

# Transform Your Beauty Business with Social Commerce

and successful case studies



**TADA**

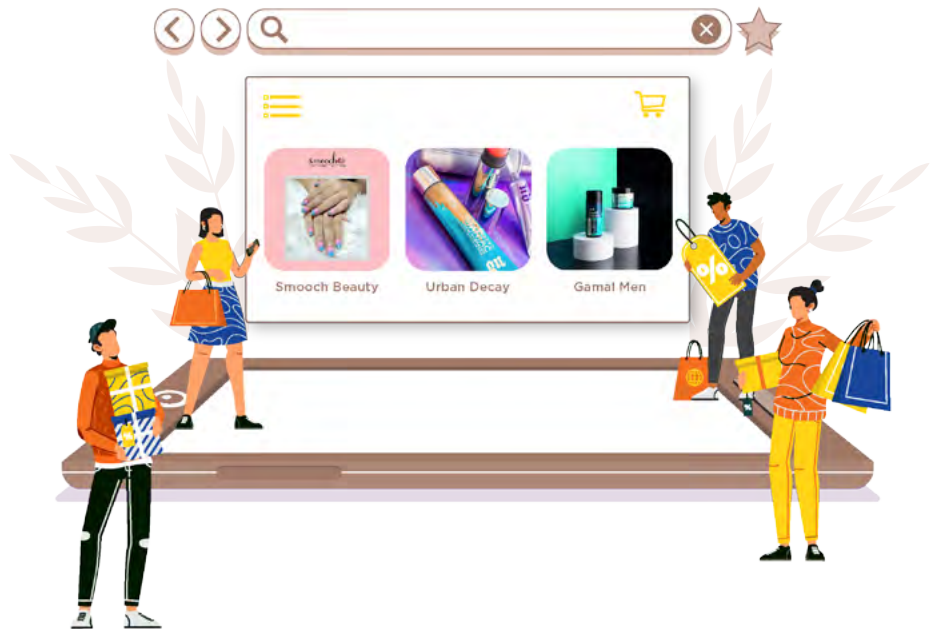
# INTRODUCTION



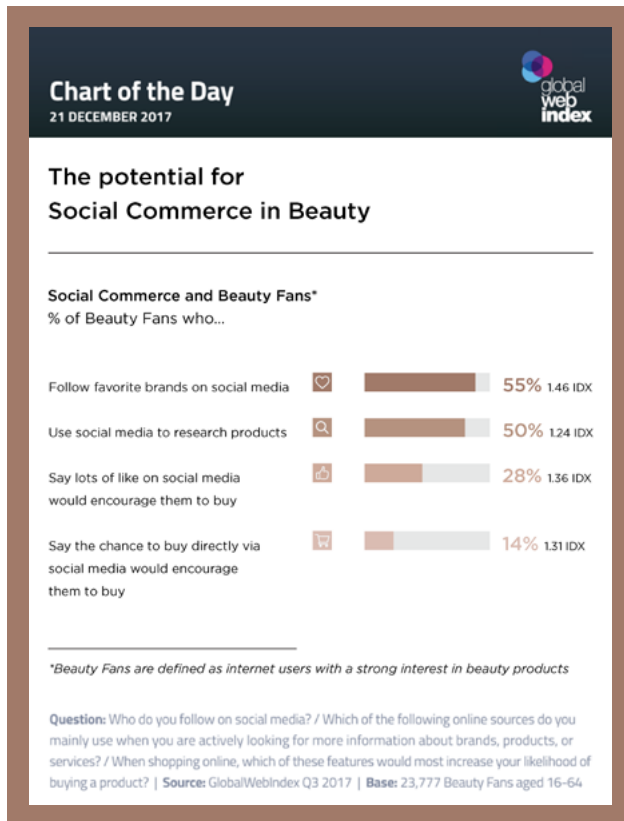
The beauty industry is one of the oldest in the world. These days, there is a large number of successful players in the market, making it **more challenging** for individual beauty brands to stand out among their competitors. Many beauty brands these days have shifted to **online channels** to increase their revenue, making online channels **quickly saturated**.



At the same time, customers are now more picky with the beauty products that they choose. Relying on advertisements and macro-influencers or endorsers simply **isn't effective** as these strategies **lack the element of trust**, which is crucial for customers when picking products to be used directly on their face or body.



**Social commerce capabilities** allow beauty brands to create a completely new digital sales channel beyond traditional online marketing. According to *Global Web Index*, the average beauty brand customer spends **2 hours and 46 minutes a day** on social media and messaging platforms (about half an hour longer than the average internet user), and social platforms play an important role in the purchase journey. Customers trust recommendations from their friends and people they know. When beauty brands leverage this capability, it can greatly maximize their market reach and revenue.

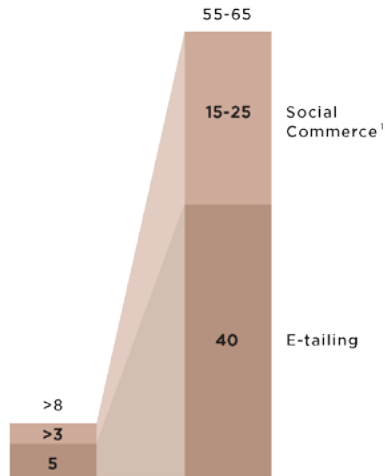


We have developed Buyfrom, a social commerce platform that allows brands to recruit anyone as their affiliate resellers. With Buyfrom, resellers can sell products directly to their friends by sharing a referral link on social media and messaging platforms for a profit. In fact, *McKinsey* expects social commerce to grow **8 fold** by 2022. So it's probably for your business' best interest to start building your social commerce presence.



The total online-commerce market will reach \$55 billion to \$65 billion by 2022

Online-commerce projections, gross merchandise volume, \$ billion



<sup>1</sup> The buying and selling of goods through social-media platforms

<sup>2</sup> Estimate

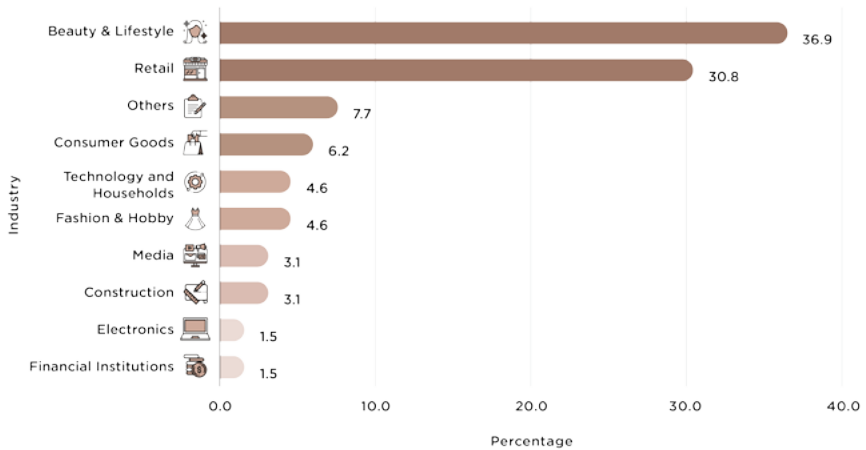
Source: Stakeholder and expert interviews; McKinsey analysis

McKinsey&Company

We realized this model works well in the beauty industry, which heavily relies on word-of-mouth recommendations and reviews to generate sales. Let's discuss key success strategies from some of our successful clients.

From our primary research, we have found that more than 35% of our social commerce clients come from the Beauty & Lifestyle industry. We realized this model works well in the beauty industry, which heavily relies on word-of-mouth recommendations and reviews to generate sales.

## The number of TADA's Social Commerce Clients



Data was obtained from TADA's internal database

From the past 8 months, there have been more than 5,000 resellers from this industry alone, and 1,000 successful transactions which generated around IDR 160 million in terms of sales.

Let's discuss key success strategies from some of our successful clients.

# CASE STUDIES

Here are some brands that builds their own social commerce platform, and their success stories :



**Smooch Beauty Bar** is a salon and personal care chain with 14 locations across Indonesia.



Achieve  
**40X ROI**  
in **4 months**  
with **165 resellers**



**Urban Decay** is a cosmetics brand which focuses on lip, eye, complexion and body products.



Achieve  
**4X ROI**  
in **4 months**  
with **35 resellers**



**Gamal Men** is an Indonesian brand that sells curated Men's grooming & skincare products.



Achieve  
**9X ROI**  
in **2 months**  
with **630 resellers**

# STRATEGIS

Grow your reseller force from a community of close-knit resellers.



Start by creating a small and engaged group of resellers through the chat platform or other community platform. Focus on imparting product knowledge, passion for the product, and enthusiasm for selling. Here are what some of our clients do:





### a. Growing a reseller community from employees

Smooch Beauty Salon focuses on making their **employees as resellers**. It is a win-win situation!

Employees know the products inside-out, constantly interact with customers, have a great influence on the customers, and now they can earn extra income by promoting the products and services. The incentive also motivates the stylists to further **upsell the products** and **recruit customers** as new resellers.

Customers, on the other hand, are happy because they receive sincere recommendations and thanks to our social commerce platform, that is integrated with various payment gateway, they can now pay through a more diverse payment method.





## b. Creating an exclusive reseller base from Make-Up Artists (MUAs)

Urban Decay cosmetics empowers their exclusive group of Make-Up Artists (MUA) to be their resellers.

Everyone loves getting make up recommendations from their trusted MUA! These MUAs have **very strong influence** on their clients and so it is only natural that this reseller program is so successful. MUAs are excited to be resellers because the program gives **additional income** and encourages them to upsell. Urban Decay even adds exclusivity to this program by not allowing regular customers to sign-up to be resellers. This **exclusivity** causes the MUAs to feel special, appreciated and increase their passion for promoting and selling.





### c. Recruiting loyal customers into resellers

Gamal Men's owner has a great **social media presence** with many **strong followers**. When Gamal Men starts their reseller platform, they focus on recruiting this loyal group of customers and followers that believe in the owner's and products' values.

This group of loyal customers are used to doing **word-of-mouth** marketing to recommend their favorite Gamal Men's product, and now they can **get income** doing it! On the other hand, the buyers get honest recommendations from people that they know regarding the products.



## Constantly engage resellers

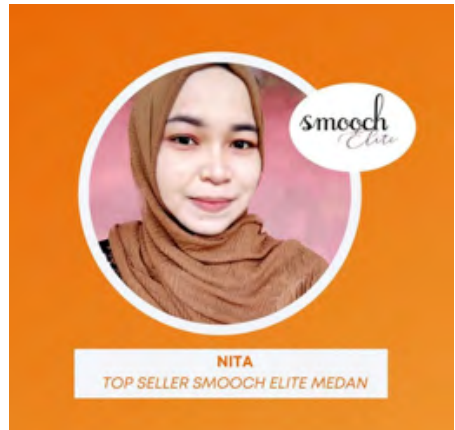


Once you have a reliable reseller base, continuously engage with them to keep them motivated in selling your products. Keep them informed, active, and excited. Here are what some of our clients do:



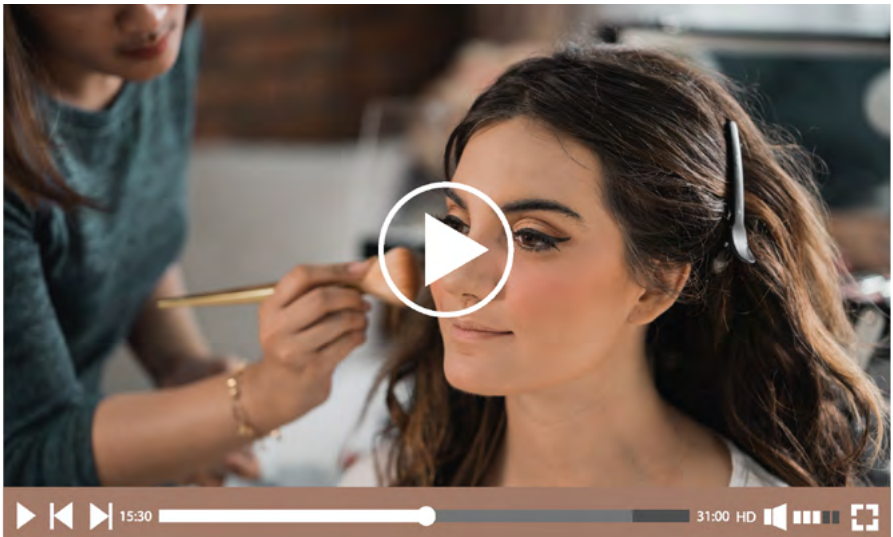
## a. Engaging with resellers through multiple platforms

Smooch Beauty has various reseller engagements, who, in the early stage, are their employees. Resellers are the first to know about any new products or promotions. Currently, there are non-employee resellers, who usually are their customers, and they are constantly engaged thanks to the pioneer reseller group (Smooch employees). Informations and promotions are spread through **community platforms** and also when the reseller / customers visit the stores for their beauty treatment. In fact, discussing the program and its promotions becomes a **major conversational topic** between employees and resellers. Smooch Beauty also constantly appreciates the successful non-employee resellers in their **social media**.





## b. Engaging with resellers through exclusive events

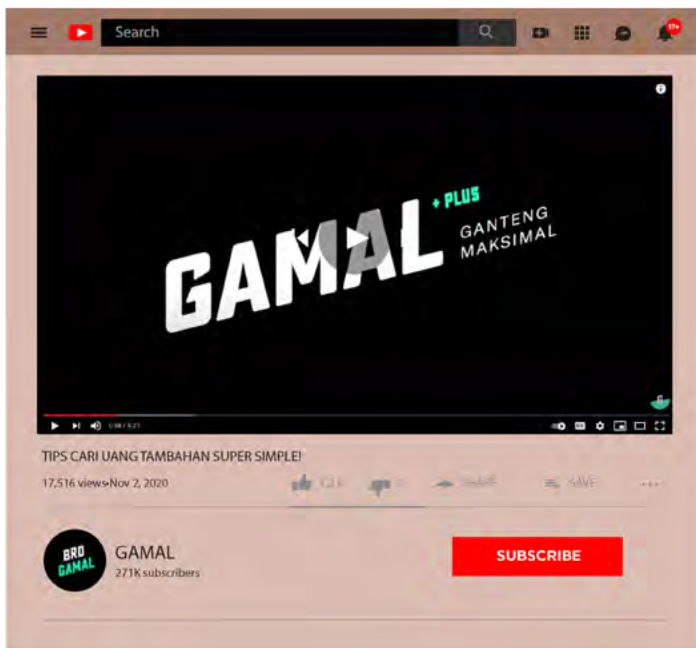


Urban Decay constantly engages their MUA resellers by virtue of their **periodic online and offline meet-up and event**. These occasions are when they share latest makeup trends and skills, promote their programs, nurture resellers, and have an **open two-way communication** with their resellers. These valuable times really motivates MUA, not only to grow themselves in their profession, but also motivates them as Urban Decay brand ambassadors to their clients.



### c. Engaging with resellers through social media

Gamal Men and its owner constantly engage their resellers through social **media contents**. They explain the concept of social commerce in a fun, interesting, and in the simplest way possible that audiences can understand. This is done regularly, over and over again to **reinstate the program** and as a material that helps existing resellers to recruit new members.







## Exclusive benefits for resellers



Most brands sell through omni channels, which is normal and is what you should do. However, the questions are,

- a. When compared to all your other channels, how do you make your reseller program attractive?
- b. How do you prevent cannibalism between channels?





To answer these questions, let's imagine if a brand sells the same product offerings through offline stores, online marketplaces, and through social commerce. The various channels will technically be accessible to all your target market and therefore the sales through these channels will fluctuate based on price and promotions available during that period of time. In the end, it will mostly just be a **push and pull game** between channels. To avoid being trapped in this cycle, brands should have **clear sales and marketing strategies** pertaining to each of their channels. Let see some examples from the 3 brands.

### a. Using reseller channels as the only online channel



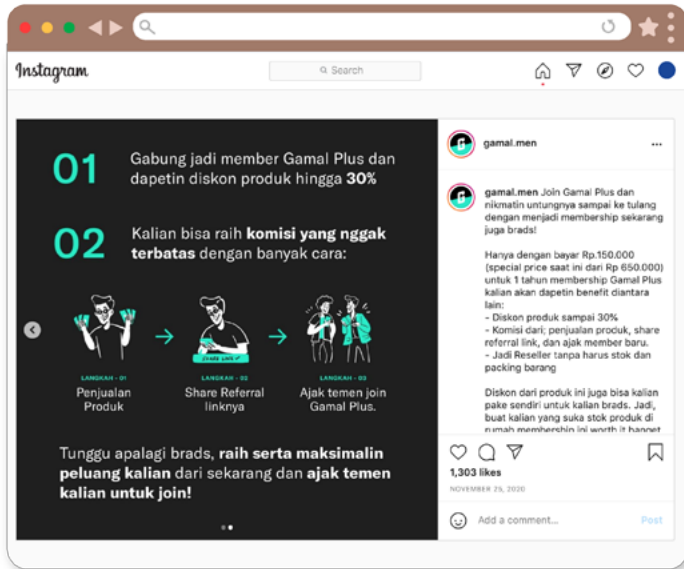
Smooch does not sell their products out of their offline stores. This makes their resellers to be **the only online stores**. Even for sales from their social media channel, the customers are redirected to a **reseller channel**. Therefore the strategy is clear and therefore all the resellers are motivated, knowing that they are not competing with other online retailers. It is reflected by the revenue and their motivation in upselling the products to earn profits.

## b. Marketing the reseller base as an exclusive community

Urban Decay closed their offline stores and focused their B2C retail efforts, only through **one online marketplace and the reseller program** (the MUA community). UD has specific criteria to invite the MUA, and they even go their way to invite MUAs that **align with their brand image**. This way, the resellers feel honored and privileged to be UD ambassadors. In addition, UD **sells to their resellers at a cheaper price** and creates sales tactical programs from time to time, such as **extra profits** and so on.



### c. Selling with the cheapest price for reseller channels



For the case of Gamal Men, they **sell the cheapest** through their **reseller program** compared to any other channels. They position this low price as benefit, appreciation, and an effort to to financially help their long time loyal customers.

# So, what's next?

Social commerce is proven to be a powerful strategy especially for beauty brands in maximizing their market reach and revenue. TADA has helped many brands across fast-growing industries to start their social commerce journey. Now, it's your turn!

Request a demo or schedule a chat!



(+6221) 1500-340



[usetada.com](https://usetada.com)



[eva.kim@usetada.com](mailto:eva.kim@usetada.com)

## About TADA

Tada is an end-to-end Customer Retention (CRP), whose mission is to improve business sustainability by enabling businesses to retain customers better using solutions such as Digital Membership, Subscription, Referral & Digital rewards. TADA's mission is part of its vision to be the most impactful CRP in region.