

‘BEYOND PHYSICAL HEALTH, COSMETICS CAN HELP IN IMPROVING OUR MOOD.’ A STUDY ON “NYKAA”, A LEADING COSMETICS BRAND

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Abstract

The cosmetics industry is one of the major industries that have attracted many players due to its rapid growth. Nykaa is one of the leading companies in the cosmetics industry. It offers various Products of different brands on one platform. This study is done to know consumer's perceptions towards Nykaa. Also to study the factors attracting customers towards Nykaa in India

The study was conducted on 158 valid responses and it was found that most of the people prefer branded products and are satisfied with the product's price and quality. This study aims to know more about Nykaa. Also, to know the impact of cosmetics on mood.

Keywords: Nykaa, India E-commerce Company, Cosmetics industry, customer experience

INTRODUCTION

NYKAA is an Indian e-commerce company and the largest beauty shopping destination in India. It was founded by Falguni Nayar, former MD of KOTAK Mahindra Capital Co., in the year 2021. Nykaa is headquartered at Mumbai, It is the only biggest multi-brand beauty retailer in India that sells nearly 60,000 beauty and wellness products of various national and international brands. Nykaa ships to over 1000 cities across India. It currently has 650+ brands which 25 are luxury brands which include big names like MAC, Clinique, Estee lauder, NYX, Bobbi Brown, Calvin Klein, L'Occitane, Yves Saint Laurent etc. Approximately, around 15000 orders fly out every day. Nykaa has 33 physical stores/outlets categorized under 2 formats namely Nykaa on trend and Nykaa Luxe, and also has popular in-house collection under its private label called the Nykaa collection. Nykaa can be accessed through its 33 outlets running successfully across the nation, mobile app and also its webpage (www.nykaa.com).

THE NYKAA STORY

The Mumbai resident founder and the CEO of Nykaa, Falguni Nayar, is a graduate from IIM Ahmedabad, India. Before launching Nykaa, she served Kotak Mahindra Capital Co. for 18 years but she quit her job as she always wanted to be an entrepreneur. She noticed that there was a huge gap in the Indian beauty line market-the demand was greater than the available mediums to buy beauty essentials in the country. This led her to launch Nykaa with her husband Sanjay Nayar, A banker by profession and daughter Adwaita Nayar.

Nykaa raised its business funding of about 40M USD in the very first 5 years. In the last two years, its revenue has raised to nearly 400%. Nykaa follows inventory based business model and content based marketing strategy. All its products are sourced directly from the original label/brand. Recently with the launch of lingerie, Nykaa attempted to enter the apparel segment in the market.

MISSION AND VISION

Nykaa rests on 3 paragon:

- Curation
- Information
- Personalization

REVIEW OF LITERATURE

(M. Padmavathi, 2019) In her study “A Comparative Study on the Impact of Skin Care Products on the Self-Esteem of Women Users and non-Users in Coimbatore City” it is said that It is so evident from the research

study and the statistical data that the self-esteem of the individuals who use skin care products are found to be slightly higher than those who did not use skin care products and there was no significant difference in the self-esteem between individuals who were Working and non-working.

(Edakkotte Shaji,2020) in the study “STUDY ON CUSTOMER SATISFACTION TOWARDS COSMETIC PRODUCTS-BRAND WISE ANALYSIS” it’s said that cosmetic products in the present era have moved from luxury category to most essential category. The cosmetic is considered as a powerful weapon which the women feel would transform their normal looks to an attractive and a presentable one. It is believed that beauty products promote a sense of Emotional well being of the women.

(Pritam P. Kothari,2016) In the study “A Study on Customers Attitude towards Online Shopping in India and its Impact: With Special Reference to Solapur City” it was found that Due to revolution in telecommunication sector no. of users of internet are increased in India. Of users of internet are increased in India in recent time and customers are Using internet for online shopping but still for regular purchase most of customers first choice is manual shopping. To increase number of Customers for online shopping there is need of extensive publicity and promotion by online shopping companies to attract all class of customers. Most of the customers are of opinion that shipping charges charged by companies are very high, it is suggested to companies to either reduce shipping charges or delivery of product should be given freely.

(JamiaHamdard,2013) In the study “A Study on the Purchase Behaviour and Cosmetic Consumption Pattern among Young Females in Delhi and NCR” it was found that as the income level of female consumers is increasing their expenditure for cosmetic product is also increasing. We also found that there is an increase in the awareness as well related to cosmetic products. One major finding in our study tells us that these days female consumers prefer more of cosmetic products which are made from the natural ingredients in other words we can say that they prefer herbal cosmetic products. This will provide the herbal cosmetic industry a great opportunity to grab the cosmetic market by providing more and more new herbal cosmetic brands.

(Suresh v, 2016) In the study “A Study on Factors Determining Social Media on Cosmetic Product” it is clearly said that social media marketing leads the cosmetics products to reach the customers of different age group, different life style, based on their affordability and their skin type. Few products which are not available in the cosmetics shops are offered in the social media with different variety and also with discounts.

RESEARCH PROBLEM

With fast changing economics and increase in income, a shift in the perception of customers is observed. They usually prefer to spend on branded and luxury items, Besides with the existing competitions in the market, the football and conversion are affected. This project is aimed at understanding various parameters pertaining to customer experience and the services offered by Nykaa . Understanding the parameters and implementing on it would lead to increase in satisfaction of the customers and it will ultimately lead to boost the sales.

OBJECTIVES OF THE STUDY

1. To analyse consumer behaviour towards Nykaa.
2. To identify the factors attracting consumers towards Nykaa.
3. To provide suggestions for improving services provided by Nykaa.

RESEARCH METHODOLOGY

The research was conducted via questionnaires. The questionnaires were used to collect public’s opinion towards Nykaa. For understanding this questions were asked to people of different-different age groups. Random sampling technique is used to gather their formation.

A sample size of 100 students is taken from the survey. Exploratory and descriptive research methodology is used for the survey. The primary data for this survey is collected through google forms for this research paper. Secondary data is obtained from the articles, books, internet references etc. For the purpose of analysing suitable mathematical and statistical technique Chi- square is used.

DATA ANALYSIS

1. Frequency of gender respondents towards Nykaa

It is observed that most of the respondents filling the Google form are females as compared to males. It is also observed that responses of female gender are accurate towards Nykaa.

Table-1: Gender respondents of customer’s perception towards Nykaa.

Gender	No. Of respondents
Male	46

Female	112
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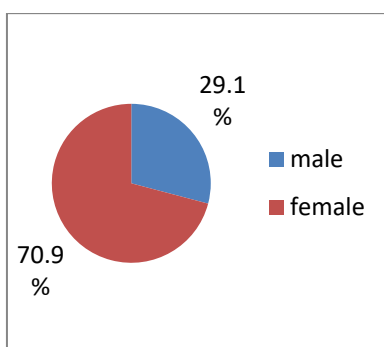


Fig.1: Gender respondents of customers towards Nykaa

Interpretation: The above graph is the pictorial representation of the frequency table showing the table no.1 of the respondents in respect to their gender group. The total number of respondents in my questionnaire was 158 out of which 70.9% respondents are female which is the major part of my survey is and only 29.1% are male respondents.

2. Respondents belonging to certain age group

It is observed that most of the respondents belong to the age group 19-25 years. It is also observed that young people frequently shop on Nykaa and they are much more influenced with the brand as compared to other age group people.

Table-2: Respondents belonging to certain age group.

Age group	No. Of people
Below 18	29
Between 19-25	72
Between 26-40	53
Above 40	4
Total	158

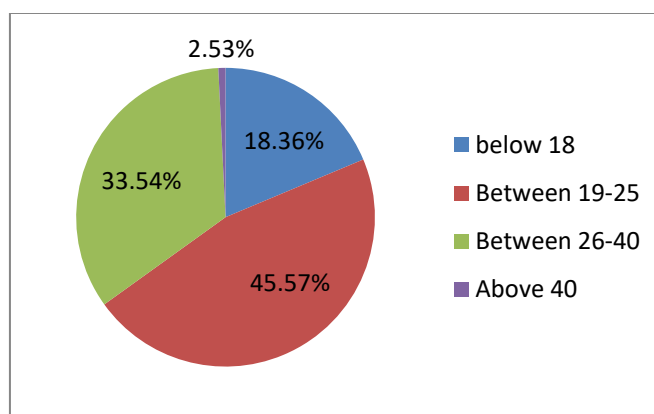


Fig.2: Represents no. Of respondents belonging to certain age group

Interpretation: This above graph is the pictorial representation of the frequency table showing the table no.2 of the respondents in respect to their age group. The total no. of respondents in my questionnaire was 158 out of which 45.57% respondents falls in the age group of 19 to 25 which is the major part of my survey and 33.54% respondents falls under the age group of 26 to 40 and 18.36% respondents falls under the age group of below 18 years and a few respondents belong to age above 40.

3. Factors attracting customers towards Nykaa

Most of the respondents in my questionnaire shops on Nykaa for accurate price, good product quality, discount and offers provided on products and for the services provided by the company.

Table-3: Factors due to which customers are attracted towards Nykaa.

Preference	No. Of respondents
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Price	16
Product Quality	63
Discounts & Offers	24
Company's Services	6
All of the above	49
Total	158

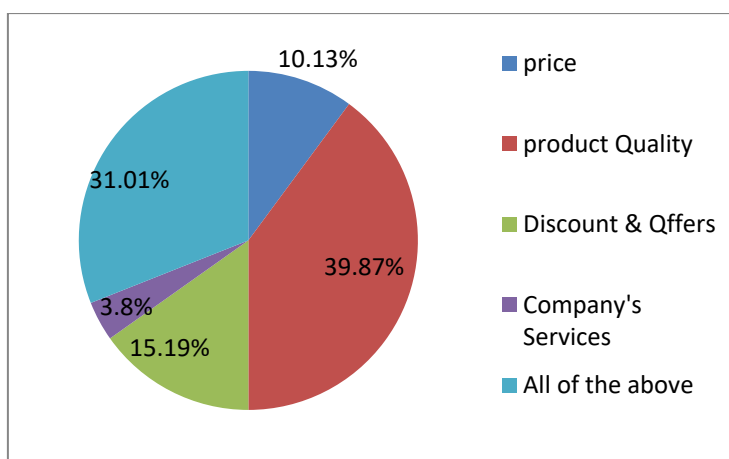


Fig.5: Respondents attraction towards Nykaa

Interpretation: This above graph is the pictorial representation of the frequency showing table no. 3 of the respondents in respect of what attracts and encourages them to visit Nykaa. The total number of respondents in my questionnaire were 158 respondents out of which 39.87% shop on Nykaa because of its product quality, 31.01% shop because they are fully satisfied with Nykaa, 15.19% shop because of the discounts & offers, 10.13% shop for the reasonable prices and 3.8% respondents shop because of the company's behaviour and services.

4. Average purchase at Nykaa

Most of the customers average purchase is between Rs.500 – Rs.1000 shows that customers are not fully satisfied with Nykaa.

Table-4: Respondents average purchase at Nykaa

Average purchase	No. Of respondents
Below Rs.500	30
Between Rs.500-Rs1000	73
Between Rs.1000-Rs2000	42
Above 2000	13
Total	158

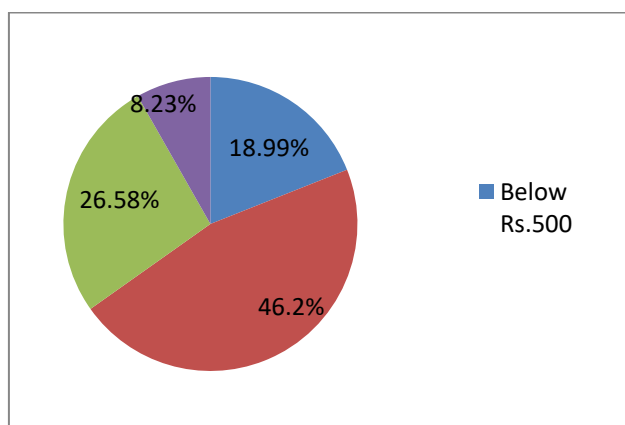


Fig.4: Respondents average purchase at Nykaa.

Interpretation: This above graph is the pictorial representation of the frequency table showing the table no.4 of the respondents in respect to average purchase at Nykaa. The total no. of respondents in my questionnaire was 158 respondents out of which 46.2% respondents average purchase is between Rs.500 to Rs.1000 which is the major part, 26.58% respondents average purchase is between Rs.1000 to Rs.2000, 18.99% respondents average purchase is below Rs.500 and 8.23% respondents average purchase is above Rs.2000.

5. Rating overall experience of shopping at Nykaa.

Overall experience shows that to what extent customers are satisfied with Nykaa.

Table-5: overall experience at Nykaa

Overall experience	No. of respondents
Extremely dissatisfied	2
Dissatisfied	5
Neutral	46
Satisfied	68
Highly satisfied	37
Total	158

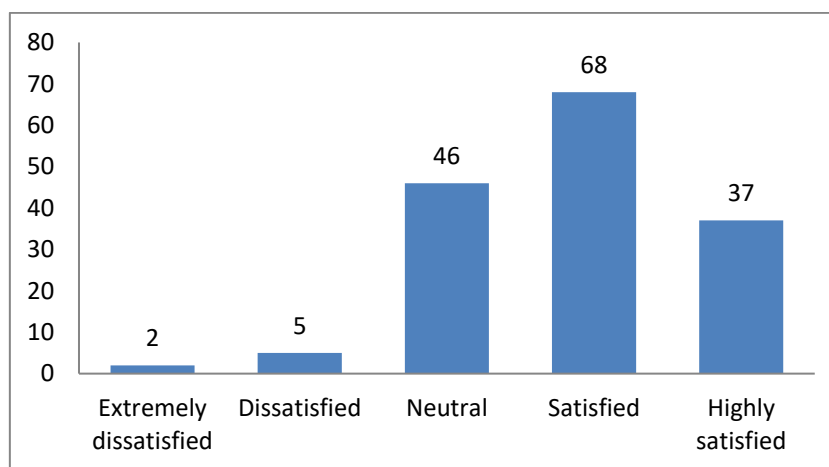


Fig.5: Representing overall experience at Nykaa.

Interpretation: The above graph is the pictorial representation of the frequency table showing the table no.5 of the respondents in respect to overall experience. The total no of respondents in my questionnaire was 158 respondents out of which 68 were satisfied by Nykaa, 46 respondents find their experience neutral, 37 respondents are highly satisfied, 5 are dissatisfied and 2 are extremely dissatisfied.

6. Cosmetics and mood

Cosmetics can help to improve our mood, enhance our appearance and boost our self-esteem.

Table-6: Respondents opinion towards relation between cosmetics and mood.

Do cosmetics help in improving mood?	No. Of responses
Yes	132
No	26
Total	158

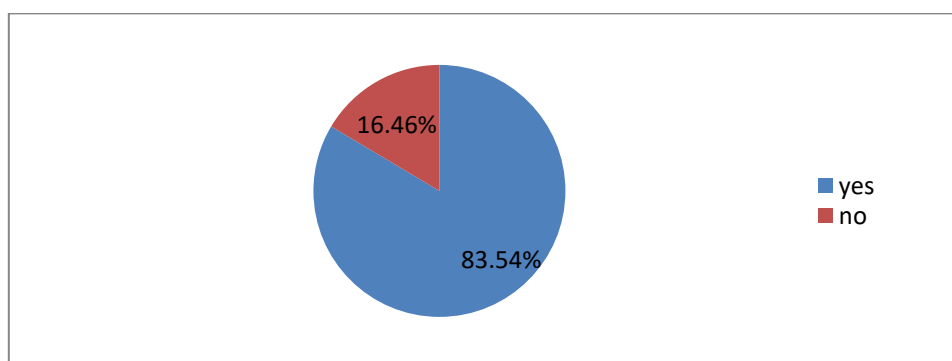


Fig.6: Respondents opinion towards relation between cosmetics and mood.

Interpretation: The above graph is the pictorial representation of the respondents in respect to their thinking about the relationship between cosmetics and mood. The total number of respondents in my questionnaire was 158 respondents in which 83.54% respondents believe that there is a relation between cosmetics and mood which is the major part and rest 16.46% does not believe it.

HYPOTHESIS

Based on review of literature following hypothesis have been formulated.

H0: Cosmetics doesn't help in improving mood.

H1: Cosmetics help in improving mood.

CHI-SQUARE ANALYSIS

Observed and expected value of gender opinion towards relation Between branded beauty products and mood as a factor for opting Nykaa.

Gender\opinion	Yes	No	Total
Male	28(39.3)	18(6.69)	46
Female	107(95.69)	5(16.3)	112
Total	135	23	158

CHI-SQUARE TABLE

Observed (O)	Expected(E)	Observed-Expected(O-E)	(O-E) ²	(O-E) ² /E
28	39.3	-11.3	127.69	3.24
18	6.69	11.31	127.91	19.11
107	95.69	11.31	127.91	1.33
5	16.3	-11.3	127.69	7.83

Degree of freedom: (2-1)(2-1)= 1

Level of significance=0.05

Calculated value of Chi-Square= 31.51

Table value of Chi-Square=3.84

Interpretation: Since the calculated Chi-Square value is more than the table value, null hypothesis is rejected. Hence, cosmetics help in improving mood.

SUGGESTIONS AND CONCLUSION

The study shows that most of the people shop on Nykaa because of branded and good quality Products. Mostly it is found that people shop there for specific products which is not available in the market and is only available on Nykaa. Probably people want to buy products between Rs300 to Rs500 but the company provides free delivery at minimum order of Rs.500 due to which the buyers have to buy more products and this exceeds their bill to Rs600-Rs700 and it makes the customers disappointed. Therefore, the company should provide free delivery at a minimum order of Rs300. Also it was found that the company doesn't have affordable brands like Alps goodness and good vibes, the products of Nykaa are high priced which cannot be bought by everyone. Nykaa provides less discounts on products as compared to other competitors of Nykaa. The packaging of Nykaa is very strong and safe, but it takes too much time for delivery, so it should work on its delivery services. It must undertake additional promotional activities to bring awareness regarding products in the men section as most assume that business of Nykaa is restricted to the women category. Most of the people aged above 40 don't know about the company so it should do something to spread awareness among senior citizens.

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