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Critical Examination of Shift in Women's Participation in Start-Ups

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ABSTRACT

Traditionally, women in India were limited to the household work and management. The participation of women in business was marginalized. But, after years of hard work women's have made considerable place for themselves in the business society. The increasing participation of women in business has led to many women-led startups in India. Women led startup businesses like Nykaa, Mobikwik and Zivame are being proved to be pioneers of the establishment of women in business.

This paper will focus on the opportunities and challenges faced by various women led startups in India that led them to the position that they are today. It aims to give a critical understanding of factors that impacted the growth of the various female run start-up businesses as well as the strategies that helped the business grow. This paper will also include the analysis of various schemes of the government to promote the participation of female in business.

Keywords: *women entrepreneurs, start-ups, e-commerce, marketing strategies.*

I. INTRODUCTION

Women in India have been undermined for a long time. It took many years to have an equal right to education as men after being suppressed by the male dominated society. Right to education was the start of many such right which were denied to women earlier. Now, women have an equal status and right as that of men but still it is very difficult for a woman to succeed in any sector as the society creates many hurdles for them. Business is no different than any other sector. Every woman aspiring to be or in the position of a women entrepreneur have been grinded between family and work. Crossing all such battles women have been able to create a path for themselves and make a mark in their respective sectors. The government has been very supportive towards women entrepreneurs by proving them with incentives and benefits through various schemes. Many business women have been successful through their distinctive strategies and executing plan. The opportunities and difficulties faced by such business women will be discussed in further in detail in this paper. Success in a business is due to various factors

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which will be discussed in the paper below.

II. WHAT IS A START-UP?

A startup is a young company that has been started by one or more entrepreneurs by a unique products or service aimed at filling the products or service gap in the society along with the motive of earning profits. Every year, many entrepreneurs register their startups and many pack up their business. There are various factors that affect the success or failure of a start business.

According to their x start-ups are divided into 6 categories: -

- **Scalable Startups** – Frequently, businesses in a tech specialization fall under this category. Technology businesses can readily access the global market because they frequently have significant potential. Investors may provide financial support to IT businesses as they expand internationally. These startups include Google, Uber, Facebook, and Twitter as examples. To advance the growth of their concepts and scale, these businesses recruit the best employees and look for investors.
- **Small Business Startups-** These companies are self-funded and founded by average individuals. They develop at their own rate, typically have a solid website, but lack an app. The ideal examples include grocery stores, hair salons, bakeries, and travel agencies.
- **Lifestyle Startups-**A lifestyle startup can be started by someone who has a hobby and is keen to pursue their passion. People can support themselves by doing what they enjoy. Many examples of lifestyle startups are readily available. Take dancers as an example. They actively start online dance studios to instruct kids and adults in dancing and make money doing it.
- **Buyable Startups-** Some individuals in the technology and software sector create a startup from scratch with the intention of subsequently selling it to a larger organization. Companies like Amazon and Uber purchase start-ups in order to grow and profit from them over time.
- **Big Business Startups-** Since customers' preferences, technologies, and rivals change over time, large organizations have a limited lifespan. Businesses should be prepared to adjust to new circumstances as a result. As a result, they create novel products that can meet the demands of contemporary consumers.
- **Social startups-** These startups exist despite the widespread perception that all startups operate primarily to make money. Social startups are businesses that are still created

with the intention of helping others. Examples include non-profit organizations and charities that depend on donations to operate. For instance, the non-profit group Code.org promotes computer science education among US schoolchildren.

(A) Unicorn startups

Any startup that reaches a valuation of \$1 billion is referred to as a unicorn in the venture capital sector. Aileen Lee, the founder of Cowboy Ventures, first used the word when she referred to the 39 firms with a valuation of more than \$1 billion as unicorns. The phrase was first used to highlight how exceptional such businesses are. Since then, the criteria for defining a unicorn startup have not altered. However, there are now more unicorns than ever.

III. MAJOR FEMALE LED START-UPS IN INDIA

1. NYKAA: Falguni Nayar

Mumbai based, one of the first online beauty ecommerce platforms, Nykaa launched in 2012. The idea for the brand was first developed by Falguni Nayar, a former managing director of the Kotak Mahindra Company. She then turned the business into an ecommerce website and added all of the required skincare and cosmetics items. In a short amount of time, Nayar accomplished her goal, and her company is now one of India's most popular and well-known businesses. Nykaa relies mostly on an inventory-based system to deliver services to customers. It also functions as a platform for listing companies that sell cosmetics and skin care items. In 2020 Nykaa became the first Indian unicorn start-up headed by a woman. The parent company of Nykaa is FSN E-Commerce.

It is an Omnichannel store that emphasizes the need to provide customers with a complete beauty experience. Nayar places the highest value on quality assurance and reality checks. Instead of using celebrities to promote their cosmetics, they use a group of 23- to 25-year-old girls who explain the benefits, uses, and originality of their products.

Nykaa's Tagline is "Your Beauty, Our Passion".

a. OMNICHANNEL: OFFLINE AND ONLINE

Nykaa is an e-commerce platform that operates through both online platforms and offline stores. Nykaa's products are available for purchase online or at one of the company's physical retail locations. The online platform is divided into 4 categories: My Nykaa, Nykaa Beauty, Nykaa Apparels, Nykaa beauty tips whereas the offline stores operate in 3 formats: Nykaa Luxe, Nykaa on Trend and Nykaa beauty Kiosks. Nykaa's physical stores increased by 43% to 105 outlets in FY22 from 73 in FY21. Also, Nykaa expanded into 11 more Indian locations, bringing the

total number of places where Nykaa is currently accessible in FY22 to 49.

b. BUSINESS MODEL

Nykaa is a D2C (Direct to Consumer) e-commerce brand, that follows an inventory-based business model. Products that were bought directly from producers are kept in stock by the company. Third-party suppliers list their things there, and they keep the stuff there. This helps Nykaa have a tighter grip on its products and helps them prevent the entry of any fake goods into the market.

c. MARKETING STRATEGIES USED

- **Social media marketing:** The brand owns accounts on numerous social media networks. It has six official accounts: Nykaa Fashion, Nykaa Fashion, Nykaa Beauty, Nykaa Men, and Nykd by Nykaa (a lingerie brand), all of which are devoted to the main brand. The team makes sure that the Nykaa marketing plan is implemented so that relevant, educational, and interesting content is released. Before their exclusive Pink Friday sales, they use influencers and live expert sessions to generate a massive amount of buzz.
- **Influencer marketing and building a network:** Although though actress Janhvi Kapoor serves as Nykaa's brand ambassador, the company largely relies on influencers and content makers to promote new product launches and sales. Influencers play a crucial role in the company's content marketing strategy since they aid in educating and empowering customers to make the best choices for themselves.
- **Email marketing:** The business sends emails to highly engaged customers as part of its promotional activities, including trending content that offers a glimpse at current market trends. These emails also encourage customers to visit the online business by giving them a sneak peek at any impending promotions. High open, engagement, and conversion rates demonstrate how well their email marketing strategy has worked.
- **SEO:** Nykaa makes use of SEO services to increase organic traffic and build brand recognition. In order to enhance its content with potential keywords that show up highly in search results, Nykaa is utilizing SEO. The cosmetics company has also streamlined its blogs and content so that Google can index and search them rapidly.
- **Marketing through the website:** The target audience can always access new and updated content owing to Nykaa's emphasis on brand positioning through the website. The company uses customized adverts, lessons, and blogs on its main platform to boost

online sales. The website seeks to influence the fashion and beauty sectors.

- **YouTube marketing:** Nykaa's YouTube marketing is done through 2 ways, one by its YouTube channel Nykaa Tv and the other through YouTube ads. The company's YouTube channel does not feature any products for sale; instead, it concentrates on giving its target customers consumable content like beauty, personal care tips, cosmetic ideas, and much more. They offer a variety of how-to films to help customers and users choose the right products and utilize them properly.

d. CHALLENGES FACED

- Nykaa entered into the market late as there were already many other professional cosmetics brands or website that offered their products online. Therefore, it was hard to build their USP (Unique Selling Proposition).
- In the early years, Nykaa faced a lot of technical difficulties. The server used to shut down frequently after it reached 100 orders. This made the website crash very often.
- In November 2019 French cosmetic giant, L'Oréal filed a suit against Nykaa for copyright infringement. There was similarity in packaging between its brand Maybelline and Nykaa. Later the brands decided to settle the case between themselves after Nykaa modified its packaging.

2. SUGAR COSMETICS: Vineeta Singh

Sugar Cosmetics was established in 2012 and has been in operation for more than ten years. The company started with just two products: a black matte eyeliner and a black kohl pencil. Since then, it has steadily grown, introducing new products and amassing approximately 450 stock-keeping units. Sugar has thus become one of India's most well-known direct-to-consumer beauty companies in just a decade. Kaushik Mukherjee and Vineeta Singh are the co-founder and CEO of SUGAR Cosmetics. Their products were designed according to the Indian skin tone as international brands sold products that were based on foreign skin types. Also, the products were made cruelty free.

a. BUSINESS MODEL

Sugar cosmetics had a B2C business model. That means they sold products directly to the consumers. This business model helped in eliminating numerous middlemen.

b. MARKETING STRATEGIES USED BY SUGAR

- **Mid-Range products:** the market of cosmetics was either below 300 or above 1000.

Brands like Maybelline and Lakme sold products below 300 whereas international brands like Estee and MAC sold their products at more than 1000. There was no brand that sold products between this price gap. Sugar cosmetics identified this opportunity and priced their products between this price gap. It made their products affordable as well as with good quality.

- **Captivating Packaging:** The packaging of the products was kept eye pleasing which made the products attractive from outside. This captivating packaging helped in conceiving the customers to buy the product.
- **Inclusivity:** unlike most other brands, Sugar cosmetics was a gender-neutral brand. There believed in that makeup is both males and females therefore they products did not solely focus on females. Also, for the same reason they do not have a separate brand for male cosmetics.
- **Influencers marketing:** nowadays, influencer marketing is very common and popular way among brands to promote their products. Influencers are people who have massive following on various social media platforms. These people promote the products of brands by charging their fees. But instead of paying influencers to promote their products, sugar cosmetics choose to do free influencer marketing. Popularly known as mouth-to-mouth marketing, they sold their products and asked their customers to promote their products if they like it. This helped them to grow their customer base massively.
- **Hybrid Model (Online+ offline presence):** Before 2017, Sugar sold its products through online medium but later in early 2018 it started selling its products through both website and retail stores.

c. CHALLENGES FACED

- Every business has been severely impacted by the pandemic, and certain startups particularly suffered. Sugar Cosmetics previously depended on retail stores for 60% of its sales, so lockdown 1.0 was a major blow for the business. To survive during the tough times, they had to undergo a variety of changes, such as pay reductions and job shifts.
- The business is succeeding in the beauty sector, but there are more than 100 rivals they have to compete with. Some of them are really well-known businesses, and it is challenging to win over their loyal customers.

IV. CHALLENGES INDIAN WOMEN LEADERS FACE IN LEADING THEIR BUSINESS

1. **Additional Personal and Professional Challenges-** Raising financing, finding the proper talent, and access to effective mentors are just a few of the difficulties faced by entrepreneurs. Although women have the same difficulties, they can often be more difficult for women to overcome. In addition to these issues, women also struggle to balance work and personal responsibilities, obtain the professional and personal support required to start their own business, and other issues, many of which are a result of societal expectations.
2. **Not Taken Seriously in Male Dominated Sectors-** Women entrepreneurs were not regarded seriously in male-dominated industries like energy and healthcare distribution and marketing since they had not established themselves in those fields. It was challenging for a young women entrepreneur with no prior expertise in a developing industry to establish a name and raise money. Women frequently struggle with not receiving the proper valuation.
3. **Lack of Social and Institutional Support-** Most women who own businesses don't receive the social support they need to start businesses from their families, peers, and local communities. One of the biggest issues facing women entrepreneurs in the nation is a lack of mentorship from the business community. Regarding institutional backing, the situation is the same. Although there are schemes to encourage female entrepreneurs, many women don't get timely advice or assistance from the authorities. Their confidence and capacity to take chances are negatively impacted by the lack of an adequate support system.
4. **Lack of capital-** There are significant gender disparities in India's funding scene. Due to investor prejudice and other obstacles, women-owned enterprises in the nation lack access to funding. Banks and other financial institutions view women as less credit-worthy, and many venture capital firms and angel investors are unwilling to engage in women-led businesses. In addition, a lot of Indian women do not own any real estate or other assets in their names, which presents a challenge when requesting private finance or collateral loans.

V. GOVERNMENT SCHEMES SUPPORTING WOMEN ENTREPRENEUR

There are various government schemes that encourage and promote women to take the lead and establish their own businesses.

1. Stree Shakti Yojana

The State Bank of India has launched the Stree Shakti Scheme (SBI). This program is specially designed for women who aspire to start their own businesses or grow existing ones. Applying for this business loan is open to women who are entrepreneurs or who have a shared capital of at least 51% as partners, shareholders, directors, or members of co-operative societies.

2. Dena Shakti Scheme

Dena Bank is a public sector banking organization that was founded with the goal of advancing economic opportunities for women and paving the way for their economic empowerment. The bank sets up a system for female business owners to obtain business loans. These business loans are meant for most commercial objectives to cover the requirement of working cash or for business expansion.

3. Bhartiya Mahila Bank Business Loan

A public sector bank called Bhartiya Mahila Bank was founded in 2013. Bharatiya Mahila Bank (BMB) was founded with the goal of advancing women's access to the workforce and paving the way for their economic emancipation. The bank sets up a system for female business owners to obtain business loans. These business loans are intended for the majority of business needs, such as working capital requirements or business expansion. The Bharatiya Mahila Bank provides manufacturing businesses with loans up to a maximum of Rs. 20 crores. The Bharatiya Mahila Bank offers special business loans with enticing interest rates and also provides collateral-free loans up to Rs. 1 crore under CGTMSE insurance.

4. Women Entrepreneurship Platform

A Women Entrepreneurship Platform (WEP) has been formed by NITI Aayog to provide a national ecosystem for aspiring and established women entrepreneurs. To help with this project, SIDBI and NITI Aayog have teamed. WEP will support entrepreneurs by encouraging them to share their entrepreneurial journeys, stories, and experiences in order to foster mutual learning, in addition to offering services like free credit ratings, mentorship, funding support for women entrepreneurs, apprenticeship, and corporate partnerships.

VI. CONCLUSION

For women in India to be successful entrepreneurs, they still have to overcome an unfathomable number of obstacles. It will be hard to argue against the idea that working women in India are constrained by the needs of their families, kids, and household duties. Inadequate support from families, institutions, and educational institutions is another problem that has to be addressed.

In addition, because men predominate in industries like manufacturing, construction, and heavy industry, women frequently feel inferior in these fields. To increase the degree of female participation in business, the Indian government must make sure not only make schemes but make sure that those schemes are being implemented properly and benefitting women in entrepreneurship.

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