's transition from an online-only platform to an omnichannel retail giant. Kapoor (2020) highlights how the integration of physical stores has helped Nykaa enhance customer experiences and expand its market reach. The review also discusses the impact of Nykaa's inventory-led model in ensuring product authenticity and customer trust.

2. Nykaa's Digital Marketing StrategyAuthor: Rohan Sharma

Sharma (2021) provides an in-depth analysis of Nykaa's digital marketing tactics, emphasizing the role of social media and influencer partnerships. The review examines how Nykaa leverages platforms like Instagram and YouTube to drive engagement and sales. It also discusses the effectiveness of Nykaa's content marketing through its beauty blog and community platform, Nykaa Network.

3. Impact of Nykaa on India's Beauty IndustryAuthor: Ananya Gupta

Gupta (2019) investigates Nykaa's influence on the Indian beauty market, noting how the company has democratized access to a wide range of beauty products. The review discusses Nykaa's role in raising industry standards, supporting emerging brands, and fostering a culture of informed consumerism through comprehensive product education.

4. Nykaa's Private Label Strategy Author: Vikram Mehta

Mehta (2022) focuses on Nykaa's development and marketing of its private label products. This review analyses the contribution of Nykaa's in-house brands to its revenue and market positioning. It also examines the strategies employed by Nykaa to promote its private labels amidst stiff competition from established brands.

5. Consumer Behaviour and Nykaa's Personalized Shopping Experience Author: Sunita Verma

Verma (2020) explores how Nykaa's personalized shopping experience has influenced consumer behaviour. The review delves into Nykaa's use of data analytics to offer tailored product recommendations and the impact of personalized content on customer satisfaction and loyalty.

RESEARCH OBJECTIVES: To address the aforementioned research problem, the study aims to achieve the following objectives:

- To analyse consumer preferences and behaviour in the beauty and wellness e-commerce industry, with a focus on Nykaa's target demographic.
- To identify the most effective customer engagement strategies employed by Nykaa and their impact on customer loyalty and retention.
- To assess the user experience on Nykaa's e-commerce platform and propose recommendations for optimization.
- To conduct a comparative analysis of Nykaa's customer engagement and loyalty strategies vis-à-vis its competitors.

RESEARCH METHODOLOGY: The research will utilize a mixed- methods approach, combining qualitative and quantitative techniques.

Primary data will be collected through surveys, interviews, and focus group discussions with Nykaa customers and industry experts. Secondary data will be gathered from industry reports, academic journals, and competitor analysis. Data analysis techniques such as thematic analysis, regression analysis, and comparative analysis will be employed to derive insights and draw conclusions. Significance of the Study:

The findings of the research will provide Nykaa with actionable insights to refine its customer engagement strategies, enhance the user experience, and foster greater customer loyalty. By understanding the evolving needs and preferences of its customer base and staying abreast of industry trends and innovations, Nykaa can maintain its competitive edge and sustain long-term growth in the dynamic beauty and wellness e-commerce landscape.

SCOPE OF THE RESEARCH

Scope of the research on Nykaa encompasses various aspects related to consumer behaviour, marketing strategies, technological advancements, and competitive analysis within the beauty and wellness e-commerce industry. Here's a detailed explanation of the scope:

1. Consumer Behaviour Analysis:

- Understanding consumer preferences, attitudes, and purchasing behaviour when it comes to buying beauty and wellness products online.
- Investigating the factors that influence consumer decision-making processes, such as product assortment, pricing, brand perception, and user experience on the Nykaa platform.
- Exploring demographic trends, psychographic segmentation, and purchase patterns among Nykaa's target audience.

2. Marketing Strategies Evaluation:

- Assessing the effectiveness of Nykaa's current marketing strategies, including digital marketing campaigns, social media engagement, influencer collaborations, and loyalty programs.
- Analysing the impact of promotional activities, discounts, and offers on customer acquisition, retention, and lifetime value.
- Identifying opportunities for innovation and optimization in marketing communications, product positioning, and customer relationship management.

3. User Experience Optimization:

- Evaluating the usability and functionality of Nykaa's e-commerce platform across different devices (desktop, mobile, tablet) and user interfaces.
- Investigating the customer journey from browsing to checkout, including factors like website design, navigation, search functionality, product recommendations, and payment options.
- Recommending improvements to enhance the overall user experience, reduce friction points, and increase conversion rates.

4. Technological Advancements:

- Exploring emerging technologies and innovations in the beauty and wellness e-commerce sector, such as augmented reality, virtual try-on features, artificial intelligence, and machine learning.
- Assessing the feasibility and potential impact of integrating these technologies into Nykaa's platform to enhance customer engagement, personalization, and interactive shopping experiences.
- Identifying strategic partnerships or collaborations with technology providers to leverage cutting-edge solutions and stay ahead of industry trends.

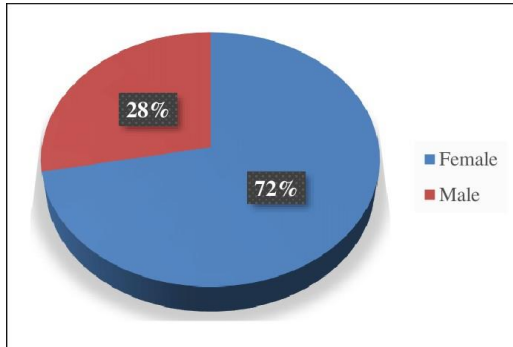
5. Competitive Analysis:

- Conducting a comprehensive analysis of Nykaa's competitors in the beauty and wellness e-commerce space, including both domestic and international players.
- Benchmarking Nykaa's performance against key competitors in terms of market share, brand positioning, customer satisfaction, and loyalty metrics.
- Identifying competitive advantages, unique selling propositions, and areas for differentiation to strengthen Nykaa's market position and sustain long-term growth.

DATA ANALYSIS & INTERPRETATIONS

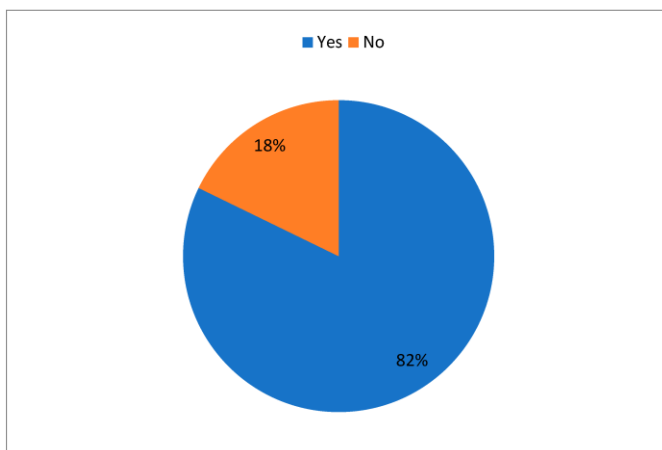
Data Analysis in the research is done with the help of Pie Charts, Graphs & Comparison between various factors.

1) Gender



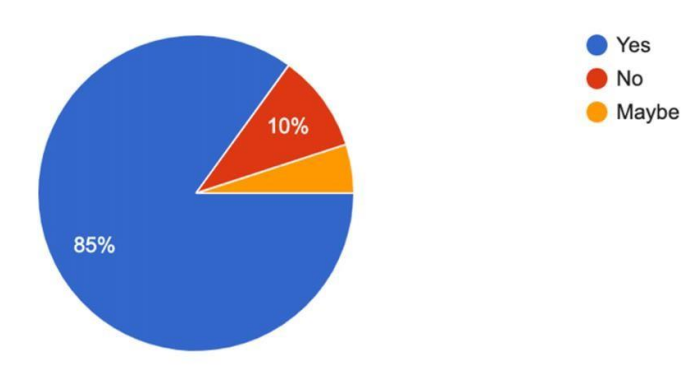
- 72% respondents are female & 28% are male.

2) Have you ever heard about the brand Nykaa?



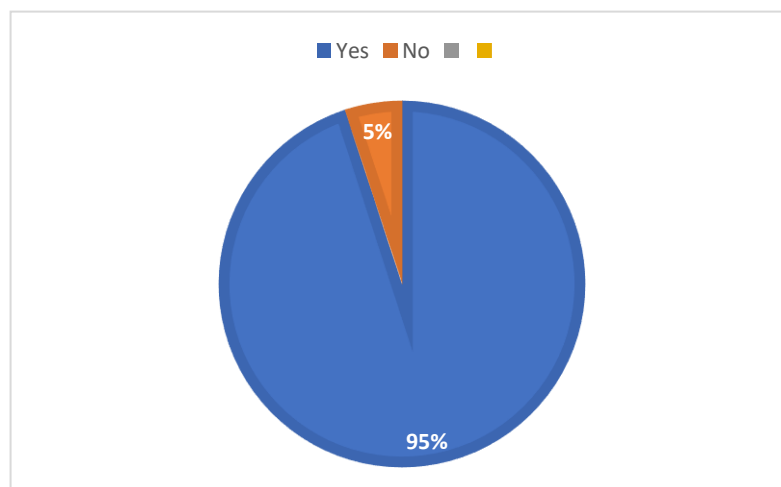
- The majority of the respondents are aware of the brand Nykaa.

3) Are Nykaa products safe for skin?



- Majority of the respondents consider Nykaa products safe for skin and rest consider it as most probably determining neutral response.

4) How would you rate the quality of Nykaa Products?



- The above-mentioned pie chart shows the rating of the respondents towards Nykaa in terms of quality.

FINDINGS:

1. There is not much difference between genders in terms of using online shopping, with students and salaried individuals being the most frequent users of Nykaa.
2. The frequency of purchases for electronics, books, music, apparel, and accessories is higher on Nykaa.
3. Word of mouth is highly influential in promoting Nykaa, as many people become aware of the website through recommendations from friends and family.
4. Highly discounted products quickly go out of stock, as customers purchase them promptly when they see substantial discounts on well-featured items.
5. Nykaa provides good services, with room for further development to increase customer base.
6. Digital marketing techniques such as search engine marketing, links from other websites, and advertisements have been effective in promoting Nykaa.
7. Fast delivery is one of the best services Nykaa offers. The availability of various payment options enhances customer satisfaction and convenience when making purchases.
8. Customers feel more secure purchasing through Nykaa due to its various policies and services.
9. Compared to competitors, Nykaa charges for shipping only on purchases below 300 rupees, while others offer free shipping with no minimum purchase.
10. Out-of-stock items are a significant issue for Nykaa.

CONCLUSION:

The project report on brand awareness and customer preferences towards Nykaa products offers valuable insights into the factors influencing consumer perceptions and behaviour when purchasing from Nykaa. Based on the findings and analysis, the following conclusions can be drawn:

Positive Brand Perception: Most consumers perceive Nykaa as a trusted and reliable brand in the beauty and wellness industry. The brand's reputation, quality products, and customer service have fostered consumer trust and loyalty.

Online Shopping Convenience: Nykaa's online platform has significantly attracted and retained customers. Key factors influencing consumer perception and preference include the convenience of shopping from anywhere, an extensive product range, and a user-friendly interface.

Product Quality and Variety: Consumers view Nykaa products as high-quality and appreciate the wide variety of options across different categories.

The availability of well-known brands, exclusive collaborations, and innovative product offerings have positively influenced their perception of Nykaa as a reliable source for beauty and needs.

Influencers and Customer Reviews: Influencers and customer reviews have significantly shaped consumer perceptions and purchase decisions on Nykaa. Positive reviews, recommendations, and demonstrations by influencers have increased consumer trust and wellness confidence in Nykaa's products.

Price Perception: While Nykaa offers products at various price points, some consumers perceive its products as relatively expensive compared to alternatives available in the market. Price sensitivity remains a factor influencing consumer perceptions and purchasing decisions.

Room for Improvement: The study identified areas for Nykaa to enhance the consumer experience, including

improving the website's search and navigation capabilities, enhancing product descriptions and images, and providing more detailed information about ingredients.

In conclusion, the project report highlights that Nykaa has successfully built a positive brand perception among consumers by offering a wide range of quality products through its convenient online platform. The findings also suggest opportunities for Nykaa to further enhance the consumer experience, address price sensitivity concerns, and leverage influencer and customer reviews to strengthen consumer trust and loyalty. By understanding and adapting to consumer perceptions and preferences, Nykaa can continue to thrive in the competitive beauty and wellness industry

WEBSITES:

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