A Study on Marketing Strategies in E-Commerce Cosmetic Industry with Reference to Nykaa

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ABSTRACT
This study investigates the marketing tactics used by Nykaa, a significant e-commerce company in the Indian cosmetics business. E-commerce has grown in importance as a means for companies to connect with customers as a result of the development of the internet and mobile technology. As people increasingly prefer online purchasing for their aesthetic requirements, the cosmetics business has seen substantial growth in the e-commerce space. This study tries to pinpoint the crucial elements that have fuelledNykaa's success in the online cosmetics sector through a thorough review of the company's marketing tactics. Data collection for the study uses both primary and secondary sources. According to the report, Nykaa has used numerous marketing platforms, including social media, email marketing, and influencer marketing, to build brand awareness, engage clients, and boost sales. The business has also made significant investments in technology and customer service in an effort to stand out from rivals and give customers a flawless online shopping experience. Overall, the research's conclusions offer insightful advice for marketers and companies engaged in the e-commerce cosmetics sector, emphasizing the necessity of using a multi-channel marketing strategy and making investments in customer service and technology to thrive in the digital era.

I. INTRODUCTION

The e-commerce market has experienced a tremendous expansion in a number of industries lately, including cosmetics. An online cosmetic shopping has become simpler for customers thanks to the accessibility of high-speed internet and the growing use of smartphones. As a result, a large number of competitors have entered the e-commerce cosmetics sector in an effort to corner the expanding market. However, not all businesses have been successful in this cutthroat climate. Any e-commerce company's success depends heavily on its marketing plans, and the cosmetics sector is no exception. The popularity of online shopping has increased rivalry in the e-commerce cosmetics sector. Therefore, in order to draw in and keep customers, businesses must create creative and efficient marketing techniques.

With stated revenue of INR 2,022.5 crore (about USD 270 million) in the fiscal year 2020–21, Nykaa, a leading e-commerce platform for cosmetics in India, was able to establish a monopolistic position in the market (Nykaa, 2021). By employing successful marketing methods, the business has been able to develop a strong brand and engage customers through a variety of channels.

This research paper examines the marketing tactics Nykaa used to dominate the online cosmetics sector. The study will examine the different marketing strategies that Nykaa employs, including search engine optimization (SEO), influencer marketing, email marketing, and social media. The study will also look into the company's technological foundation and customer experience, both of which have been crucial to its success.

Influencer marketing is one of the most often used marketing techniques in the e-commerce cosmetics sector. Influencers are people with a sizable social media following who use their platforms to advertise cosmetic products. With their following, these people have established credibility and trust, and they are frequently regarded as industry authorities. In order to advertise their goods, businesses can work with influencers, who can then produce content such as product reviews, tutorials, and other things that can increase sales. Influencer marketing has the potential to be

incredibly successful since it allows businesses to immediately reach a huge audience for a reasonable price. Another essential marketing tactic in the e-commerce cosmetic sector is search engine optimization (SEO). The practice of optimizing a website for search engines is known as SEO. Businesses can utilize SEO to enhance sales by bringing more customers to their e-commerce websites.

In the e-commerce cosmetics sector, social media marketing is a crucial component of the marketing mix. Instagram, Facebook, and Twitter are just a few examples of social media sites that give businesses a chance to interact with customers and advertise their goods. Social media may be used by businesses to develop interesting content, run promotions, and communicate with customers. They can create leads and increase brand recognition via social media.

In conclusion, the online cosmetics market is a very cutthroat one. To draw in and keep customers, businesses must create cutting-edge marketing campaigns. This study is important because it will shed light on the crucial success elements in the e-commerce cosmetics sector. As more people purchase online, it is critical for businesses to use successful marketing techniques to set themselves apart from the competition and cultivate a devoted clientele. The study's findings will be helpful to marketers and companies in the e-commerce cosmetics sector in identifying the most successful marketing channels and tactics for the digital era.

II. LITERATURE REVIEW

Sameer Kumar, Cindy Massie, and Michelle D. Dumonceaux (2006) in their research titled "Comparative innovative business strategies of major players in the cosmetic industry" states that this paper aims to conduct a comprehensive, analytical (qualitative) study of the cosmetic industry in the global marketplace, with a specific focus on the business and innovation strategies of four leading companies in the industry. The research provides an in-depth analysis of the cosmetic industry using SWOT, Porter's value chain, and five forces and financial analysis. The findings are generalizable to the entire cosmetic industry, and projections on the future of the cosmetic industry are also presented. **Thakur Satendra (2012)** in his research titled "Brand image, customer satisfaction, and loyalty intention: A study in the context of cosmetic product among the people of central India" states that this research article examines the relationship between brand image, customer satisfaction, and loyalty intention in the context of a specific cosmetic product brand among people in central India. The findings suggest that marketing managers should focus on improving brand image to increase customer satisfaction and promote customer loyalty towards their products and services. **F.Neri, C. Aliprandi, F. Capeci, and M. Cuadros, (2012)** in their research titled "Sentiment Analysis on Social Media" states that the internet is a vast virtual space where people can share their opinions and influence various aspects of life, including marketing and communication. This paper presents a sentiment analysis study of more than 1000 Facebook posts about news broadcasts, comparing the sentiment towards the Italian public broadcasting service, Rai, and the emerging private company, La7. **RuhiSethi and DeepaKapoor (2018)** in their research titled "Nykaa: Influencing Customers through Social Persuasion Marketing" states that the way we think and act is influenced by others, whether we are passively observing their behavior or actively consenting to their requests. The elements examined in this case study include reciprocity, commitment, social proof, authority, liking, and scarcity. This study can benefit both research and marketing practice by helping to effectively target potential customers from a specific group.

AakanshaSinghal and Garima Malik (2018) in their research titled "The attitude and purchasing of female consumers towards green marketing related to cosmetic industry" states that this paper aims to investigate the relationship between various demographic factors, such as age, education, and income, and the attitude of female consumers towards green cosmetic products. Additionally, the paper will explore the connection between consumers' attitudes and their purchasing behavior toward eco-friendly cosmetic products. **GauriPathak and Mimi Nichter (2018)** in their research titled "Cleanups, confidence, and cosmetics: Marketing beauty in India" states that India has undergone rapid economic growth and a shift towards consumer culture since the liberalization of its economy in 1991, making it an attractive market for consumer goods marketers. This article provides an in-depth look at how local beauty cultures shape understandings of bodily aesthetics and create hybrid beauty practices, and how marketing efforts attempt to channel these practices into consumer behavior. **Manish Ruhela, Lovedeep Nagar, Aayushi Gupta, and HarvinderPopli (2018)** in their research titled "Cosmetics: Regulatory and market scenario for us and India" states that regulating the safety and

effectiveness of cosmetic products is crucial for the growth of the cosmetic industry. This article compares the current regulatory environment and market trends for cosmetic products in the US and India. **Galani, Lavina (2019)** in her research titled "Competitive Positioning and Assortment Planning for the Fragrances Category at FSN Brands Pvt. Ltd. (Nykaa)" states that this paper identifies the current positioning of the category by analyzing the performance of competitors in the 6 Ps (product, price, promotion, place, people, and process) and using perceptual maps to identify gaps in the market. It also covers the replenishment process for Estee Lauder Companies Limited Brands at the store level with the goal of creating meaningful and achievable strategies to improve the bottom line.**IshaniSaxena (2019)** in her research titled "Comprehensive Consumer Perspective of E-Commerce Models" states that E-Commerce is a transaction of funds for the exchange of goods or buying and selling of commodities to a digital platform. It has enormous economic effects in the future which are changing the total structure of running the business.

Komal Sharma (2020) in her research titled "A surge in the e-commerce market in India after Covid-19 Pandemic" states that the Covid-19 pandemic has had a significant impact on e-commerce businesses. This study examines the growth of e-commerce as a result of the pandemic and also aims to determine if e-commerce has become a substitute for traditional marketing.**ShreyaRawat,and Sujata Joshi (2020)** in their research titled "Social Media Sentiment Analysis for Monitoring Online Presence of Cosmetic Brands" states that the objective of this research is to explore how online consumer reviews and feedback on a cosmetic brand, Nykaa, through different social media platforms, affect the brand's reputation. The use of sentiment analysis is employed to evaluate the impact of positive, negative, or neutral sentiments on the reputation.**ThuanThiNhuNguyen (2020)** in his research titled "Developing and validating five-construct model of customer satisfaction in beauty and cosmetic E-commerce" states that this study aims to develop a reliable and valid theoretical model of customer satisfaction in the context of Beauty and Cosmetic Online Shopping in the Vietnamese market. The study identifies five main constructs that are relevant to customer satisfaction in this context: online shopping experience, customer service, external incentives, security/privacy, and personal characteristics.**MonalisaPattanayak, Dr. A.**

Udaya Shankar, Basudev Singh, and Ramesh Chandra Rath (2022) in their research titled "Role of digital technology on e-commerce practices for sustainable economic development in India" states that digital technology has become an essential part of various aspects of human life. This article focuses on the impact of digital technology on e-commerce enterprises. It examines the types and forms of digital technology used in this field and looks at the characteristics and features of modern e-commerce in India.**GulnazBanu P, DiptashreeMondal, and PrachiGautam (2022)** in their research titled "Study of Beauty and Makeup Trends for Indian Millennial amidst the COVID-19 Pandemic" states that this study was conducted during the COVID-19 pandemic to identify emerging trends in the beauty and makeup industry among Indian millennial.

III.   RESEARCH METHODOLOGY
Research Objectives
1. To identify the most commonly used marketing strategies in the e-commerce cosmetic industry.
2. To evaluate the effectiveness of marketing strategies in achieving their intended objectives.
3. To examine the challenges facedby Nykaawhen implementing these marketing strategies, to keep up with changes in the industry.

Research Design
The research design for this project is descriptive research, which aims to provide an in-depth analysis of the marketing strategies adopted by Nykaa. The research design will involve the use of a questionnaire to collect data from customers and employees of Nykaa.

Sampling design:
The sampling design for this research project is a non-probability convenience sampling. The sample size will be 54 respondents, who are customers of Nykaa and are familiar with the marketing strategies of the company.

Data source:
The primary data source for this research project will be a structured questionnaire. The questionnaire will include closed-ended questions related to the marketing strategies used by Nykaa. The questions will cover topics such as the types of marketing strategies used by Nykaa, the effectiveness of these strategies, and the customers' overall satisfaction with Nykaa's marketing efforts.

Reliability and validity of data:

To ensure the reliability of the data, the questionnaire will be designed in such a way that the questions are clear and unambiguous. To ensure the validity of the data, the questionnaire will be designed to measure what it is intended to measure. Content validity will be ensured by consulting with experts in the field of marketing.

Mode of analysis:

The data collected through the questionnaire will be analysed using descriptive statistics. The data will be tabulated, and frequency distributions will be calculated for each question. The results will be presented in tables and charts, and conclusions will be drawn based on the findings. Additionally, the researcher may also use inferential statistics to test the significance of the relationships between different variables.

IV. DATA ANALYSIS AND INTERPRETATION

Age: Based on the given data, the majority of the respondents (32 out of 54) are aged 20 years or below, with a significant number falling within the age range of 21-30 (14 out of 54). There are also a few respondents in the age groups of 31-40 and 41 or above, 3 and 5 respectively.Gender: Based on the data, out of 54 respondents, 27 identified as male, and 27 identified as female.

Which factors influence the most while choosing your cosmetic brand?
Based on the given data, the factors that influence the most while choosing a cosmetic brand are, all of the above (which includes brand image, advertisements, and celebrity endorsements), and advertisements. It is important to note that respondents could select more than one factor, which is why "all of the above" appears frequently in the data.
Do you prefer shopping on Nykaa's app or website?

Based on the data, it can be interpreted that out of the 54 respondents, 28 prefer shopping on Nykaa's app, 13 prefer both the app and website, 8 prefer the website, and 5 respondents do not prefer either the app or website.

Which of the following factors most influences your purchase decision on Nykaa
54 responses
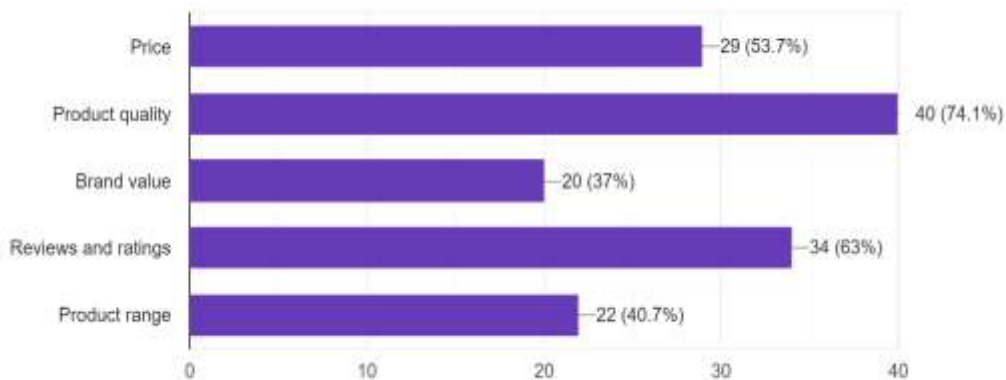
Based on the data, it can be observed that the most influential factor in the purchase decision of customers on Nykaa is product quality. Out of the 54 responses, 40 customers (74.1%) mentioned product quality as the primary factor influencing their purchase decision. Price, reviews and ratings, brand value, and product range are other factors that customers consider while making a purchase decision on Nykaa. The second most frequently mentioned factor was reviews and ratings, with 34 customers (63%) mentioning it. Price was mentioned by 29 customers i.e., 53.7%. Brand value was mentioned by 20 customers (37%), and product range was mentioned by 22 customers i.e., 40.7%.

Do you know about Nykaa'somnichannel marketing strategy?
Based on the data, it appears that 38 out of 54 respondents (70.4%) know about Nykaa'somnichannel marketing strategy, while 16 respondents (29.6%) do not.

How often do you see Nykaa's advertisements

across various channels?

From the data, we can see that the majority of respondents (27 out of 54) see Nykaa's advertisements occasionally, while 20 respondents see the ads frequently. Six respondents see the ads rarely, and only one respondent never sees the ads. This information can be used to gain insights into the effectiveness of Nykaa's advertising efforts and to make data-driven decisions regarding advertising strategies.

Have you ever heard of Nykaa man?

From the data, it is clear that out of 54 responses, 30 people have heard of Nykaa Man while 24 people have not. This suggests that Nykaa has some level of brand awareness among the survey respondents, but there is also room for growth in terms of reaching more potential customers.

Which of the following marketing strategies by Nykaa do you find the most effective in attracting you to purchase from their website?

From the data, it is clear that out of the four marketing strategies listed, the most effective one in attracting customers to purchase from Nykaa is Discounts and Offers, with 26 responses. Influencer marketing is the second most effective strategy, with 15 responses. Social media marketing and email marketing received 12 and 1 response(s), respectively.

Have you ever purchased a product from Nykaa based on an influencer's recommendation?

From the data, we can see that out of the 54 responses received, 50% (27) said they had purchased a product from Nykaa based on an influencer's recommendation, while the other 50% (27) said they had not.

Which of the following factors do you think Nykaa could improve upon in their marketing strategies?

Based on the data, the most common factor for improvement in Nykaa's marketing strategy is more personalized offers and recommendations, with 18 responses out of 54. The second most common factor is better customer service, with 14 responses. Improved website functionality and better product descriptions also received a significant number of responses, with 11 responses each.

V.   CONCLUSION

This research paper has examined the marketing tactics used by Nykaa, a significant player in the Indian e-commerce cosmetic business. According to the report, Nykaa has used numerous marketing platforms, including social media, email marketing, and influencer marketing, to build brand awareness, engage clients, and boost sales. The business has also made significant investments in technology and customer service in an effort to stand out from rivals and give customers a flawless online shopping experience. The emergence of e-commerce as a popular route for people to shop for their aesthetic requirements has caused a huge shift in the cosmetic sector. E-commerce has been a significant factor in the industry's growth, with Nykaa and other businesses setting the standard for innovation and customer service.

The focus on a multi-channel marketing strategy, the investment in technology, and the customer-centric approach all contributed to Nykaa's success. The business has effectively used social media sites like Facebook, Instagram, and YouTube to develop interesting content and establish a strong online brand presence. The utilisation of user reviews, influencer marketing, and email marketing initiatives by Nykaa has increased brand loyalty and boosted customer engagement.

Nykaa has also been able to provide its consumers a flawless and customised online shopping experience because to its investment in technology. The business's mobile app and website are user-friendly and provide a number of features like virtual try-on, customised recommendations, and simple payment methods. In order to improve the consumer experience and keep one step ahead of the competition, Nykaa has also adopted cutting-edge technology like augmented reality and artificial intelligence. Nykaa's success has also been significantly influenced by its customer-centric strategy. The business has made significant investments in customer service and support, offering a variety of ways for clients to contact the team, including chat, phone, and email. Customers can also take advantage of a variety of incentives through Nykaa's loyalty programme, Nykaa Rewards, including special discounts, early access to specials, and free shipping.

The significance of a multi-channel marketing strategy for companies working in the e-commerce cosmetic industry has also been highlighted by this study. Companies need to concentrate on developing a strong brand presence across various digital channels in order to effectively connect and engage with customers in light of the increase of social media and the relevance of online reviews.

The survey has also emphasised the value of making digital investments to offer a seamless and customised client experience. Businesses that

adopt cutting-edge technologies, such as augmented reality, artificial intelligence, and virtual try-on, can set themselves apart from rivals and offer a distinctive shopping experience that clients will value.

Additionally, the study has demonstrated that the success of the e-commerce cosmetic sector depends on customer-centricity. Businesses that place a high priority on customer support, loyalty, and service are more likely to develop long-lasting connections with their clients, which increases client retention, advocacy, and happiness. Despite Nykaa's success in the online cosmetics market, it's crucial to remember that businesses still face difficulties in order to keep one step ahead of their rivals. For instance, the market is constantly being entered by new competitors, making the business increasingly competitive. Additionally, consumer attitudes and behaviours are continually changing, necessitating the need for businesses to be flexible and market-adaptive.

In conclusion, this study has shed light on Nykaa's marketing tactics, which have helped it become a major participant in the e-commerce cosmetic business. According to the report, Nykaa's success can be due to its emphasis on a multi-channel marketing strategy, financial support for technology, and client-centered philosophy. Companies in the e-commerce cosmetic sector can take inspiration from Nykaa's success and implement these tactics to boost their performance in the digital era.

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