



# The Implementation of Royal Rebel Loyalty Program in Improving Mad for Makeup Sales

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**Abstract.** Mad For Makeup is one of the cosmetic local brands from Indonesia. Mad For Makeup utilizes loyalty programs as one of the strategies implemented for selling products. This program is called Royal Rebel Program and can be used to sell the products they own. This research was conducted to find out how the implementation of the loyalty program has affected product sales, the condition of product sales after the implementation of the loyalty program, as well as constraints and efforts in program implementation. This research was conducted with a descriptive qualitative method with data collection through interviews, literature studies, and documentation. The results showed that the implementation of the program was carried out by giving a commission reward of 10% to 15% to consumers who sold products in the program. After the implementation of product sales, sales have increased, but the expected revenue and profit targets have not been fully achieved. The obstacles faced are a poorly organized system, interface and features, which many consumers do not know, and a lack of promotion and socialization. The efforts made are to remind community members to study the program, promote and socialize, improve marketing strategies, and give free shipping promotions.

**Keywords:** Loyalty Program · Mad for Makeup · Sales

## 1 Introduction

The cosmetics industry is an industry that produces cosmetic products that already have an industrial business license or are registered by following the legislation [1].

Cosmetic products themselves consist of makeup, skincare, fragrances, hair care, oral care, to personal hygiene that can be used by all genders and ages [2].

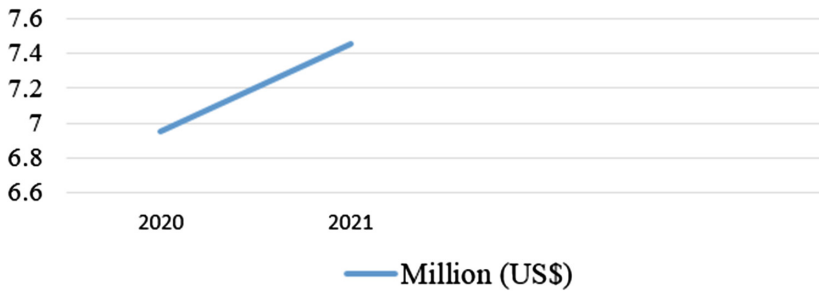
Cosmetic products are also one of the promising businesses because of the large number of users of cosmetic products, both products from abroad and from Indonesia. Based on data owned by the government, it is known that there are 797 cosmetic industries on a large, medium, to small scale [3].

The number of cosmetic products and brands circulating in Indonesia with uniform products makes producers have to be able to maintain their consumers. One of the things that can be done to maintain consumers is to continue to communicate and provide products that are by the target market and consumers.

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**Fig. 1.** Sales growth of cosmetic products in Indonesia.

The Indonesian Cosmetics Association and Association (PPAK Indonesia) projects that sales of cosmetic products in 2021 will grow in the range of 7% to US\$ 7.45 from 2020 to US\$ 6.95 [4]. This is due to the continuous development of the cosmetics industry where the number of brands and cosmetic products continues to grow with increasingly diverse types. so, business owners in the cosmetics industry must choose the right strategy to retain their consumers and continue to maintain product sales so that they can survive. This data can be seen in Fig. 1.

A large number of competitors makes cosmetic manufacturers have to have the right strategy. One strategy that can be done to retain consumers and maintain product sales is to implement a loyalty program that is part of customer relationship management.

Mad For Makeup is one of the cosmetic brands from Indonesia which was founded on November 18, 2017, by the couple dr. Shirley Oslan and Tony Tan. The brand was founded based on the experience of under-wearing dr. Shirley Oslan when buying a sponge makeup product that was expensive at one of the offline stores of cosmetic products. Upon investigation, it turned out that the raw materials of the product are quite cheap. Now Mad For Makeup has around 60 products consisting of makeup, skincare, makeup tools, to merchandise.

Over time, Mad For Makeup has many consumers with an increasingly fierce level of competition due to the large number of cosmetic brands on the market both from Indonesia and abroad. To maintain the business, Mad For Makeup took advantage of a loyalty program name are Royal Rebel Program which launched in February 2022. In this program, consumers will get a commission reward of 10% to 15% if they sell products available in the program by sharing existing product links.

In the research conducted by Febrianti regarding “Analysis of the Application of Customer Loyalty Reward Program to Increase Customer Loyalty and Sales of Indihome Products at PT. Telkom Surakarta” it is known that the loyalty program owned by Indihome does not affect sales due to lack of promotion. However, this loyalty program still affects customer loyalty [5].

Based on the explanation above, in this study the author wants to know about the implementation of the Royal Rebel loyalty program in improving product sales. With this program, it is hoped that it can help the Sales of Mad For Makeup products. The objectives to be achieved in this study are as follows:

- To find out the implementation of Royal Rebel loyalty program on Mad For Makeup.
- To find out the sales conditions of Mad For Makeup products after the implementation of the Royal Rebel Program.
- To find out the obstacles faced, and the efforts made by Mad For Makeup on the implementation of the Royal Rebel Program.

## 2 Methods

### 2.1 Approach Research

This research uses descriptive qualitative research method. According to Mohajan. H descriptive qualitative research is research carried out by studying or understanding a phenomenon to study a case in a context. This research is considered by following the problems raised in the study where later the data obtained will be processed and analyzed so that it can solve problems and describe the results of the research.

In this study, it will use primary and secondary data. The primary data were obtained from interviews conducted with Mad For Makeup staff and Mad For Makeup consumers. Meanwhile, secondary data is obtained from the Mad For Makeup website, social media @madformakeup.co, the Royal Rebel Program website, company data, articles, news, and the official store shopee madformakeupofficial. Data collection method used is an interview, literatur review, and documentation.

### 2.2 Analysis Tools and Technique

Data will be obtained through the interview process, literature study, and documentation with the tools that will be used are Google Meet for the interview process, WhatsApp for confirmation and interviews, and Instagram for confirmation and monitoring the progress of Mad For Makeup.

This study, the data analysis process will be carried out by collecting data, selecting data, analyzing data, and presenting data from interviews, literature studies, and documentation.

## 3 Discussion and Results

### 3.1 Data Analysis

Mad For Makeup's loyalty program is called the Royal Rebel Program. This loyalty program type is e-membership loyalty which can be accessed through the <https://royalrebel.madformakeup.co> website. In addition, this program is also included in the type of privilege program with the advantage of being able to sell Mad For Makeup products and will get a commission of 10% to 15% if the product is sold.

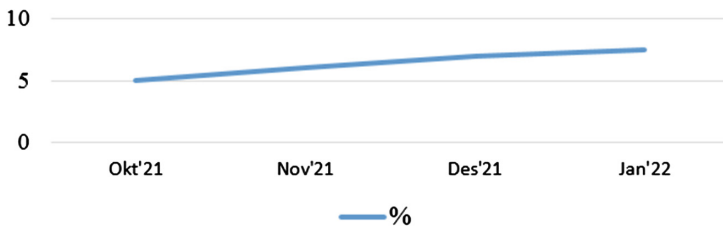
An important dimension and indicator of a loyalty program are rewards. According to Mayer Waarden, the dimensions and indicators of loyalty programs include the type of reward, the timing of the gift-giving, and the suitability of the gift [6]. In the Royal Rebel Program, the rewards given are 10% to 15% commissions, e-vouchers, cash, and even apartment if they reach a certain number of sales.

The type of gift is tangible gifts are commissions and e-vouchers. The time for giving gifts is carried out directly, namely commissions obtained from the sale of products of 10% to 15% and indirectly for prizes in the form of cash to apartments. The prize given has a match where the prize is given in the form of a commission of 10% to 15% if making a sale. This commission is equal to the income earned by consumers for selling products.

Before the Royal Rebel Program, sales of Mad For Makeup products had a good condition because there was always an increase. This can be seen from the sales data as shown in Fig. 2.

Based on the data above, sales of Mad For Makeup products always increase. This is because there are more and more products they offer, and the number of consumers is increasing. The number of products sold can be seen from the product sales data on Shopee Mad For Makeup as shown in Table 1.

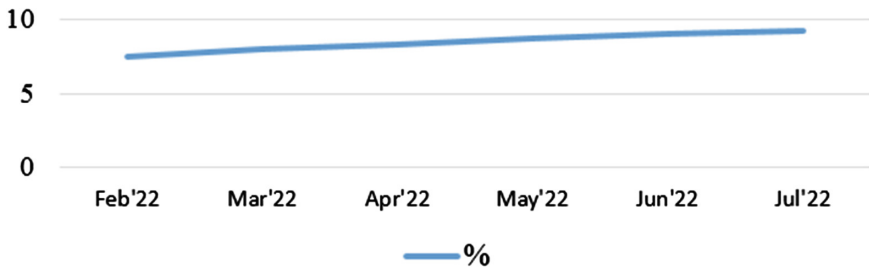
Then in February 2022, Mad For Makeup released the Royal Rebel Program. This program was created to get to know Mad For Makeup more and more people, the number of purchases of Mad For Makeup products increases, increases the loyalty of consumers, and creates a means of community among consumers with brands.



**Fig. 2.** Sales of Mad For Makeup products before the existence of the Royal Rebel Program October 2021-January 2022.

**Table 1.** The product sales data on Shopee Mad For Makeup.

No	Products	Years	Total Sales
1	Even Better Blender	2017	3,400
2	Poreless	2019	10,000+
3	Spotless Serum Concealer	2021	10,000+
4	21st Century Lip Juicy Serum Tint BT21	2022	5,200
5	Dot Dot Glow Liquid Highlighter	2021	4,500
6	“Kok Lentik?” Eyelash Curler	2020	10,000+
7	Star Hidrocolloid Acne Patch	2020	6,100
8	Our Mirror	2020	579
9	Rebel Everyday Canvas Bag	2021	357
10	Brush Cleanser and Blender	2019	1,400



**Fig. 3.** Sales of Mad For Makeup products after the existence of the Royal Rebel Program February-July 2022.

Based on the data shown in Fig. 3, after the Royal Rebel Program, sales of Mad For Makeup products continue to increase. This is due to the buying and selling activities on the Royal Rebel Program carried out by program members by distributing product links.

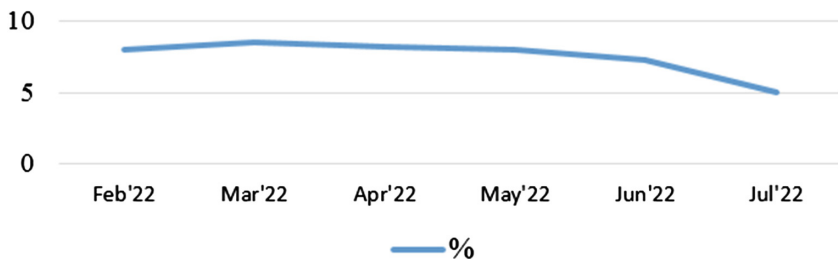
Product link share activities occurred due to members' interest in the rewards offered in the Royal Rebel Program. In addition, the existence of discounted prices for products sold through the Royal Rebel Program makes consumers interested in buying them.

Overall sales data from all platforms owned by Mad For Makeup including the Royal Rebel Program, sales have increased. However, product sales through the Royal Rebel Program have decreased. This can be seen from the data shown in Fig. 4.

The degradation in sales in the Royal Rebel Program occurred due to a decrease in the activity of spreading product links sold on the Royal Rebel Program. Despite the degradation, buying and selling activity still occurs. In addition, the expected revenue and profit targets from the sale of Mad For Makeup products through the Royal Rebel Program have also not been fully achieved despite the increase in sales and also the occurrence of buying and selling activities.

The factor of increasing sales volume occurs due to, some explanations below [7]:

- **Price:** In this program, products are given discounted prices ranging from 10% to 20%. The existence of this discount makes consumers interested because Mad For Makeup rarely provides discounts.



**Fig. 4.** Sales of Mad For Makeup products in the Royal Rebel Program February-July 2022.

- **Marketing Strategy:** In this program, the marketing strategy carried out is to provide discounted prices, commissions for those who sell products, and product stock that is different from product sales on other platforms.
- **Distribution:** In this program, distribution is carried out directly by Mad For Makeup from storage to delivery of products. Members who are registered in the program only need to spread the available product links if they want to sell products. With this distribution system, consumers will feel safe and the product is more guaranteed quality.
- **Services:** In this program, the services provided to consumers are the same as other product sales platforms so that consumers feel safer and more comfortable. In addition, Mad For Makeup provides special discounts on products sold on the Royal Rebel Program.

In the implementation of the Royal Rebel Program, there were several obstacles experienced by Mad For Makeup. These obstacles include:

- **Poorly organized system:** This is due to the slow response from TADA as the platform provider for the Royal Rebel Program so that when Mad For Makeup wants to make improvements and changes it becomes hampered.
- **Interfaces and features:** This is because the Royal Rebel Program is a new program so mad for makeup needs to learn the existing system. In addition to Mad For Makeup, consumers also have difficulty learning the interface and features because they are not familiar with the program.
- **Consumers don't know about TADA:** This is because many consumers have never used TADA so they have difficulty utilizing it.
- **Lack of promotion and socialization:** Mad For Makeup rarely does promotions about the Royal Rebel Program on their social media. In addition to a lack of promotion, they also lack socialization about the use of the program, making consumers confused and many consumers are not aware of the existence of the program.
- **No free shipping and cashback:** In this program, there is no free shipping and cashback available so sometimes it makes consumers feel less interested in purchasing products on the Royal Rebel Program.

To overcome the obstacles encountered, they made several efforts. These efforts include:

- **Remind community members to take advantage of TADA:** This is done so that members of the Royal Rebel Program by socializing the use of TADA through online meetings so that consumers and members understand more about how to take advantage of the Royal Rebel Program.
- **Finding solutions to increase sales:** This is done by encouraging members to continue to share product links sold on the Royal Rebel Program. With the activity of spreading product links, they believe that product sales will increase and can achieve the expected target.
- **Improving marketing strategy:** This is done by maintaining the discounted prices provided for products sold through the Royal Rebel Program. With this discount, consumers will be more interested in buying products on the Royal Rebel Program because on other platforms discounts are given only at certain moments.

- Provide free shipping promo: This is done to overcome consumer complaints due to the unavailability of free shipping promos. The provision of free shipping promos is carried out in limited quantities for the trial period.

### 3.2 Analysis Result

It can be known that the Royal Rebel Program is implemented online in the form of e-membership and privilege programs. The dimensions and indicators in this program can be seen in Table 2.

Based on the data above, it can be seen that the Royal Rebel Program indicator includes types of tangible prizes in the form of commissions and e-vouchers. The timing of the awarding of the prize is carried out directly and indirectly. While the prizes given have suitability where in selling products, members will get a commission as income.

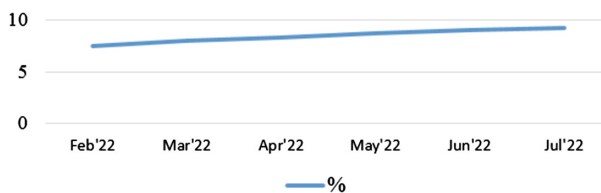
After the implementation of the Royal Rebel Program, sales of Mad For Makeup products have increased due to product link distribution activities and buying and selling on the Royal Rebel Program. This can be seen from the following product sales data in the period from February to July 2022 is shown in Fig. 5.

In addition to being influenced by product link dissemination activities, product sales also occur due to the provision of rewards to members who sell products available in the Royal Rebel Program. In addition, the increase in sales was influenced by the following factors:

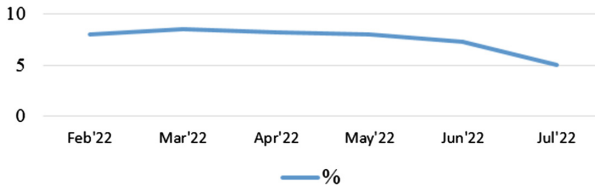
- Price: A discounted price of 10% to 20% for all products available on the Royal Rebel Program.
- Marketing strategy: Commission offers for members who sell products, discounted prices, and bar stocks that are distinguished from other platforms.

**Table 2.** The dimensions and indicators program.

Dimension	Indicator in General	Indicator Royal Rebel Program
Type	Tangible Intangible	Tangible: Commission from 10% to 15% and e-voucher
Time	Directly Indirectly	Directly: Commission from 10% to 15% Indirectly: Cash to apartment
Suitability	Suitable Insuitable	Suitable: Commission as income on every product sales



**Fig. 5.** Sales of mad for makeup products after the existence of the royah rebel program February–July 2022.



**Fig. 6.** Sales of mad for makeup products in the royal rebel program February–July 2022.

- Distribution: Directly by Mad For Makeup from shipping to the storage of goods so that consumers feel safer.
- Service: Performed just like service on other platforms so that consumers feel more comfortable. In addition, consumers are also given special discounts.

Although overall product sales experienced a good increase, but the degradation sales occurred in the Royal Rebel Program from April to July 2022. This can be seen from the product sales data shown in Fig. 6.

Based on the data above, the degradation in sales occurred due to the decrease in product link-spreading activity. Even so, product sales still occur. This decline has an impact on the expected revenue target that has not been fully achieved and sales profit in this program lags behind sales on other platforms.

In the implementation of the Royal Rebel Program, Mad For Makeup experienced several obstacles that hindered the operation of the program. These constraints include:

- Poorly organized system
- Interface and Feature because their are not familiar
- Consumers don't know about TADA
- Lack of promotion and socialization
- No free shipping and cashback promos

To confront the existing obstacles, Mad For Makeup made several efforts so that the implementation of the Royal Rebel Program went well. These efforts include:

- Remind community members to take advantage of TADA by socializing the use of the Royal Rebel Program.
- Find a solution so that the increase in sales occurs by encouraging members to spread product links so that activities can be carried out.
- Improve marketing strategy by maintaining discounted-priced products available on the Royal Rebel Program.
- Providing free shipping promos so that consumers are more interested and do not complain about shipping costs.

## 4 Conclusion

Based on several finding from the research result, it can be concluded as follow:



- The implementation of the Royal Rebel Program is carried out in accordance with existing dimensions and indicators, the prizes given are in the form of commissions and e-vouchers, the time for giving prizes is carried out directly and indirectly depends on the form of prizes, and the prizes given have conformity, namely in the form of commissions as income for product sales.
- After the Royal Rebel Program, sales of Mad For Makeup products have increased well due to the rewards given to members and product link distribution activities. The increase in sales also occurred due to discounted prices for products available in the program, marketing strategies with discounts, distributions that were determined to be carried out by Mad For Makeup so that consumers felt safer, and services that remained the same as other platforms. However, there was a decline in sales on the Royal Rebel Program due to a decrease in product link spreading activity. This causes the revenue target to not be fully achieved and sales profit to lag behind other platforms.
- The obstacles faced in the implementation are a poorly organized system, a new interface and features, consumers do not know about TADA, lack of promotion and socialization, and the no free shipping and cashback promos. The efforts made in overcoming obstacles are reminding community members to continue to take advantage of TADA, looking for solutions to increase sales by constantly reminding members to spread product links, improving marketing strategies by maintaining discounted prices, and adding free shipping promos.

## 5 Suggestion

Based on several findings from the research results, the suggestions that the author will submit are as follows:

- Always communicate with TADA. This is done to update the products offered and improve the system. By improving the system to be more organized, consumers will feel more comfortable using the program.
- Promoting and socializing more actively throughout the social media platforms owned by Mad For Makeup this is because, during the program, the promotions carried out by Mad For Makeup are very few about the Royal Rebel Program. This activity can be done by creating advertisements such as Instagram Ads so that information about the Royal Rebel Program is more widely spread, promotion through Instagram Stories, TikTok, to Twitter Mad For Makeup.
- Socializing the use of the Royal Rebel Program, especially the Sell Item feature so that members understand how to use it and the sales of Mad For Makeup products through this program are increasing so that they can achieve revenue targets and sales profits are not left behind by product sales through Shopee/Tokopedia.
- Maintain discounts on products provided and add free shipping and cashback benefits so that consumers are more interested in purchasing products through the Royal Rebel Program. Providing free shipping and cashback will make consumers have an interest in buying products through the Royal Rebel Program because one of the consumers' concerns in purchasing products online in addition to saving time is to save costs.

- Connect the Royal Rebel Program website with your Shopee/Tokopedia. This is done to make it easier for consumers to use the program and as a form of program promotion to consumers because of the large number of consumers who make transactions through Shopee/Tokopedia.”

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