

Analysis of Product Sales on Credit at NR Beauty Care In Lemahabang Sub-District

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ABSTRACT

This research is a study on the Analysis of Product Sales on Credit at NR Beauty Care in Lemahabang District. This study aims to determine how product sales on credit at NR Beauty Care and analyze how product sales on credit can increase revenue. The method used in this research is qualitative. The results of this study indicate that product sales on credit are given to NR Beauty Care customers who have joined for at least 3 months. The credit facility given to customers still refers to the terms of credit sales that apply at NR Beauty Care by checking in advance about the character of the customer, the activeness of the customer in buying products at NR Beauty Care, and customers who are loyal to NR Beauty Care. NR Beauty Care takes a profit of 2-3% from each product. Based on the results and discussion that has been stated in this article that credit sales aim to help customers, especially reseller customers, to develop their business. If credit is channeled for business development or opening a new business, it will increase their income as well as reduce unemployment. The difference in revenue from credit and cash sales each month reaches Rp. 82,127,000, so selling products on credit at NR Beauty Care is effective for increasing revenue. The results of this study are used as input for NR Beauty Care owners in selling products on credit appropriately, making commitments with customers to avoid late payments and creating good relationships with customers. In addition, to increase revenue NR Beauty Care owners can utilize other E-commerce promotional media.

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1. INTRODUCTION

Skin care or *skincare* Become one of the products that has promising business opportunities. This is because everyone certainly wants to have healthy and well-maintained skin. Product *skincare* in Indonesia now continues to grow and there are many types. Product *skincare* What is offered is of

course tailored to the needs of the facial skin of each person, for example for acne-prone skin, normal facial skin, facial skin spots, and dull facial skin. *Skincare* In this era, it is not only used by women but also men, because healthy skin can be obtained by everyone. Business *skincare* It has long-term profit potential because this product is used

regularly so it will continue to be bought back when the product runs out. Skin care business is becoming an attractive option to consider due to the growing market demand.[1]

Statista, an international market and consumer data portal, estimates that the cosmetics industry market in Indonesia will

grow by 4.59 percent annually from 2023 to 2028. This projection includes skincare and personal care product categories. In addition, the Food and Drug Supervisory Agency (BPOM) noted that the number of cosmetic industry players has increased as in the following table:

Table 1. BPOM data on the number of cosmetic industry players

Year	Number of units)	Enhancement
2021	819	20,6%
2022	913	

Source : Kompas.id

Nailul Huda, Head of Center for Innovation and Digital Economy *Institute for Development of Economics and Finance (Indef)*, stating that the demand for beauty products has increased since the start of the Covid-19 pandemic. The development of technology in the field of information and communication has allowed the emergence of markets *Online* or *e-commerce* that supports increased sales, promotion, and product delivery. Therefore, business opportunities in the industry *skincare* Not only open to companies that produce products *skincare*, but also for people who want to start a business by buying products *skincare* and resell it to others by taking advantage of the price of the original product, which is often referred to as *reseller* [2].

NR *Beauty Care* is one of the agents that sells various types of *skincare* products in Indonesia which was established in 2015. Business actors who take advantage of *skincare* business opportunities located in Lemahabang district, Karawang Regency, West Java Province, have now succeeded by selling thousands of *skincare products*.

One of the factors where the sales of *skincare products* carried out by RN *Beauty Care* reach thousands per month is that RN *Beauty Care* uses a payment system on credit and *cash*. The credit sales system began in 2016, the reason Teh Rima (*owner*) uses the credit payment system is because of the encouragement of some of her customers to open payment methods on credit and see the conditions in her area on average working as housewives, PT employees, school children and basic food businesses. So the decision to implement a credit payment system is

considered effective in attracting consumer interest and increasing product sales.

Research conducted by [3] entitled "Analysis of Micro Multipurpose Lending in Increasing Customer Income at PT. Bank Mandiri (PERSERO) Tbk, Pinrang branch" revealed that based on achievements *Booking* Micro Multipurpose Credit (KSM), there is an indication of increasing customer interest every month in applying for KSM. Analysis of the role and impact of KSM on customer business shows that KSM affects the increase in customer income, as obtained from the results of interviews that show an increase in income after receiving credit. Analysis of customer characteristics before and after receiving KSM also shows an increase in customer income.

With the phenomenon where *skincare* purchases can be paid for by credit, researchers are interested in conducting a study entitled "Analysis of Product Sales on Credit at NR *Beauty Care* in Lemahabang District".

2. LITERATURE REVIEW

2.1 Sales

According to [1] Sales is the purchase of a good or service from one party to another party by getting the money reimbursed. Sales are a source of company revenue, the greater the sales, the greater the income received by the company.

According to Ahmad & Hasti, 2018 in suggesting that [2] Sales is a process in which the seller aims to meet the needs and desires of buyers with the aim of creating sustainable

and mutually beneficial benefits for both parties. It also includes the results of services rendered and business transactions conducted within the scope of the corporate world.

According to [3] Sales is an activity in which goods are exchanged for a certain value, generate income for the seller and provide decisions to the buyer.

Based on the definition of sales described above, it can be concluded that sales are activities aimed at finding buyers, influencing, and providing instructions so that buyers can familiarize their needs with the products offered and make agreements about the prices offered to benefit both parties.

2.2 Sales Factors

According to there are several factors that affect sales volume, including: [2]

1. Quality of Goods

Changes in the quality of goods can have an impact on the number of sales. If the quality of the goods offered decreases, already loyal customers may feel disappointed and switch to other products that have better quality.

2. Consumer Tastes

Consumer preferences are dynamic and subject to change at any time. If consumer interest in the products offered decreases, this will result in a decrease in the number of sales.

3. Customer service

Providing good service to customers is an important element in efforts to increase sales in a business that is faced with increasingly fierce and numerous competition.

4. Competition Lowers Selling Prices

The provision of discounts aims to increase the company's sales and profitability compared to before. Discounts can be given to certain parties by considering the applicable conditions.

2.3 Credit Sales

Credit sales are a type of sale where the buyer is required to pay a certain amount of money as a down payment first, then the remaining payment is made in installments or installments within a certain predetermined period [4].

According to Muhani & Sumiati, 2016 in suggesting that: [5]

Credit sales are a form of lending to consumers in the hope that the loan will be repaid by consumers in the future.

Based on the understanding of credit sales described above, it can be concluded that credit sales are activities to sell goods by paying advances at the beginning with the remaining receivables to be paid in accordance with the agreed period.

2.4 Credit Elements

According to Subagyo, 2006:42 in Credit is a process in which the creditor provides goods, services, or money to another party based on trust, with the promise that the recipient of the credit will pay it on an agreed date. According to , the elements of credit include: [6]

1. Belief

This includes confidence on the part of the lender in the borrower's ability to pay off obligations in accordance with promises made at a specified time.

2. Grace period

Refers to the period between the granting of credit and its payment, which has been agreed in advance by both parties.

3. Object

It covers certain goods or services that were the object of a credit agreement when an agreement or agreement was made.

4. Risk

Refers to possible risks that arise during the period between granting and repayment of credit. To manage this risk, the lender usually sets a guarantee or collateral as protection.

2.5 Income

In economics, maximum income refers to the highest amount that a person can earn in a given period of time with the expectation that the same situation takes place at a predetermined time. In a business context, revenue includes the total money earned by a company from its activities, be it through the sale of products or services to customers. For investors, income may be less significant than the net profit earned, i.e. the amount of money left over after deducting all expenses [7].

FRAME OF MIND

This frame of mind basically describes how selling products on credit can add to revenue. By using interview and documentation methods, it can be known the

results of research, namely product sales on credit can increase sales quickly and increase income but in a long period of time.

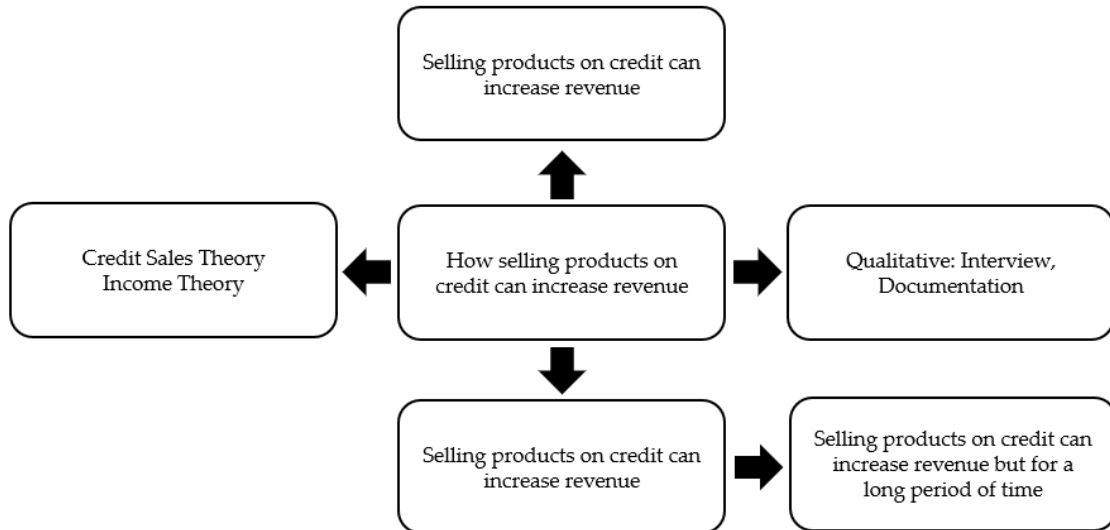


Figure 1. Research Paradigm
Source : Author's work (2023)

3. METHODS

The type of research used in this study is qualitative. Data required regarding the sale of skincare products on credit at NR Beauty Care in Lemahabang District. This study was conducted for 4 months, from September to December. The population in this study is NR Beauty Care owners, NR Beauty Care consumers. Samples were taken using purposive sampling which only focused on skincare store owners who used product sales on credit. The research data was obtained using in-depth interviews that were differentiated based on categories, data, statements from store owners and customer

comments on why buying products with credit payment systems. The data analysis technique used in this study is qualitative analysis consisting of data collection, data reduction, data presentation, and conclusions.

4. RESULTS AND DISCUSSION

NR Beauty Care is a business that sells products from various *skincare* and perfume brands that was established in 2015, addressed at Jl. Syech Quro, Kedawung, Lemahabang District, Karawang Regency. This business is managed by Mrs. Rima as the *owner* or business owner. Ibu Rima runs this business herself without using employees.



Figure 2. NR Location Beauty Care
Source : Author's Documentation (2023)

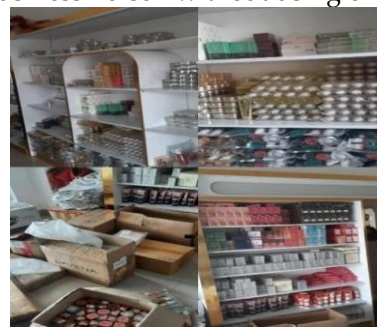


Figure 3. NR Products Beauty Care
Source : Author's Documentation (2023)

4.1 Product Sales on NR Beauty Care

Product sales are carried out offline and *online*. For *online owners* using whatsapp as a promotional medium as well as a medium of communication with customers. For offline sales, *the owner* opens a shophouse

as a place to buy and sell products, customers can directly visit the *NR Beauty Care shophouse* if they want to make a transaction.

The types of *skincare* and perfume products sold by *NR Beauty Care* include:

Table 2. Price List as of January 2023

No.	Products	Amount	Price (Cash)		Price (Credit)	
			Resellers	Non Reseller	Resellers	Non Reseller
1	MS Glow :					
	Face Pack	1 Package	Year	Quantity (units)	Increased	2021
	20.6%	1 Pcs	Rp. 150000	Rp. 175,000	Rp. 155,000	Rp. 173,000
	Serum	1 Pcs	Rp. 130000	Rp. 150,000	Rp. 135,000	Rp. 155,000
	Mouistraizer	1 Pcs	Rp. 130000	Rp. 150,000	Rp. 135,000	Rp. 155,000
	JJ Glow	1 Pcs	Rp. 100000	Rp. 125,000	Rp. 105,000	Rp. 130,000
	BB Cream	1 Pcs	Rp. 60000	Rp. 75,000	Rp. 62,000	Rp. 78,000
	Dark Spots	1 Pcs	Rp. 75000	Rp. 100,000	Rp. 77,000	Rp. 102,000
2	Scarlett:					
	Face Pack	1 Package	Rp. 260000	Rp. 300,000	-	-
	Body Lotion	1 Pcs	Rp. 60000	Rp. 75,000	Rp. 63,000	Rp. 75,000
	Body Scrub	1 Pcs	Rp. 60000	Rp. 75,000	Rp. 63,000	Rp. 75,000
	Whitening Shower Scrub	1 Pcs	Rp. 60000	Rp. 75,000	Rp. 63,000	Rp. 75,000
No.	Products	Sum	Price (Cash)	Price (Credit)	Rp. 255,000	Rp. 310,000
4	Resellers	Non-Reseller	Resellers	Non-Reseller	1	MS Glow :
5	D Sultan :					
	Face Pack	1 Package	IDR 250000	IDR 300,000	IDR 255,000	IDR 310,000
	Deep Treatment Essence	1 Pcs	IDR 150000	IDR 175,000	IDR 155,000	IDR 173,000
	Serum	1 Pcs	IDR 130000	IDR 150,000	IDR 135,000	IDR 155,000
	Mouistraizer	1 Pcs	IDR 130000	IDR 150,000	IDR 135,000	IDR 155,000
	JJ Glow	1 Pcs	IDR 100000	IDR 125,000	IDR 105,000	IDR 130,000
6	BB Cream	1 Pcs	IDR 60000	IDR 75,000	IDR 62,000	IDR 78,000
7	Dark Spots	1 Pcs	IDR 75000	IDR 100,000	IDR 77,000	IDR 102,000

Source: NR Beauty Care (2023)

4.2 Product Sales on Credit at NR Beauty Care

Credit Sales Transaction Flow at *NR Beauty Care* can be seen in the following diagram:

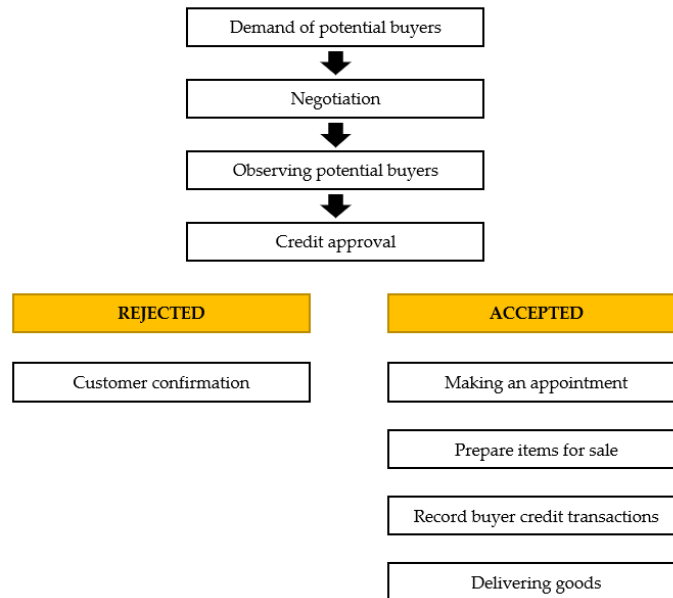


Figure 4. NR Beauty Care Credit Sales Flow

Source: NR Beauty Care, data processed (2023)

In diagram 2, it is explained that the flow of credit sales transactions at NR Beauty Care goes through several stages. If the customer is approved to apply for product credit, the owner of NR Beauty Care will make a record of proof of transaction. Product credit to NR Beauty Care is only for customers who live in Karawang. Before this credit sale was made, the owner of NR Beauty Care made an offer first starting in terms of price and payment period.

4.3 Product Sales on Credit Increase

Revenue

In NR Beauty Care, the ratio of the number of skincare purchased by customers using credit transactions is greater than customers who make cash transactions. The following is a table of the number of customers who make transactions in cash and credit.

Table 3. Comparison of Number of Credit Transactions for November 2023

No	Product Type	Product Quantity		Total Price	
		Credit	Cash	Credit	Cash
1	MS Glow	524	2	76.321.000	450.000
2	Scarlet	172	21	10.872.000	5.275.000
3	HYDE	82	-	20.965.000	-
4	Daviena	-	58		14.540.000
5	D Sulthan	-	62		3.350.000
6	Perfume RC	-	29		2.066.000
7	Glutaku Soap	-	24		350.000
Amount		778	196	108.158.000	26.031.000

Source: NR Beauty Care, Data processed (2023)

In table 3 it is explained that the number of products sold on credit each month reached 778 and the number of products sold in cash each month reached 196. This shows that products sold on credit are greater than sales in cash. Customer interest in purchasing products on credit is quite high, so the income received by NR Beauty Care has also increased.

DISCUSSION

Product Sales on NR Beauty Care

Not all products are sold on credit by NR Beauty Care because there are some products such as Daviena skincare must pre-order in advance, namely product packaging is long enough to be one to two weeks so that the product cannot be received directly, but

for payment made when placing an order or paid in advance. This can affect capital turnover so that it is considered ineffective if Daviena *skincare* is sold on credit. Perfume products are not sold on credit to consumers because of the standard price of the product. NR *Beauty Care* takes a profit of 2-3% of every product sold on credit in accordance with the Islamic law of credit.

Product Sales on Credit at NR Beauty Care

This credit sale is applied to NR *Beauty Care* customers who have been members for at least 3 months. The credit facility provided to customers still follows the applicable provisions in NR *Beauty Care*, taking into account the customer's character, level of activeness in purchasing products, and loyalty to NR *Beauty Care*.

Credit management carried out by NR *Beauty Care* includes several things, including:

1. Setting a limit on the amount of credit sales

NR *Beauty Care* sets a limit on the amount of credit given to customers, to avoid hoarding funds in receivables that can affect the amount of inventory and receivables. In addition, NR *Beauty Care* also imposes a maximum limit for taking credit by customers, which is a maximum of 50% of a certain amount.

2. Credit Sales Payment Terms

The conditions given by NR *Beauty Care* in credit payment are in accordance with the customer agreement, usually NR *Beauty Care* customers pay at the end of the month, which is between the 27th to the 30th. Payment can be made by cash or transfer.

3. Credit Amount Limit Provisions

NR *Beauty Care* provides credit based on the number of products available. If the existing product stock is 80%, the maximum credit sales that can be given is 50% and for credit taking by each *reseller* customer 5% to 9%, for *non-reseller customers* it is usually 0.05% to 0.10%.

4. Receivables Collection Policy

NR *Beauty Care* *reseller customers* generally make payments at the end of the month because at that time they take stock of

products for resale. Meanwhile, *non-reseller customers* usually make payments at the end or beginning of the month.

NR *Beauty Care* does not charge any additional fees for customers, both *resellers* and *non-resellers*, in case of delay or discrepancy in payment time. However, for customers who are often late in making payments, NR *Beauty Care* can reduce their maximum credit limit. This is done because late payments can have an impact on NR *Beauty Care*'s monthly income and product inventory. NR *Beauty Care* actively implements a policy of collecting receivables. If the receivables are approaching the payment due date, the *owner* of NR *Beauty Care* confirms the bill to the customer.

Product Sales on Credit Increase Revenue

Based on the results of an interview conducted with the *owner* of NR *Beauty Care*, this business manages receivables well, so that adequate liquidity can be ensured by accelerating cash inflow, reducing the risk of bad credit, and maintaining good relations with customers. By managing receivables efficiently, NR *Beauty care* can improve financial sustainability and optimize resources.

The benefits received by NR *Beauty Care* in selling products on credit can be seen from the growing business during the sale of products on credit, the *owner* of NR *Beauty Care* is not only to increase business capital but is used to expand his place of business in order to increase the interest of buyers and can increase more product inventory.

It can be seen in table 3. Comparison of the Number of Credit Transactions for the November 2023 Period, from the number of products sold on credit each month reached 778 and the number of products sold in cash each month reached 196. This shows that products sold on credit are more in demand by customers so that the revenue generated by selling products on credit is greater. Revenue in November 2023 for product sales on credit reached IDR 2. 108,158,000., for cash product sales reaching Rp. 26,031,000., the resulting difference is quite high, reaching Rp. 82,127,000., so that product sales on credit at

NR *Beauty Care* are effective in increasing income.

5. CONCLUSION

Based on the analysis and discussion contained in this article, it can be concluded that:

1. Sales of *skincare* products on credit aim to support business growth, especially for *reseller* customers, in developing their business. The provision of credit aims to facilitate the development or establishment of new businesses for customers, which in turn can increase their income and reduce the unemployment rate.
2. Before providing product credit, NR *Beauty Care* conducted a survey of prospective credit recipients. This is done to ensure that the credit recipient can be trusted in the management of the credit provided and has the ability to pay off payments periodically. The lending

process is not burdensome for potential credit recipients, and NR *Beauty Care* is committed to ensuring that customer relationships remain good.

3. Sales of *skincare* products on credit have been shown to increase NR *Beauty Care's* revenue. Total revenue from product sales made on credit is greater than product sales in cash. The involvement of *reseller customers* in credit transactions also significantly affects the number of *skincare* sales.

IMPLICATION

The results of this study become a guideline for NR *Beauty Care* owners in carrying out product sales on credit effectively, maintaining commitments with customers to prevent late payments, and building good relationships with customers. In addition, to increase revenue, NR *Beauty Care* can utilize various other *e-commerce* promotional media .

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