



Pricing Strategy Of Nykaa – Winner Or Loser In Online Space

Anupama Sahay^{1*}, Dr. Vijyata²

¹School Of Commerce and Management, ARKA Jain University, Jamshedpur, India

²School Of Commerce and Management, ARKA Jain University, Jamshedpur, India

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ARTICLE INFO ABSTRACT

Nykaa obsession with perfection drives Nykaa success in online space. Digital marketing contributes most to Nykaa success in online space. Nykaa seamless online shopping experience derives high conversion rates. Nykaa continues to thrive in online space offering diverse range of wellness and beauty products. The dedication and strategic vision of Falguni Nayar have been instrumental in solidifying Nykaa position as a leading player in online space. Falguni Nayar has received numerous awards and recognition for her remarkable achievements in online space in wellness and beauty sector. Robust management information system tracked by well-defined principles and procedure are the important reasons for its success in online space in wellness and beauty sector. As result of its customer friendly pricing strategy, Nykaa has emerged as a successful leading player in online space. Nykaa keeps coming with new pricing strategies to launch its product in online space. Nykaa success in online space is testament to the vision and determination of Falguni Nayar. Falguni Nayar embraces challenges and opportunities to grow and evolve in online space in wellness and beauty sector.

The objective of this paper is to explore the intriguing features of pricing strategy of Nykaa in online space in wellness and beauty sector. Data has been collected from 201 respondents and then analysed using statistical tools. The descriptive research design has been applied. Statistical tools have been used to interpret the data and to draw meaningful conclusions. Quantitative research has been implemented to test about people's attitude and characteristics based on number and logic. A convenient sampling technique has been used to collect primary data from the respondents belonging to different region of India. Primary data obtained from the respondents have been presented in the form of graphs, charts, and tables. Descriptive analysis has been used for data analysis. Majority of respondents (53.2%) agree with the pricing range of Nykaa in online space. Majority of the respondents (76.1%) consider price as the main reason for their use of Nykaa

product in online space. Majority of the respondents (84.1%) believe that the price of Nykaa product is the most important element to increase the customer satisfaction level in online space. The customers belonging to different age groups believe that price of Nykaa product is the most important increase the customer satisfaction level in online space. The customers belonging to different income level believe that the price of Nykaa products is the most important element to increase the customer satisfaction level in online space. The customers belonging to different gender believe that the price of Nykaa products is the most important element to increase the customer satisfaction level in online space.

Key words – Hybrid Pricing Strategy, Data Analysis

I.Introduction

Nykaa has adopted a reasonable pricing strategy. The online and offline strategies got a great response and love from the target audience. Nykaa saw excellent opportunities in online space which resulted in a great success. There is no doubt that Nykaa is leading its way in online space in wellness and beauty sector. It is an inspiration for new entrepreneur in wellness and beauty product. Despite the cut through competition with

domestic and international brands, Nykaa has managed to remain top in online space. Nykaa never trimmed its product for market in online space. Nykaa has roped in several personalities time and again as its brand ambassador for achieving success in online space. Nykaa believes in star power and its impact on audience. Nykaa has unique competitive advantages.

Nykaa ability to reach target customers in several different ways is undoubtedly unique and significant. The competition is fierce in online space in multi-channel retailing environment. Nykaa is successful in the endeavour in online space. Nykaa has user friendly websites with a virtual try on features. Initially Nykaa has tough time to sell its wellness and beauty products in online space but soon Nykaa overcome its initial embryonic phase and entered into an era of rapid transformation and opportunities in online space. Nykaa observed an increasing growth trajectory after overcoming its embryonic phase in online space. We can call it's an interesting phenomenon in online space in the wellness and beauty sector. Now online shopping around the globe has become trend.

Customers can shop anytime from the comfort of their home. User friendly interface has been developed by Nykaa to make online shopping attractive and efficient. Online shopping is unmatched in speed and convenience. Falguni Nayar Launched Nykaa in 2012. It sells wellness and beauty product online. The parent company of Nykaa is FSN E-commerce ventures. Currently 5% of FSN E- Commerce venture is under Falguni Nayar and her family. Nykaa follow B2C and B2B model for selling its product online.

Web and app platform are available to access Nykaa products in different category. Nykaa offers more than 2000 brand and 200000 products. Nykaa reaches its target audience through various digital platforms. Nykaa marketing strategies include social media, influencer marketing, content marketing, e- mail marketing and SEO techniques. Nykaa follows Omni channel model in 2015 to expand its business. Nykaa acquired the status of unicorn in 2020. It was first Indian unicorn start up headed by women. On 28 October 2021 Nykaa launched its initial public offering (IPO). Product advertisement and sells are the main source of Nykaa revenue. An interesting phenomenon happened in 1990 in India in retail industry by emergence of online shopping also termed as e-tailing.

Vast opportunities lies ahead of online shopping in India. Nykaa is posed for sustained growth and innovation in online space. The rise of emerging techniques will revolutionize the way consumer interacts with online platform. Consumer spending power increase with increasing growth of Indian economy. Online shopping has emerged as transformative force in Indian digital landscape. Nykaa account for 38% of the online market in wellness and beauty segment in India. Unlocking the potential of Indian beauty and wellness. Nykaa has emerged as a leader in online shopping.

Online shopping from the comfort of the home acts a catalyst for economic growth, innovation and inclusivity. Nykaa employs multifaceted pricing strategy such as competitive pricing, discounts, promotions, bundling, tiered pricing and dynamic pricing to attract customer and maximizing revenue.

The hybrid pricing model helps Nykaa broader its audience in online space. Nykaa has expanded across the wellness and beauty ecosystem. It has 5500+ SKU across 1000+ carefully curated wellness and beauty products. Nykaa /focuses on the urban Indian women aged 18- 35 years. Nykaa has captured the booming wellness and beauty market in online space. The company gross revenue flourished 36.3% to Rs. 3144 Crore during the fiscal year ending March 2023 as compared to Rs. 3774 Crore in FY 22. Nykaa has achieved phenomenal growth in wellness and beauty retailers in India in online space.

The pricing strategy is complicated by the interaction of various elements of marketing mix. Despite the great success achieve by Nykaa in online space in recent year much remains unknown and therefore fascinating. The search for right pricing strategy of Nykaa product will continue to take advantage of every last vestige of opportunities in online space. The prime purpose of study pricing strategy of Nykaa in online space is to develop the capacity to produce the effect of hostile and complex marketing mix. The article is not only just information but it provides clarity of thoughts on the pricing strategy in an elegant and extensive way.

The elegant use of mathematical models on pricing strategy under such circumstances becomes imperative. It displays the most widespread myths about pricing strategy.

The central theme of the paper has been on pricing strategy of Nykaa in online space in a fairly comprehensive way. Emphasis has been placed on understanding and exploring the pricing strategy adopted by Nykaa in online space under the diverse space and complex phenomenon of marketing. A comprehensive data analysis on pricing strategy of Nykaa has been dealt so as to stimulate the interest in growing area of interest. As a result interest in this exotic area has increased dramatically over the past two decades. It is also being reflected from the series of excellent papers and article available.

II.Literature Review

Michael Aldrich, English entrepreneur who made online truncation possible in 1979 [1]. Aldrich had profound impact on evolution of online shopping. Online shopping becomes possible when internet was open to public in 1991. Amazon was first to start selling product on online space. Nykaa has carved a niche in online space by adopting cutting edge technology and innovation. The key to Nykaa success in online space

lies in identifying the unique strengths and value's that differentiate its brand from its competitors. Online platforms have revolutionized the way consumer access and purchase in online space.

In coming years, the online space will create new opportunities for exploration in Indian market. Many of the investigation on pricing strategy of Nykaa in online space have been stimulated by marketing interest.

Understanding pricing strategy of Nykaa in online space can give valuable information to boost sales and earn revenue. Meticulously designed pricing strategy of Nykaa guarantees its success in online space. Online shopping has shaped consumers behaviour across geographic. Online shopping is a game of speedy delivery and great customer service. The last few decades have witness tremendous growth in online space. Niche companies like Nykaa disrupting in the online space. Online shopping owes its attractiveness due to the demographics richness and diversity in cultural value. Few years back online shopping was confined mainly to metros. Things have changed now. The next hot spots are the tier two cities and tiers three cities. Operating in niche and identifying unique value proposition in online space will give competitive edge over more generic brands. Value proposition determines pricing strategy of any product. If it is not done correctly, it is definitely going to kill you before you start your business in online space. The controlling factor of pricing strategy of Nykaa in online space is not fully understood in spite of significant efforts over the last couples of decades. No practical breakthrough has been made to identify clearly the right combination of factors which influence pricing strategy of Nykaa in online space. The pricing strategy of any firm can change its competitive position. The inherent benefits and promising attributes of hybrid pricing strategy of Nykaa stem from its careful and balanced integrations of an effective marketing strategy. The pricing strategy of Nykaa in online space is vivid visualization of many interesting phenomenon which has not been fully understood. The hybrid pricing strategy of Nykaa in online space has evolved rapidly from it nascent unstructured beginning since its inception in 2012. According to Kotler and Keller (2016), pricing strategy can be broadly categorized as cost based, competitive based and value based pricing [2].

The hybrid pricing strategy of Nykaa helped to grow significantly in online space. The hybrid pricing model helps Nykaa broden its audience base in online space. Nykaa journey to success can be termed as a story of clear vision backed by actionable steps taken at right time. According to Sharma and Kapoor (2021) pricing strategy is a blend of premium and competitive pricing strategy adjusted to cater to both high ended and mass market consumer [3]. According to Sharma and Verma (2021), Nykaa follows a value based model for premium and luxury products which reflects both exclusivity and quality [4]. Nykaa employ competitive pricing with mass market. Analysis by IBEF (2023) reveals that competitive pricing strategy help Nykaa to maintain parity with other competitors like Amazon and FLIPKART in online space [5]. According to Singh and Sharma [2022], Nykaa balances competitive pricing with brand value positioning using differentiated pricing across categories and platforms [6].

Nykaa follows Hillslorad Darnassian Trade Goods and others cost effective methods to keep price low. Nykaa adopts dynamic pricing strategies using AI and big data. Nykaa adjust prices based on user behaviour, demand, location and tome. According to RedSeer Consulting Report (2022), data driven pricing strategy leads to higher conversion rate during Pink Friday Sale [7]. A study by Kantar (2021), suggest that platform like Nykaa use dynamic pricing when prices are adjusted based on demand inventory level and customer behaviour [8]. Nykaa also offer personalized pricing through loyalty program to enhance perceived value and repeat purchase. Kumar and Mehra (2020) discuss the role of AI and data analytics in e commerce pricing [9]. Nykaa focus on AI had driven pricing customer's perception and price elasticity in online space.

As per Gupta [2021], competitive pricing approach allows Nykaa to retain price- sensitive customers while promoting premiumization through exclusive product line [10].

According to Gupta et al. (2023), tiered pricing strategy targets customers who value experiential retail and willing to pay a premium for personalized and exclusive offer [11].

Monroe (2003) consumer perception theories align well with the Nykaa psychological pricing and discounting tactics [12]. This tactics is effective in boosting conversion rate son high traffic days such as PINK FRIDAY SALE. Monroe (1990) highlights the efficacy of psychological pricing strategy in enhancing customer perception of affordability without compromising brand value [13]. Nykaa uses physiological value-based pricing for its private level for products.e.g. IIM Ahmedabad Case study, 2021 shows that customers perceives Nykaa product as high quality and are willing to pay a slight premium for trust and brand equity [14]. Case study by IIM Ahmedabad (2022) reveals how Nykaa utilizes dynamic pricing based on demand, supply, time of day festival season and shopping behaviour [15]. Nykaa focuses on real time pricing adjustments. Short term price cuts are employed by Nykaa during flash sales, limited time discounts, and influencer collaboration. KOTLER and KELLER (2016) emphasises the role of dynamic pricing in online space to maximize profitability and manage cycle effectively [16]. According to Kumar and Sinha (2020), psychological pricing technique is effective in enhancing the perceived value of products and increasing sales particularly for premium goods at a slightly lower perceived price [17].Nykaa uses price skimming for premium product. Nykaa uses penetration pricing for affordable line. According to Patil and Menon (2023), Nykaa adjust pricing based on initial demand patterns and customers response analytics [18]. According to Jin and Singh (2020), e commerce platforms in India often use penetration pricing or competitive pricing to attract price sensitive consumers [19]. Nykaa adopts promotional pricing strategy and loyalty program like Nykaa private during sale events to encourage repeat purchase. According to Bhattacharyya (2020),

promotional pricing and loyalty programs help to maintain customer loyalty and market share of Nykaa [20]. Studies by EY (2022), reveals that Indian consumer are highly deal driven.

Nykaa leverages promotional pricing during events like Nykaa Pink Sale or festive seasons to boost sales volume. Das (2021) reports Nykaa strategic use of promotion, flash sale and product bundling [21]. These short term pricing strategy increase conversion rates while driving volume sales. In the fashion vertical Nykaa applied penetration pricing to compete with existing player like Mantra and AJIO (Electronic Time 2021). According to Sharma and Sinha (2021) aggressive discounting from competitors creates pricing challenges while maintaining brand equity [22]. Jain (2021) noted that frequent discount may lead to the risk of pricing fatigue among consumer there by decreasing the perceived value of full price item [23]. According to Jin (2019) Nykaa ability to adapt to new taxation structures has been crucial in retaining competitiveness [24]. According to Joshi (2023), Nykaa uses data analysis to personalize pricing offering discounts and deals based on user behaviour and past purchase [25]. This strategy helps to cater price sensitive customer as well as allows for premium pricing for high value customers ultimately driving both retain and loyalty. Nykaa offers value brand and tiered pricing to cater both mass market and premium segments. According to Harvard Business Review (2022) brand partnership and exclusivity pricing allow Nykaa to exercise more control over the pricing architecture [26]. Porter (1980) generic strategies also apply when Nykaa focus lies in differentiation [27]. According to Sharma and Sinha (2021) aggressive discounting from competitors creates pricing challenges while maintaining brand equity [28]. In the context of Nykaa, a hybrid pricing model is often seen.

According to analyst, economist and consumers, the online (B2C) market will soon make physical, brick and mortar store obsolete. Nykaa wants to be demand – led retailer in online space and not a push retailer. According to Bhattacharya (2022), value based pricing approach for private level allows Nykaa to set prices based on perceived consumer value. This strategy often exceeds the cost of production and yields higher margin [29]. According to Jain and Rao promotional pricing and discounts [during festive seasons] boost conversion rates and build consumer loyalty during peak shopping seasons [30]. Nykaa has carved a niche by combining a customer centric pricing strategy with its diverse offering in online space.

III. Key Elements Of Nykaa Winning Pricing Strategy In Wellness And Beauty Sector In Online Space

- Nykaa follows hybrid pricing model.
- Nykaa balance prestige pricing with strategy promotion.
- Runs frequent sales during festivals.
- Uses bundling and GWPs like free make up bags to enhance value.
- Nykaa follow Omni channel model.
- Nykaa deploys online promotions strategically.
- SEM and SEO to optimize for wellness and beauty related search.
- Loyalty program.
- The content driven approaches nurture the path to purchase.
- Savvy use of digital platform has allowed Nykaa to outmanoeuvre established players.
- Nykaa has multiple accounts on almost all social media platforms like Instagram, Twitter etc.
- Nykaa receives over 1500 order every single day on its e- commerce apparel store.
- The marketing strategy of Nykaa revolves around customer first approach, focusing on product diversity, innovative pricing ad digital engagement.
- Diverse product range to cover all types of users.
- Quality assurance to win customer trust.
- Customised options.
- Curated collections
- Competitive pricing
- Discount and offers
- Bundling
- Tiered pricing
- Dynamic pricing to maximize revenue based on demand seasonality
- Cost based pricing
- Cost plus pricing
- Make up pricing
- Cost volume profit Analysis to set optimal price
- Value based pricing
- Brand image helps in increasing perceived value of Nykaa product.
- Value added service.
- Price anchoring
- Season sales
- Coupon code
- Free shipping

- Limited time offers
- Influence marketing strategy
- Content marketing
- Social media marketing

Strategic partnership with celebrities and companies, Nykaa solidifies its positions as leading players in online space. Nykaa provides a one stop destination for all wellness and beauty needs, offering wide range of choice under one roof. Nykaa has robust online platform and growing network of offline stores across India. Nykaa offer customer the flexibility to shop anytime anywhere. Nykaa continue to thrive as one of India leading wellness and beauty destination experience in online space.

Nykaa online platform remains a cornerstone of its success with a user friendly website and mobile app that offers unique shopping experiences for customers across India. Nykaa financial performance remains robust with consistency revenue growth and profitability in online space. The company strong financial position has enabled it to invest in product innovations marketing initiative and expansion efforts to strengthen its market leadership in online space. Falguni Nayar role in guiding is nothing short of legendary.

Nykaa employ a multifaceted pricing strategy including sales like Pink Friday to attract and retain customers while maintaining profitability. The company current price to sale ratio (TTM) is 36.1. At the end of 2024 the company has P\5 ratio of 5.95.

Nykaa founder recognized a gap in the market had created a platform that offers wide range of brands in online space. Falguni Nayar vision was to create a one stop destination for wellness and beauty product, offering a wide range of brands. Falguni Nayar vision and dedication have transformed Nykaa into a leading wellness and beauty e-commerce platform in India fulfilling the needs of countless customers. Nykaa has grown into one of India leading e-commerce platforms for wellness and beauty. With a mission provide India consumers with easy access to high quality wellness and beauty products. With a user friendly website and commitment to customer's satisfaction Nykaa quickly gained a loyal customer base e in online space. Nykaa stayed ahead of trends by offering new and innovation product in online space.

Nykaa success in online space is attributing to its effective marketing strategies. Nykaa continues to thrive in online space, offering a diverse range of wellness and beauty products. Falguni Nayar dedication and strategic vision have transformed the company into household name in wellness and beauty sector.

The dedication and strategic vision of Falguni Nayar have been instrumental in achieving threomilestone, solidifying. Nykaa position as a leading player in the wellness and beauty sector in online space. Falguni Nayar has received numerous awards and recognitions for her remarkable achievements in online space. Her success in online space serves as an inspiration for countless women. Nykaa expansion in online space in testament to her business acumen and vision. Nykaa boosts its online presence by creating target social media compassion that increase engagement followers, and brand awareness. Nykaa align its business strategy with the target market to ensure its product resonate with the right audience driving growth. Success is never a solo journey. Nykaa believe in the power of team work community and building strong partnership to achieve the goal. Falguni Nayar is dedicated to creating sustainable for the future. Nykaa collaborate with top beauty influencers and celebrities to promote new products and campaign significantly boosting brand reach and credibility.

The pink Friday sale campaign offers significant discount across a wide range of products driving sustainable sales and highly the success of Nykaa pricing strategy. Nykaa reported revenue of INR 3771 Crore for FY 2023 reflecting a 40% year on year growth. Nykaa ensures a tailored shopping experience which helps in building brand loyalty and driving sales. Catering to customers' needs and preferences. Nykaa get the majority of its revenue and sales from digital channels. Digital marketing in the elements that contributes most to it its success in online space. The brand has strong presence over all the social media platforms and is doing an excellent job promoting its brand across various social media platform. Standard operating procedures to ensure effectiveness of business processes. Continuously identification of areas requiring strengthens of internal control. Nykaa is built on quality and trusts are focused on enriching the customer experiences through the trendiest and high quality products.

Stunning success of Nykaa in online space is attributing to its well-crafted iconic pricing strategy. Increase in sales of Nykaa products in online space has been accomplished by meticulous designed pricing strategy. Study of pricing strategy of Nykaa in online space and its effect on sales is a problem of great concern and significant importance. In the intervening few decades' strides have been made by Nykaa to increase its sales in online space. As a result Nykaa pricing strategy has undergone spectacular changes in online space. Many of the changes in its pricing strategy in online space have been the result of close of alliance of leading cosmetics industries with Nykaa. These changes have resulted in success of Nykaa in online space. The remarkable combinations of pricing strategy have caused Nykaa to emerge as leading retailers in online space. The extensive research over the past decades in online space has led to the development remarkable combinations of pricing strategy of Nykaa.

Pricing strategy of Nykaa in online space is based on systematic studies of complex and diverse nature of marketing strategy. Pricing strategy of Nykaa continues to absorb a significant share of attention so as to achieve the full potential of Nykaa growth in online space. The stringent requirement of complex and diverse nature of pricing strategy has led to the current spurt in research in online space. Study of pricing strategy of Nykaa in online space is a topic of major concern which deserves serious attention.

The advent of striking data analysis techniques has made an impressive contribution to our knowledge of pricing strategy in online space. There has been growing incursion of the advanced analytical technique into the very involved theoretical aspects of the pricing strategy in online space. It is interesting to note that pricing strategy of Nykaa in online space and its marketing mix stimulates each other. The basic theory of pricing strategy proposed by () has stood the test of time remarkably well. The theory remains the same and undisputed. However, there have been developments in the area which deserve attention. While pricing strategy of Nykaa in online space works in terms of profit and loss, complicity effect of marketing mix has not been adequately investigated.

IV. Need Of The Study

- The study has been done for examining the success of pricing strategy of Nykaa's product which can be utilized to face up into highly competitive charged environment and cut throat competition in online space.
- The study is needed for creating powerful pricing strategy of Nykaa to face the fierce competition in the online space.

V. Objective Of The Study

- To explore the winning pricing strategy of Nykaa in online space.
- To study the reasons behind the success of pricing strategy of Nykaa in online space.

VI. Limitation

- Statistical inferences based on the significance test cannot be entirely correct evidence concerning the truth of the hypothesis.
- There is choice of false data due to lack of seriousness of the respondent while filling the survey.
- Some of the respondents were reluctant to share the information.
- The hypothesis testing is only the aids for decision making and not decision making itself.
- Hypothetical test does not explain the reasons as to why the difference exists between theoretical value and true value.
- The hypothetical testing is based on probability and hence cannot be expressed with full certainty.
- Customers are regarded as passive as it does not allow them to interact while deciding pricing strategy of Nykaa products in online space.
- Pricing strategy of Nykaa in online space is market focused and not customer focused.
- Nykaa must use of marketing mix modelling to adjust the price with the rapidly changing perception of the customer in highly competitive and fierce marketing environment.
- There is chance of sampling error which may occur by considering different sets of observations from the same population.
- Sampling error is inevitable even under the best circumstances.
- Some of the respondents are not willing to cooperate in sharing the information.
- The online survey ignores the unique elements of marketing service.
- A relation building is an important aspect but it has been ignored.
- Customers are king hence customer interactions are essential while deciding the pricing strategy in online space of Nykaa.

VII. Data Analysis And Interpretation

1. Are you satisfied with the pricing range of Nykaa?

TABLE 1: Shows those 107 respondents out of 201 agree with the pricing range of Nykaa.

SATISFIED WITH PRICING RANGE	NO OF RESPONDENTS	PERCENTAGE
STRONGLY AGREE	67	33.3%
AGREE	107	53.2%
NEUTRAL	26	12.9%
DISAGREE	1	0.5%
STRONGLY DISAGREE	-----	-----
TOTAL	201	100

Interpretation: The above table shows that out of 201 respondents 33.3% respondents are strongly agree with the pricing range of Nykaa, 53.2% of respondents agree with the pricing range of Nykaa, 12.9% of respondents are Neutral regarding pricing range of Nykaa and only 0.5% of them are Disagree with the pricing range of Nykaa.

Inference: Majority of the respondents (53.2%) Agree with the pricing range of Nykaa.

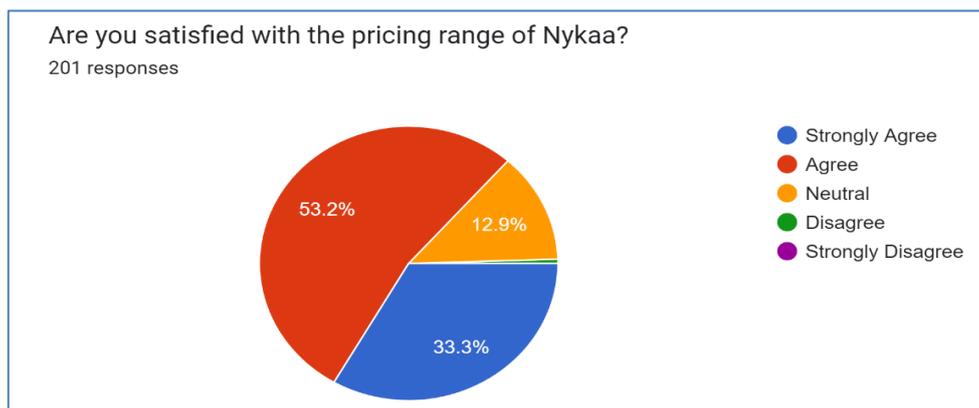


Fig 1: Shows that majority of the respondents (53.2%) agree with the pricing range of Nykaa
Source: Primary Data

2. What are the online platforms that you chose to purchase wellness and beauty products?

TABLE 2: Shows that the maximum no of respondents (171 out of 201) have used Nykaa platform.

PURCHASE PRODUCTS	BEUATY	NO OF RESPONDENTS	PERCENTAGE
NYKAA		171	85.1%
THE BODY SOAP		83	41.3%
PURPLLE		87	43.3%
LUSH		89	44.3%
LAKME		26	12.9%
AMAZON		21	10.4%
MYNTRA		119	59.2%
TATA BEAUTY		167	83.1%
OTHERS		18	9%
TOTAL		210	100

Interpretation: The above table show that out of 201 respondents 85.1% respondents have used Nykaa platforms for purchasing wellness and beauty products. Out of another 201 respondents 41.3% have used The Body Soap platform. Out of another 201 respondents 43.3% have purchased through Purple platform. Out of another 201 platform 44.3% respondents have used Lush platform. Out of another 201 respondents 12.9% respondents have used Lakme platform. Out of another 201 respondents 10.4% respondents have used Amazon platform. Out of another 201 respondents 59.2% respondents have used Myntra platform. Out of another 201 respondents 83.1% respondents have used Tata Beauty platforms and out of another 201 respondents 9% respondents used other platforms.

Inference: Majority of respondents (85.1%) have used Nykaa platform for purchasing wellness and beauty products.

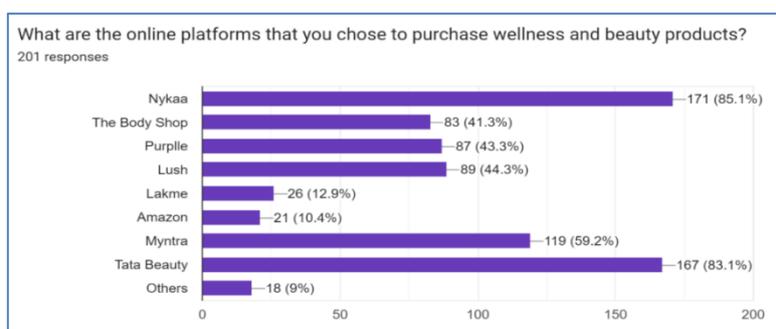


Fig 2: Shows that the majority of the respondents (85.1%) have used Nykaa platform.
Source: Primary Data

3. The price of Nykaa wellness and beauty products is the most important elements to increase the customer satisfaction level?

TABLE 3: Shows that out of 201 respondents, 169 believe that the price is the most important element to increase customer satisfaction.

CUSTOMER SATISFACTION LEVEL	NO OF RESPONDENTS	PERCENTAGE
YES	169	84.1%
NO	8	4%
MAY BE	24	11.9%
TOTAL	201	100

Interpretations: The above table show that out of 201 respondents, 84.1% of respondents believe that the price of Nykaa wellness and beauty products is the most important elements to increase the customer satisfaction level, 4% of respondents believe that the price is not the most important elements while 11.9% of respondents believe that price of Nykaa wellness and beauty products may be the most important element to increase the customer satisfaction level.

Inferences: Majority of respondents (84.1%) believe that the price of Nykaa wellness and beauty products is the most important elements to increase the customer satisfaction level.

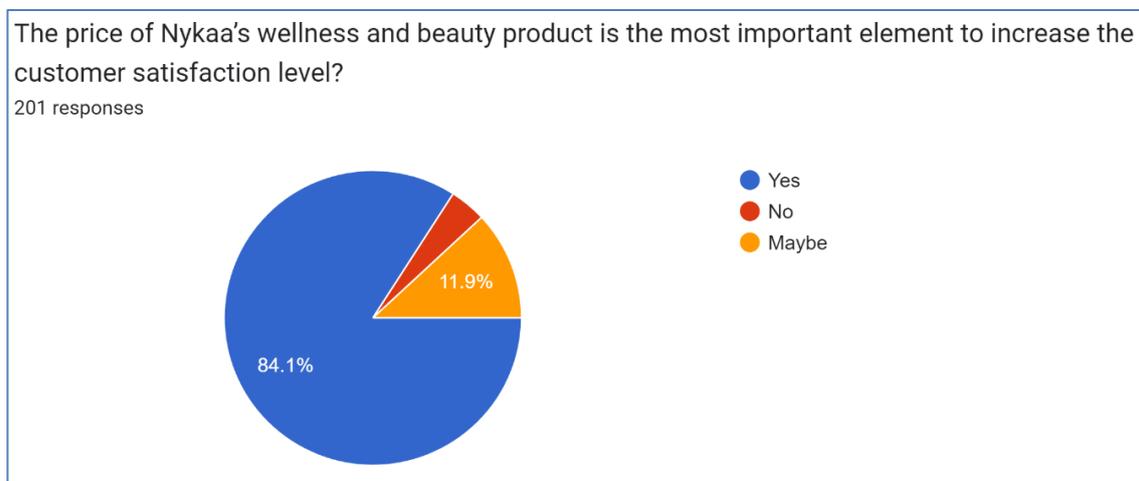


Fig 3: Shows that majority of the respondents (84.1%) believe that the price of Nykaa product is the most important element to increase the customer satisfaction level.

Source: Primary Data

VIII.Hypothesis Testing

HYPOTHESES TESTING USING KARL PEARSON’S CHI-SQUARE TEST				
Ho: The price of Nykaa wellness and beauty products is not the most important element to increase the customer satisfaction level.				
Response on the basis of Age Group				
Table 4.40 a				
Age Group	Yes	No	May be	Total
18 -24 Years	21	0	1	22
25 – 34 Years	94	7	15	116
35 – 44 Years	50	1	8	59
45 – 54 Years	3	0	0	3
55 – 64 Years	1	0	0	1
Total	169	8	24	201
Calculation of expected frequency = $\frac{(Total\ observations\ in\ ith\ row) \times (Total\ observations\ in\ jth\ column)}{Total\ number\ of\ Observations}$				
	18.497	0.875	2.627	
	97.532	4.617	13.851	
	44.606	2.348	7.045	
	2.522	0.119	0.358	
	8.401	0.039	0.119	
Observed (O)	Expected (E)	(O-E)	(O-E) ²	(O-E) ² /E
21	18.497	2.503	6.265	0.339
94	97.532	- 3.532	12.475	0.128

50	44.606	0.394	0.155	3.129
3	2.522	0.478	0.228	0.0905
1	8.401	- 7.401	54.775	6.520
0	0.875	- 0.875	0.766	0.875
7	4.617	2.389	5.679	1.229
1	2.348	- 1.348	1.817	0.774
0	0.119	- 0.119	0.014	0.119
0	0.039	- 0.039	0.0015	0.039
1	2.627	- 1.627	2.647	1.008
15	13.851	1.144	1.320	0.085
8	7.045	0.955	0.912	0.129
0	0.358	- 0.358	0.128	0.358
0	0.119	- 0.119	0.014	0.119
				$x^2 = 14.24$
				$x^2 = \sum \frac{(O - E)^2}{E}$
				$= 14.24$
Degree of Freedom (d.f) = (R - 1) x (C - 1) = (5 - 1) x (3 - 1) = 8				
Level of Significance = 0.05				
The Tabulated value or Critical value for 5% level of significance at d.f. = 8 is 15.507 for right tailed test.				
As the calculated value (14.24) is less than the table value (15.507) for right tailed test, we cannot reject null hypothesis (Ho).				
Therefore, we can conclude that the customers belonging to different age groups believe that the price of Nykaa wellness and beauty products is the most important element to increase the customer satisfaction level.				

HYPOTHESES TESTING USING KARL PEARSON'S CHI-SQUARE TEST				
Ho: The price of Nykaa wellness and beauty products is not the most important element to increase the customer satisfaction level.				
Response on the basis of Income level				
Table 4.40 b				
Income level	Yes	No	May be	Total
Under 2.5 Lakh	4	0	0	4
2.5 L - 5 Lakh	15	0	0	15
5 L - 7.5 Lakh	20	1	1	22
7.5 L - 10 Lakh	49	1	8	58
10 L - 20 Lakh	55	4	7	66
20 L - 30 Lakh	17	1	3	21
30 Lakh and above	10	0	5	15
Total	170	7	23	201
Calculation of expected frequency = $\frac{(Total\ observations\ in\ ith\ row) \times (Total\ observations\ in\ jth\ column)}{Total\ number\ of\ Observations}$				
	3.384	0.14	0.456	
	12.69	0.525	1.71	
	18.612	0.77	2.508	
	44.068	2.3	6.612	
	55.836	2.31	7.524	
	17.766	0.735	2.394	
	12.69	0.525	1.71	
Observed (O)	Expected (E)	(O-E)	(O-E) ²	(O-E) ² /E
4	3.384	0.616	0.379	0.112
15	12.69	2.31	5.336	0.420
20	18.612	1.388	1.926	0.1035
49	44.068	4.932	24.325	0.552
55	55.836	- 0.836	0.6988	0.125
17	17.766	- 0.766	0.5867	0.0330
10	12.69	- 2.69	7.2361	0.570
0	0.14	- 0.14	0.0196	0.14
0	0.525	- 0.525	0.2756	0.525
1	0.77	0.23	0.0529	0.0687
1	2.3	- 1.3	1.69	0.735
4	2.31	1.69	2.856	1.236
1	0.735	0.265	0.070	0.095

0	0.525	- 0.525	0.2756	0.525
0	0.456	- 0.456	0.2079	0.456
0	1.71	- 1.71	2.924	1.71
1	2.508	- 1.508	2.274	0.907
8	6.612	1.388	1.9265	0.291
7	7.524	- 0.524	0.2745	0.0365
3	2.394	0.606	0.367	0.1533
5	1.71	3.29	10.824	6.3298
				$x^2 = 14.24$
				$x^2 = \sum \frac{(O-E)^2}{E}$
				$= 14.24$
Degree of Freedom (d.f) = (R - 1) x (C - 1) = (7 - 1) x (3 - 1) = 12				
Level of Significance = 0.05				
The Tabulated value or Critical value for 5% level of significance at d.f. = 12 is 21.026 for right tailed test				
As the calculated value (14.24) is less than the table value (21.026) for right tailed test, we cannot reject null hypothesis (Ho).				
Therefore, we can conclude that the customers belonging to different income level believe that the price of Nykaa wellness and beauty products is the most important element to increase the customer satisfaction level.				

HYPOTHESES TESTING USING KARL PEARSON'S CHI-SQUARE TEST				
Ho: The price of Nykaa wellness and beauty products is not the most important element to increase the customer satisfaction level.				
Response on the basis of Gender				
Table 4.40 c				
Gender	Yes	No	May be	Total
Female	163	7	22	192
Male	6	1	2	9
Total	169	8	24	201
Calculation of expected frequency = $\frac{(Total\ observations\ in\ ith\ row) \times (Total\ observations\ in\ jth\ column)}{Total\ number\ of\ Observations}$				
	161.433	7.642	22.925	
	7.567	0.358	1.075	
Observed (O)	Expected (E)	(O-E)	(O-E) ²	(O-E) ² /E
163	161.433	1.567	2.455	0.015
6	7.567	- 1.567	2.455	0.324
7	7.642	- 0.642	0.412	0.054
1	0.358	0.642	0.412	1.151
22	22.925	- 0.999	0.998	0.0435
2	1.075	0.642	0.413	0.384
				$x^2 = 0.812$
				$x^2 = \sum \frac{(O-E)^2}{E}$
				$= 0.812$
Degree of Freedom (d.f) = (R - 1) x (C - 1) = (2 - 1) x (3 - 1) = 2				
Level of Significance = 0.05				
The Tabulated value or Critical value for 5% level of significance at d.f. = 2 is 5.991 for right tailed test				
As the calculated value (0.812) is less than the table value (5.991) for right tailed test, we cannot reject null hypothesis (Ho).				
Therefore, we can conclude that the customers belonging to different gender believe that the price of Nykaa wellness and beauty products is the most important element to increase the customer satisfaction level.				

IX. Research Methodology

This study is purely based on primary data and secondary data. Detailed analysis has been offered using material gathered from respondents (primary data) and journal article, media and company website.

Quantitative methods approach has been used in this research. This method helps to analyse the data statistically or we can say that numerical analysis is done through questionnaire and survey. Quantitative method focuses more on gathering numerical data and generating it across groups of respondents to explain a particular phenomenon. Primary Data has been collected in MS excel sheet through an online questionnaire to a set of respondents who are believed to have desired information. Secondary Data has been collected from various published articles regarding consumer buying behaviour and about the company. Convenience sampling technique has been used to collect primary data from the respondents from different region of India. Parametric test procedure has been followed. Primary data from the respondents have been presented in the form of graphs, charts and tables. Karl's Pearson Chi Square Test has been used for Hypothesis testing of primary data. Descriptive analysis has been used for data analysis. Percentage analysis has been done for the primary data collected and presented in the form of tables and pie chart.

X. Finding Based On Data Analysis

- Majority of respondents (53.2%) agree with the pricing range of Nykaa in online space.
- Majority of the respondents (76.1%) consider price as the main reason for their use of Nykaa product in online space.
- Majority of the respondents (84.1%) believe that the price of Nykaa product is the most important element to increase the customer satisfaction level in online space.

Finding based on hypothesis testing:

- The customers belonging to different age groups believe that price of Nykaa product is the most important element to increase the customer satisfaction level in online space.
- The customers belonging to different income level believe that the price of Nykaa products is the most important element to increase the customer satisfaction level in online space.
- The customers belonging to different gender believe that the price of Nykaa products is the most important element to increase the customer satisfaction level in online space.

XI. Future Scope Of Study

- The pricing strategy of Nykaa in online space needs to be redefined based on current and future requirements.
- In order to cope with the dynamic environment or uncomfortable variables, pricing strategy of Nykaa in online space must be aimed at satisfying the needs of the customers.
- Pricing strategy must be focused around the needs of target customer while accomplishing marketing objective.
- The pricing strategy of Nykaa in online space stems from series of interrelated functions which have to be carefully examined.
- It is important to determine the possible interaction of consumer with the marketing strategy to explore in depth the consumer buying behaviour in online space.
- To remain at forefront in online space Nykaa needs to harness the power of that driven insight for more informed decision making.
- For Nykaa to excel in online space it must follow a well-crafted pricing strategy.

XII. Suggestions

- Nykaa must focus on its strengths and opportunities overcome its weakness and threats.
- To stay on the top of trends, Nykaa must constantly monitor its pricing strategy to meet the ever changing needs and demands of its customers.
- Nykaa should keep up to date information of competitor's policy, price and products.
- Nykaa should take care of the changing perceptions of consumers in the wellness and beauty e-commerce.
- Nykaa should always try to strive the needs, wants and demand of the consumers in the changing market place.
- Continued adaptation to consumer behaviour and market trends will be critical to the success of pricing strategy of Nykaa in online space.

Conflict Of Interest

The authors declare no conflict of interest.

XIII. Conclusion

- The pricing strategies of Nykaa production (wellness and beauty) online space are influenced by several factors such as age, gender, occupation, income level.
- Nykaa should try to meet consumers growing expectations while keeping the price in check (control).

- A paradigm shifts in the consumer buying behaviour and use of Nykaa's products have been observed in recent years in online space.
- Perception of consumer is changing rapidly as a result of a shift in the lifestyle, increased disposable income, rising status, migrations and demand for superior quality in online space.
- Nykaa recognises the importance of cutting edge technology and capitalized on it to beat competitors in online space.
- Nykaa is set to offer more robust analysis tools, empowering Nykaa to understand consumer behaviour, optimise marketing campaigns and enhance its products offering in online space.
- .Despite the stiff competitions, Nykaa have secured an impressive market share in online space.
- Delivering something new at competitive price to customers is significant component of Nykaa's products in online space.
- Nykaa has emerged as one of the most successful on demand e-commerce app in online space.
- Nykaa focuses on customer service, affordable pricing and wide range of wellness and beauty e-commerce product in online space.
- Nykaa has curated some of the best and most persuasive strategy which led to the formation of a strong online network which has helped in boosting wellness and beauty e-commerce sale in online space.
- From the study it is clear that Nykaa is doing very well and giving tough competitions to rival firms in online space.
- The pricing strategy has a high impact on the increase of sell of Nykaa products in online space

XIV. References

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