CHAPTER III

INDUSTRY ANALYSIS

3.1 Size of the Fashion Industry in Indonesia

The fashion industry in Indonesia has undergone significant transformation in recent years, driven by increasing consumer awareness of the importance of appearance and the demand for quality and sustainable products. This development is not only reflected in the rise of local brands but also in the shift in shopping behavior, with the public becoming more conscious of the role of fashion. This awareness encourages industry players to adapt to the more selective demands of consumers, prioritizing quality and sustainability in every product they offer. As a result, Indonesia's fashion industry has become a barometer of local trends and a part of the global economic dynamics.

Along with this growth, the fashion industry contributes to the local economy and plays a key role in international trade. One crucial indicator of this industry's performance is the increase in the export value of ready-made garments. According to the Ministry of Industry, the export value of ready-made garments reached 45.92% in May 2023 compared to April 2023, totaling $700.7 million. The volume also surged dramatically from 21.9 million tons in April 2023 to 32.5 million tons in May 2023, indicating that domestic market demand continues to rise, especially in preparation for the new school year. This is supported by the Domestic Product Use Enhancement policy for fulfilling government school uniforms and civil servant clothing needs, which has been actively implemented (Kemenperin, 2023).

In 2024, global revenue in this sector is projected to reach $770.90 billion, reflecting its scale and vast potential. With a Compound Annual Growth Rate (CAGR) of 8.94% through 2029, the global fashion market is expected to reach $1.183 trillion. In Indonesia, the fashion market also shows promising growth,

with projected revenue reaching $7.72 billion in 2024. This underscores the significance of the fashion sector in both the global and national economic landscape (Statista, 2024).

Indonesia's fashion industry continues to demonstrate its potential as a driver of creative economy exports, contributing 61% in 2021. The foreign exchange earnings from fashion exports have also continued to rise, reaching USD 16.47 billion in 2022, highlighting that this sector plays a critical role in the domestic economy and international trade. This is reinforced by a statement from the Minister of Tourism and Creative Economy, Sandiaga Salahuddin Uno, who mentioned that the fashion industry contributed 17.6% of the total added value of the creative economy, or around IDR 225 trillion in 2022 (AntaraNews, 2024).

In 2023, the fashion sector's contribution to Indonesia showed significant progress within the creative economy industry. The latest data shows that the overall creative economy sector contributed IDR 1,300 trillion to Indonesia's Gross Domestic Product (GDP), with the fashion subsector ranking second after culinary, contributing 17% of the total creative economy contribution. This figure highlights the crucial role of the fashion industry in supporting Indonesia's economy (PelakuBisnis.id, 2024).

The fashion subsector is projected to grow as public interest in environmentally friendly products increases. One trend predicted to gain more traction in 2024 is sustainable style, a fashion approach centered on sustainability. This trend has emerged in response to Indonesia's rising awareness of environmental issues and desire to live more sustainably. Sustainable style is expected not only to be a fleeting trend but also a long-term solution to reduce the negative environmental impact of the fashion industry (PelakuBisnis.id, 2024).

3.2 The Growth of the Fashion Industry in Indonesia

The fashion business, particularly in t-shirt products, is growing and expanding due to the rise of creative entrepreneurship. This involves producing t-shirts with simple designs, such as short text or small images on the clothing. The appeal of t-shirts is also closely tied to contemporary styles in youth fashion, prioritizing simple, comfortable designs.

The fashion industry's growth reflects social and economic status, often identified with popularity. This continuous growth makes the fashion industry a profitable sector in Indonesia. The development of Indonesia's fashion industry has contributed approximately 18.01%, or IDR 116 trillion, to the economy. Fashion is no longer considered merely a primary need but has become an artistic necessity, which has propelled the industry to grow even faster (CNBC Indonesia, 2019).
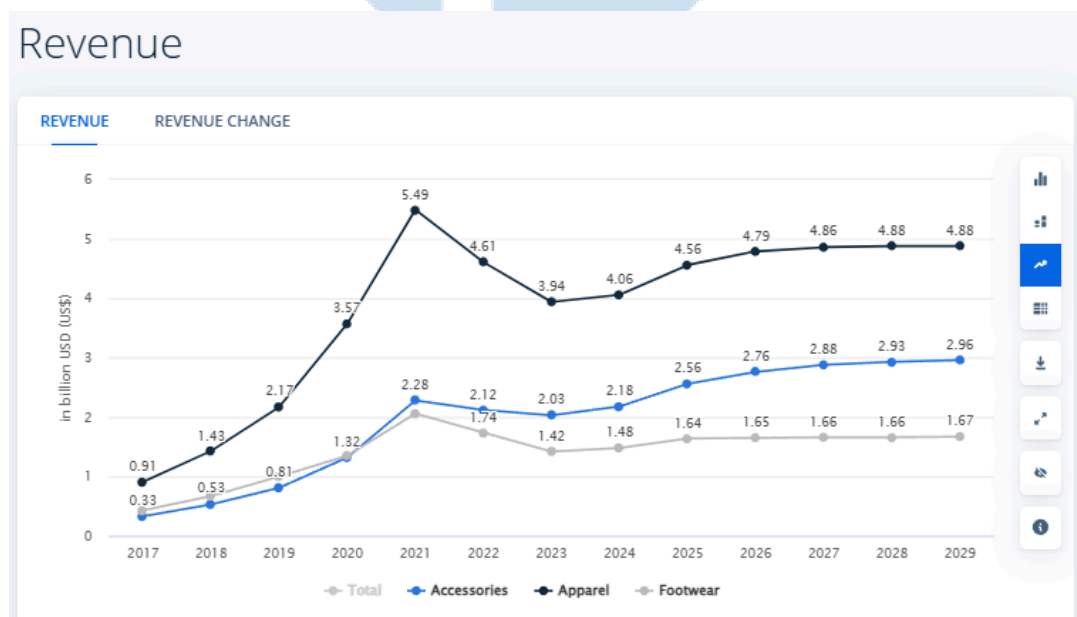

Figure 3.1 Revenue Trends in Indonesia's Fashion Industry Over the Years

Source : (Statista, 2024)

Based on Figure 3.1, the fashion industry in Indonesia has shown an exciting growth trend with diverse patterns in recent years. This industry comprises three main revenue-contributing categories: apparel, accessories, and footwear. Each category demonstrates its respective growth influenced by various factors (Statista, 2024). The apparel category has consistently been the most significant contributor to overall revenue, experiencing rapid growth from US$0.91 billion in 2017 to a peak of US$5.49 billion in 2021. This surge reflects a high demand for fashion products in Indonesia, likely driven by lifestyle changes, increased purchasing power, and the expanding penetration of e-commerce in the sector (Statista, 2024).

However, after 2021, revenue in the apparel sector declined to approximately US$4.61 billion in 2022 and US$3.94 billion in 2023. This downturn may have been caused by several factors, including post-pandemic economic impacts, fluctuating consumer purchasing power, or shifting consumption priorities among the public (Statista, 2024).

In line with GDP growth data and the Industry Performance Index (IKI), Bank Indonesia also improved this sector's performance in the first quarter of 2024. According to the Bank Indonesia Manufacturing Index (PMI-BI), an economic indicator that shows the performance of the manufacturing industry, the textile and garment industry experienced expansion with an index of 57.40%. In contrast, the leather, leather goods, and footwear industry reached 55.36%. The performance of the leather and footwear industry is expected to continue increasing in the second quarter of 2024, with the highest index of 61.07% (Antara News, 2024).

This improvement is also reflected in the increase in investment value in this sector. According to the Ministry of Industry, investment in the textile, garment, and footwear industries continued to rise, with the investment value reaching IDR 24.6 trillion in 2022 and increasing to IDR 27.9 trillion in 2023. In the first quarter of 2024 alone, the investment value reached IDR 6.9 trillion. On

average, investment in the textile industry contributed 40%, garment industry 20%, and footwear and leather goods 40%. The stability of these investment achievements is a strong indicator that the productivity of this sector remains highly promising in the future (Hidranto, 2024).

The rapid growth of the fashion industry in Indonesia is also impacted by technological advancements that have shaped how designers, manufacturers, and consumers interact with the fashion world. With this industry's development, consumers can shop more quickly and efficiently. Technological advancements like e-commerce have helped clothing manufacturers distribute their products over more expansive areas.

3.3 Fashion Industry Sales Projection

The fashion industry in Indonesia shows significant growth potential. In 2024, the projected market revenue for the fashion sector is expected to reach US$7.72 billion, with a compound annual growth rate (CAGR 2024-2029) of 4.26%. This growth will result in a market volume of US$9.51 billion by 2029 (Statista, 2024). The fashion market in Indonesia consists of three main segments: accessories, apparel, and footwear. In 2021, the market saw a surge, reaching US$9.83 billion, but this value declined and is expected to stabilize until 2029 (Statista, 2024).

Figure 3.2 Fashion Industry Revenue Projection in Indonesia (2024-2029)

Source: (Statista, 2024)

Another important factor is user penetration, which is expected to reach 21% in 2024 and increase to 29.9% by 2029, with the number of users reaching approximately 84.9 million. The average revenue per user (ARPU) in 2024 is projected to be around US$134, reflecting this industry's potential profit per individual (Statista, 2024). Overall, this growth is driven by changing consumer preferences for more innovative fashion and the high relevance of digitalization in the sector.
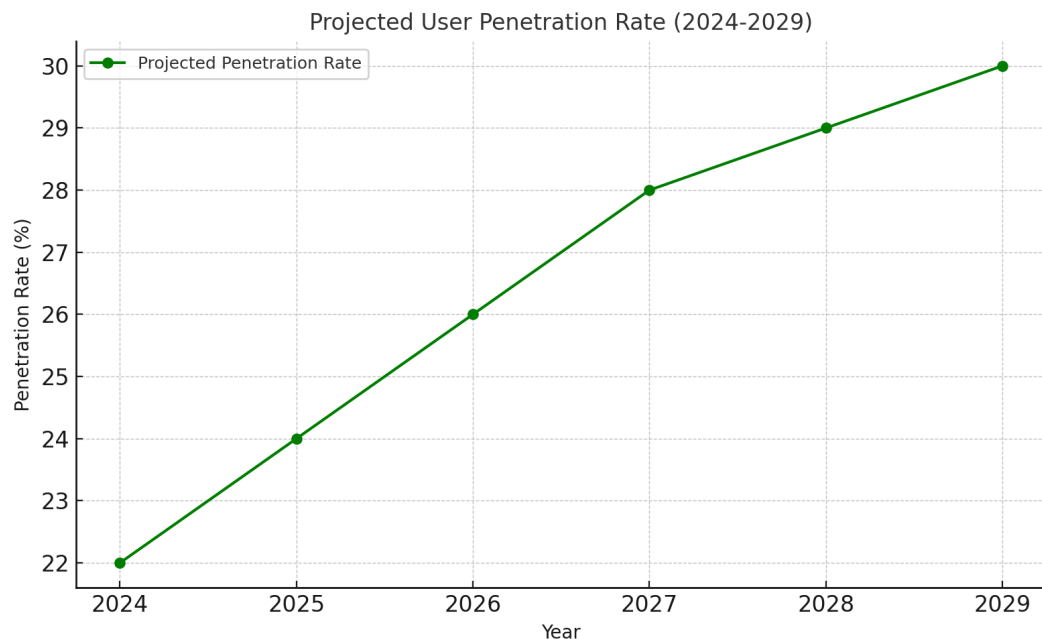
Figure 3.3 User Penetration Rate Projection in Indonesia (2024-2029)

Source : (Statista, 2024)

3.4 Industry Characteristics

Indonesia is a country closely related to the fashion industry. The fashion industry in Indonesia includes the textile or garment production sector, where Indonesia is one of the world's largest textile or garment producers. Additionally, the fashion industry encompasses creating various clothing designs by local designers or Indonesian brands. Moreover, there is also the retail sector in the fashion industry, such as selling products through offline stores in shopping malls, e-marketplaces, e-commerce platforms, and others. Furthermore, the event management sector is also involved, where fashion exhibitions, fashion shows, or fashion festivals are held, which can be used for product sales, building collaborations or partnerships, and networking among fashion enthusiasts (Ciputra University, n.d.).

Various products in the fashion industry are produced through distribution processes, with common product categories in fashion including shirts, pants, shoes, bags, hats, and other accessories (Gischa, 2023). The fashion industry has two general categories: mass fashion and high fashion. Mass fashion refers to products produced in large quantities with styles readily accepted by the general public. Ready-to-wear is one form of mass fashion where products can be worn immediately without custom designs or body measurements. Ready-to-wear products come in various styles, from street or casual to semi-formal or formal. In addition, there is also ready-to-wear deluxe, where the material quality is higher compared to regular ready-to-wear products, making this category lean toward high fashion.

High fashion refers to products produced in limited quantities and at high prices. High fashion consumers typically include celebrities, officials, socialites, and others. High fashion has two forms: haute couture and semi/demi-couture. Haute couture is the highest category of fashion products, assessed by quality, quantity, material, and manufacturing process. Haute couture products highlight exclusivity, as they are difficult to replicate, making them unique to a single customer. Semi/demi-couture is the second-highest category of fashion products after haute couture. The difference between semi/demi-couture and haute couture lies in production. Semi/demi-couture requires a minimum of 50% hand stitching, whereas haute couture involves at least 80%.

In the fashion industry, Svstain falls into the retail sector, where Svstain sells products that its partners or suppliers have produced. Svstain's products are varied, including apparel such as t-shirts, accessories like patches, and other fashion products under development. Svstain's fashion products fall into the ready-to-wear category because they are produced in large quantities and use standard sizes such as small, medium, large, and extra-large. To better understand the characteristics of the fashion industry, here is Porter's Five Forces analysis for Svstain in the Indonesian fashion industry:

a. Threat of New Entrants

The fashion industry in Indonesia has relatively low entry barriers due to easy access to e-commerce platforms and social media as marketing tools (Nugrahani, 2024). This allows many newcomers to enter and compete in the market quickly. However, brands with unique characteristics, such as Svstain with its removable patch feature, can reduce the challenges posed by new entrants if this uniqueness continues to be developed and provides added value for consumers. Moreover, while the initial capital to enter the market may be low, building a solid brand image still requires significant investment in marketing and developing quality products, which can reduce the threat from new entrants.

b. Bargaining Power of Suppliers

Svstain uses high-quality materials like Cotton Combed 20s for its t-shirts, so suppliers must maintain product quality. If suppliers decide to raise raw material prices, Svstain may need to find alternatives or sacrifice profit margins. However, because there are many fabric and raw material suppliers in Indonesia, Svstain can choose suppliers with the best price and quality, reducing suppliers' bargaining power. By building long-term relationships with key suppliers, Svstain can secure more competitive prices and more stable supply (Ciputra University, n.d.).

c. Bargaining Power of Buyers

Fashion consumers in Indonesia have diverse preferences, ranging from affordable, fast fashion products to premium and sustainable ones (Ohorella, 2024). This gives consumers high bargaining power, as they have many product options in the market. To win consumers' hearts, Svstain must offer unique added value, such as attractive designs and high-quality materials, and create engaging shopping experiences at bazaars or through special promotions. Additionally, Svstain's target

market of young people with middle-range purchasing power is quite price-sensitive, so competitive pricing strategies are essential to ensure they continue to choose Svstain products over other brands.

d. Threat of Substitutes

In Indonesia, many cheap fashion products are mass-produced by local and international manufacturers, threatening Svstain, especially if these products mimic similar designs or offer lower-priced alternatives (Nugrahani, 2024). However, Svstain can mitigate this threat by highlighting unique features, such as removable patches, differentiating its products from cheaper substitutes that do not provide the same added value. Fast fashion trends also focus on more varied and quality products. Additionally, the government's target for 2024 places the fashion subsector as one of the main pillars of the creative economy, with the expected contribution rising to between 18% and 25% of the national economy. If this target is met, the fashion industry will become one of Indonesia's more significant economic drivers, helping boost employment, exports, and GDP (EmitenNews, 2024).

With government support, innovations in design and production, and increased use of technology in distribution and marketing, Indonesia's fashion industry has the potential to continue growing. Moreover, with a focus on sustainability and collaboration with local creative communities, the fashion industry is expected to grow economically and have a positive social and environmental impact. Fast fashion is quite popular among Indonesian consumers, so Svstain needs to market its products as durable fashion with higher aesthetic value, offering a better alternative to fast fashion that tends to wear out quickly.

e. Rivalry Among Existing Competitors

The fashion industry in Indonesia is highly competitive, with many local brands offering unique products and global brands that already have a significant market share (Ciputra University, n.d.). To compete, Svstain must continue to maintain its product uniqueness and increase customer loyalty through quality and creative marketing. One of Svstain's unique features, the removable patch, can become a competitive advantage that appeals to young consumers who want to express themselves through flexible and non-boring fashion. Additionally, as consumer awareness of sustainability increases, Svstain can leverage its long-lasting fashion value to attract segments that value quality and durable fashion, even though Svstain does not focus on eco-friendliness.

Despite the challenges in the fashion industry, Svstain has opportunities to grow through its uniqueness, innovative marketing strategies, and building solid relationships with consumers and suppliers.

3.5 Industry Trends

The fashion industry often experiences various and diverse trends. New fashion trends emerge each year, dominating the fashion industry in different countries. In 2024, several key fashion trends have gained attention, as follows (Pinter Politik, 2023):

1. **Modern Batik Revival**: This trend features designers incorporating Indonesian batik patterns or motifs into various fashion products that typically do not use batik designs, such as blazers, jumpsuits, flowing gowns, and more.

2. **Sustainable Style**: A trend focused on environmental consciousness, sustainable style uses eco-friendly fabrics, promotes recycling, and employs environmentally ethical production methods.

3. **Gender-neutral expressions are** a fashion trend that breaks from traditional gender norms. Also known as unisex fashion, this trend creates fashion products designed to be worn by any gender, featuring neutral color palettes and designs suitable for all genders.

4. **Tech-Infused Fashion**: A trend combining fashion with technology, such as fabrics that change color based on environmental conditions, clothing with LED lights, and innovative accessories that connect to smartphones.

5. **Cultural Hybridization**: This trend blends traditional textiles from various regions of Indonesia with modern fashion styles, including batik fabric.

6. **Minimalistic Elegance**: A trend that emphasizes elegance through simplicity, where fashion products feature neutral colors, clean lines, and sophisticated cuts, maintaining a classy yet simple design.

3.6 Long-Term Prospects of the Industry

The fashion industry in Indonesia has up-and-coming long-term prospects, supported by the growth of the creative economy and increasing consumer demand. As fashion trends evolve and public awareness of local products rises, this sector will continue proliferating in the coming years. Based on Figure 3.4 below, one indicator of growth in the fashion industry is the number of fashion industry users in Indonesia, which is expected to reach 84.9 million by 2029.
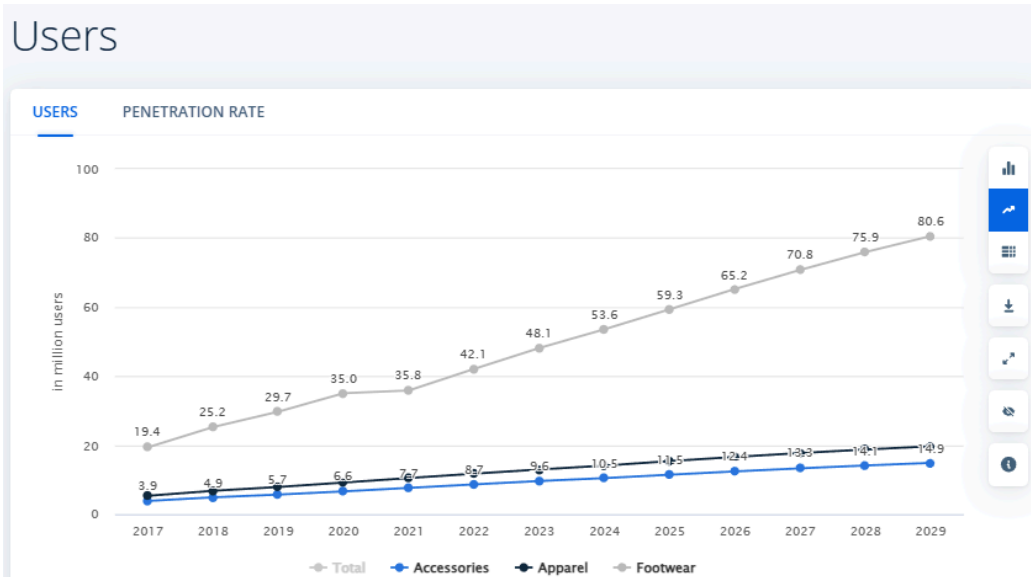
Figure 3.4 Fashion Industry Users Year by Year

Source: (Statista, 2024)

In 2024, user penetration is estimated to be 21.0% or approximately 57.6 million users, and it is expected to rise to 84.9 million users, with a projected penetration rate of 29.9% by 2029. This indicates that more consumers are actively engaging in the fashion market, driving further growth in the industry (Statista, 2024).

Additionally, the government's target 2024 positions the fashion subsector as one of the key pillars in the creative economy, with its contribution expected to increase to between 18% and 25% of the total national economy. If this target is met, the fashion industry will become one of the major economic drivers in Indonesia, helping to increase employment, exports, and Gross Domestic Product (GDP) (EmitenNews, 2024).

With government support, innovation in design and production, and the increasing use of technology in distribution and marketing, the fashion industry in Indonesia has the potential to continue its growth. Furthermore, with a focus on sustainability and collaboration with local creative communities, the fashion

industry is expected to grow economically and make a positive social and environmental impact.

3.7 Conclusion

The fashion industry in Indonesia shows significant potential. From 2017 to 2021, the sector experienced rapid growth. Although there was a decline in the following years, the long-term prospects for the fashion industry remain bright. The number of users is estimated to reach 84.9 million by 2029, with user penetration increasing from 21% in 2024 to 29.9% in 2029. The projected average revenue per user (ARPU) of US$134.00 reflects an enormous potential for revenue growth, driven by the increasing purchasing power of consumers who are becoming more interested in high-quality and diverse fashion products.

The fashion industry's growth, especially in the t-shirt product segment, is significantly driven by changing consumer preferences, prioritizing simple designs and comfort. The modern lifestyle emphasizes simplicity and comfort and reflects Indonesian society's current social and economic dynamics. With the growing use of technology, particularly e-commerce platforms, the fashion industry has become more efficient in reaching consumers, enabling producers to expand their markets significantly.

With government policy support, innovation in design and production, and the increasing use of technology in distribution and marketing, the fashion industry in Indonesia has the potential to continue growing. The focus on sustainability, collaboration with local creative communities, and efforts to create a positive social and environmental impact are critical to the future growth of this industry. Therefore, Indonesia's fashion industry is expected to contribute economically and create broader social change, raise awareness of the importance of local products, and promote sustainability in every aspect of its operations.

CHAPTER IV

MARKET ANALYSIS

4.1 Competitor Analysis

Indonesia has significant potential in the fashion industry but also faces intense competition. Numerous players operate in Indonesia's fashion market, including international brands like H&M, Pull and Bear, and Uniqlo, as well as local brands such as Erigo, 3Seconds, and others. In this highly competitive environment, Svstain, a local fashion brand, faces inevitable competition from both local and international players.

However, Svstain differentiates itself from its competitors by integrating innovation, sustainability, and self-expression into its products. Unlike traditional fashion brands, Svstain offers detachable patches that reduce the need for frequent purchases, addressing consumer boredom with repetitive clothing designs while also minimizing environmental impact. This unique product concept, combined with a focus on endangered wildlife designs and cultural themes, makes Svstain stand out in the fashion market.

In the context of competition, **direct competitors** are those businesses that produce, market, or sell similar products to the same target market. **Indirect competitors**, on the other hand, are those that produce, market, and sell different products to the same target market (CNN Indonesia, 2023).

Svstain has several direct competitors in Indonesia's fashion industry, including Erigo. Erigo is an Indonesian local fashion brand founded by Muhammad Sadad, the CEO of Erigo. Erigo's popularity surged after participating in New York Fashion Week in September 2021 (Purwanti, 2022). Erigo's brand identity is centered on casual fashion, and its competitive advantage lies in offering high-quality products at affordable prices. The products Erigo provides align with the trends and preferences of its target market: young people.

Erigo's marketing strategies include endorsements from influencers, hosting bazaars in various malls across Indonesia, and selling through its official e-commerce platforms and website. Erigo operates on a business-to-consumer (B2C) model, selling its products directly to end-users.

Apart from Erigo, another direct competitor of Svstain is Thanksinsomnia, a local Indonesian fashion brand. This brand was founded in 2012 by Mohan Hazan and specializes in streetwear fashion. Thanksinsomnia's competitive edge lies in its unique brand identity, combining streetwear and pop culture elements with eye-catching designs. Additionally, the brand emphasizes exclusivity through its limited-edition strategy in various collaborations, creating excitement and urgency among consumers to own their products.

Thanksinsomnia's marketing strategy focuses on leveraging social media, where the brand has a strong presence, particularly on Instagram and TikTok. Moreover, Thanksinsomnia operates pop-up stores and participates in events like Jakcloth. The brand also collaborates with other brands, specific artists, or anime series to launch special editions, such as collaborations with the popular anime Jujutsu Kaisen, Hardrock FM, and JKT48. Like Erigo, Thanksinsomnia follows a business-to-consumer (B2C) model to sell its fashion products (Bisnis Corner, 2019).

Another direct competitor of Svstain in the fashion industry is 3Second, a brand established in 2002 and operating under the BIENSI Group. 3Second's brand identity focuses on stylish and youthful fashion, featuring casual and streetwear apparel (3Second, 2024). Its competitive advantage lies in using high-quality materials and regularly updating collections through professional research and development efforts.

Like its competitors, 3Second utilizes social media for marketing, particularly Instagram and TikTok. The brand also has digital platforms, including a mobile app and website, which enable consumers to purchase products online. In addition to its digital presence, 3Second operates 126 offline retail stores spread

across various regions in Indonesia. Its business model is also similar to Erigo and Thanksinsomnia, B2C.

These brands, Erigo, Thanksinsomnia, and 3Second, are considered direct competitors of Svstain due to their similar target market: Gen Z and Millennials within the local Indonesian market. Furthermore, all three brands focus on casual, simple streetwear styles, with product lines comparable to Svstain, such as t-shirts.

Regarding competition in Indonesia's fashion industry, Svstain faces indirect competitors, such as H&M, Uniqlo, and Cotton On. H&M (Hennes and Mauritz) is a multinational clothing retailer from Sweden. Its competitive advantage lies in offering affordable prices and good quality. A standout feature of H&M is its ability to produce and release various fashion collections that align with trends. These frequent releases let consumers stay updated with the latest fashion trends and expand their wardrobe.

H&M's marketing strategy leverages social media and collaborates with top-tier artists or renowned public figures to promote its products. The brand operates online and offline stores and has a widespread global presence. H&M also regularly offers discounts to customers through its online and offline stores. Like the Indonesian brands discussed earlier, H&M employs a Business-to-Consumer (B2C) model, with product sales as its primary revenue stream.

Uniqlo, established in 1984 by Tadashi Yanai in Hiroshima, Japan, is a clothing brand emphasizing minimalist style, functionality, and consumer comfort. Unlike H&M, which focuses on attractive designs aligned with fashion trends, Uniqlo's competitive advantage lies in high-quality, durable, and highly functional fashion products. Uniqlo's designs are timeless and minimalist, making them suitable for use regardless of current fashion trends (Ustman, 2020).

Uniqlo's marketing strategy is similar to that of other fashion brands. It utilizes social media and collaborates with artists, influencers, or public figures to promote its products and brand. The company also operates online and offline stores in numerous countries worldwide. Uniqlo follows a B2C business model as a clothing retailer, focusing on selling high-quality fashion products at affordable prices.

Cotton On, founded in 1991 in Australia, has expanded globally, incorporating Australian lifestyle themes into its fashion while blending trendy, contemporary styles. Cotton On targets young consumers with competitive advantages, including affordable prices and a diverse product range. The brand offers casual wear, activewear, and other styles for various genders (Soehandoko, 2021). Cotton On also utilizes social media for marketing, operates globally through offline stores, and sells products online via its website and fashion marketplaces. Additionally, Cotton On frequently collaborates on specific product lines, such as partnerships with Disney or Sanrio.

Due to their global market scale, H&M, Uniqlo, and Cotton On are categorized as indirect competitors of Svstain. Svstain focuses on the local Indonesian market, and these brands offer a more diverse range of products.

4.2 Competitive Analysis Grid

Businesses must identify their competitors and understand their strengths to address competition. One effective method is creating a competitive analysis grid. Below is an analysis of competitive advantages, which serves as a form of a competitive analysis grid.

BRAND	COMPETITIVE ADVANTAGE			
	PRODUCT	**PRICE**	**PROMOTION**	**PLACE**
Svstain.	• Strength: Innovative removable patches that are attractive • Weakness: Being a first-mover means the product is still unfamiliar	Implements a promotional pricing strategy (discounts or bundling promotions)	• Promotes through Instagram & TikTok • Collaborates with influencers for endorsements and brand awareness	Sells products through e-commerce, official website, and participates in bazaars
·ERIGO·	• Strength: Attractive product diversification • Weakness: Fashion style doesn't reflect the brand's unique identity	Implements a promotional pricing strategy (discounts or bundling promotions)	• Promotes through Instagram & TikTok • Collaborates with influencers, celebrity, and public figure for endorsements • Collaborates with artists, such as JKT48	Sells products through e-commerce, official website, offline events, bazaar and pop-up stores
THANKSINSOMNIA®	• Strength: Edgy, modern, and eye-catching designs product • Weakness: Fashion style may be too edgy for some consumers	Implements a premium pricing strategy	• Promotes through Instagram & TikTok • Collaborates with influencers, public figures, and artists for endorsements. • Collaborates with other brands, including anime brands	Sells products through e-commerce, official website, and bazaars or pop-up stores
3SECOND	• Strength: A wide range of products with modern and simple designs • Weakness: Fashion style does not reflect the brand's unique identity	Implements a competitive pricing strategy	• Promotes through Instagram & TikTok • Collaborates with prominent designers • Promotions utilize brand ambassadors	Sells products through e-commerce, official website, 3Second app, and offline stores

Figure 4.1 Competitive Advantage of Svstain

The competitive advantage table above identifies three brands as Svstain's direct competitors: Erigo, Thanksinsomnia, and 3Second.

Erigo's strength lies in its products, particularly in the attractive diversification of its product lines, designs, colors, and more. However, a notable weakness of Erigo's products is the lack of distinctive design features or standout traits compared to its competitors in the casual and street fashion segment. Additionally, Erigo does not offer customization features in its products, which could provide a personalized experience for customers.

Nevertheless, Erigo's products are priced affordably, employing a pricing strategy known as promotional pricing. Promotional pricing involves offering lower prices to customers through discounts, special offers, bundling, and more. Erigo promotes its products extensively via social media, especially Instagram, to reach a broader audience. It collaborates with influencers for product endorsements, which enhances the brand's appeal to consumers. Furthermore, Erigo strengthens its brand image in the fashion market by collaborating with famous artists, such as JKT48.

Regarding sales channels, Erigo sells its products online and offline. Their products are available online through e-commerce platforms and the official Erigo website. Offline, Erigo frequently sets up pop-up stores in various shopping malls and operates physical stores (Putri et al., 2022).

Next is Thanksinsomnia. The strength of Thanksinsomnia's products lies in their modern, edgy, and eye-catching designs, which form the brand identity of Thanksinsomnia. However, this design style can also be a weakness, as it may be considered too edgy or striking for consumers who prefer more straightforward designs. Like Erigo, Thanksinsomnia does not offer customization features in its products, meaning all offerings remain based on pre-determined designs without options for personalization.

Unlike Erigo, which provides affordable pricing, Thanksinsomnia uses a premium pricing strategy, offering higher-quality products. Thanksinsomnia heavily utilizes social media, particularly Instagram, as its primary promotional platform. The brand often collaborates with influencers, public figures, and artists for endorsements. It is also known for its unique collaborations with popular anime and other brands, which add extra value to its products. In terms of sales, Thanksinsomnia operates both offline and online. It has offline stores, including its principal office, and participates in pop-up stores and bazaars.

The following direct competitor of Svstain is 3Second. Like Erigo, 3Second offers diverse designs and product lines with a touch of simplicity and modernity. However, 3Second's products lack distinctive characteristics that set them apart from other fashion brands focused on simple and modern styles. Like Erigo and Thanksinsomnia, 3Second does not offer customizable products, meaning consumers cannot personalize product designs or features to suit their preferences (3Second, 2024).

3Second adopts a competitive pricing strategy, offering prices comparable to or competitive with its rivals, such as Erigo. Like the other brands, 3Second uses social media, especially Instagram, for marketing and actively collaborates

with well-known designers to create exclusive products. Additionally, 3Second strengthens its promotional strategy by appointing brand ambassadors, which helps boost exposure and foster a positive brand image among consumers. For sales, 3Second has offline stores, participates in bazaars and pop-up stores, and leverages various e-commerce platforms, its official website, and a dedicated mobile application (3Second, 2024).

Marketing and branding are crucial aspects for Svstain. Svstain employs a promotional pricing strategy, selling products in bundles, such as purchasing a Svstain T-shirt and receiving one free Svstain Patch of choice. Additionally, Svstain offers special prices on specific dates, such as during the recent 11.11 sales event. Svstain leverages various social media platforms, especially Instagram and TikTok, as its primary channels to promote products and reach a wider audience. Current promotional strategies include collaborations with Key Opinion Leaders (KOLs) to provide honest product reviews and build consumer trust. In the future, Svstain plans to collaborate with influencers for endorsement programs to expand brand exposure and strengthen its position in the fashion market.

Svstain prioritizes its Unique Selling Proposition (USP) by focusing on innovation in product design, particularly through the use of Velcro, which allows patches to be attached and detached. The brand builds a strong identity by offering products that are not only stylish but also reflect a blend of global cultures and traditions. Each Svstain product design draws inspiration from various local elements, ranging from Indonesian fauna patterns to iconic landmarks.

For example, Svstain has created patch designs featuring Kendari Bridge and Anoa, a native Sulawesi animal, as part of efforts to showcase the region's rich cultural and natural heritage. Additionally, Svstain introduces patches that highlight endangered animals in Indonesia, such as the Sumatran Tiger and the Javan Rhino, to raise awareness about wildlife conservation.

This approach enables Svstain to attract consumers who appreciate cultural diversity and want to express themselves through clothing that carries deep meaning and storytelling. By introducing designs that incorporate both local and global elements, Svstain successfully differentiates itself in the increasingly competitive fashion market.

Svstain products are sold both online and offline. Online sales are facilitated through e-commerce platforms such as Tokopedia, TikTok Shop, Shopee, and WhatsApp Business. Offline sales are conducted by participating in bazaars at universities, specific events, or shopping centers like malls. In addition to the competitive advantage analysis, perceptual mapping is used to evaluate Svstain's positioning relative to direct and indirect competitors. Below is the perceptual mapping of Svstain compared to its competitors.
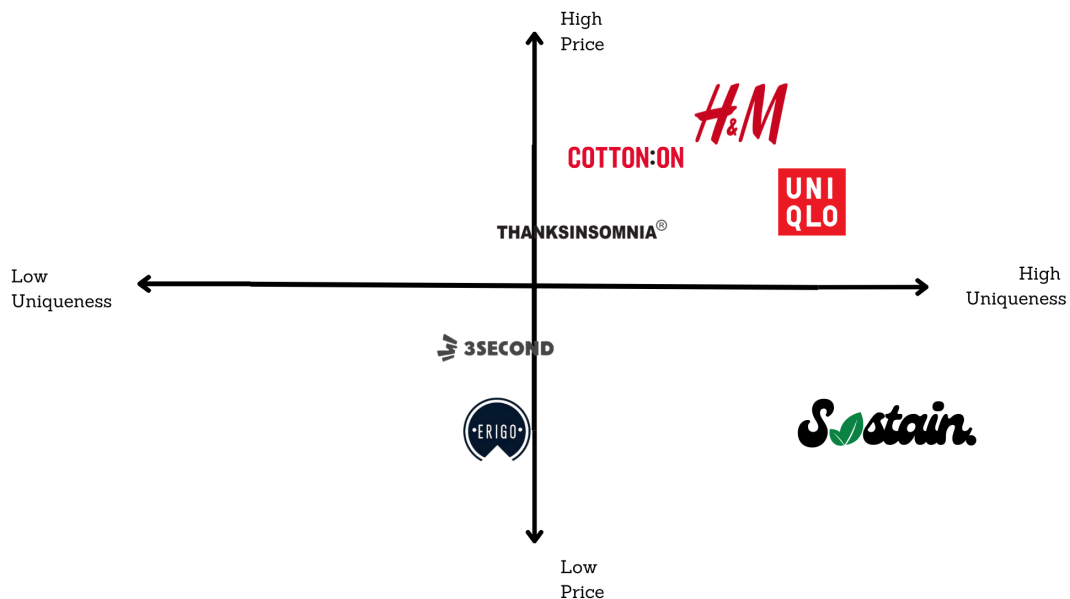
Figure 4.2 Svstain Perceptual Mapping

Source: Survey on Consumer Preference and Competitor Analysis of Svstain,

2024

On the perceptual mapping, Erigo and 3Second are positioned in the low-price market quadrant due to their pricing strategies. Erigo employs promotional pricing, allowing its products to be sold at lower prices. Based on Svstain's survey, 81.4% of respondents gave high scores (4-5), indicating that most agree that Erigo's products are affordable. Meanwhile, 3Second uses competitive pricing, setting prices comparable to competitors like Erigo. According to the survey, 41.9% of respondents gave high scores (4-5), and 37.2% gave neutral scores, indicating that some respondents perceive 3Second's products as neither too expensive nor too cheap. Thus, 3Second's position is slightly higher than Erigo's in terms of the perception of affordability.

Regarding uniqueness, most respondents need to consider Erigo's products more unique, with 39.6% giving low scores (1-2). However, 34% of respondents gave high scores (4-5), meaning some agreed that Erigo's products are unique, while the rest remained neutral. As a result, Erigo is positioned in the middle for uniqueness. Similarly, 37.2% of respondents gave low scores (1-2) for 3Second's

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uniqueness, 34.9% gave high scores (4-5), and 27.9% were neutral. This makes 3Second slightly better than Erigo in terms of uniqueness, though neither is perceived as highly distinctive.

Next, Thanksinsomnia is positioned in the higher-priced market quadrant due to its premium pricing strategy. Based on the survey, 32.5% of respondents gave low scores (1-2), disagreeing that Thanksinsomnia's products are affordable. However, 39.5% gave neutral scores, indicating a perception that its prices are neither too high nor too low. Regarding uniqueness, the survey showed 32.6% of respondents were neutral, 30.3% gave low scores (1-2), indicating a lack of uniqueness, and 37.3% gave high scores (4-5), suggesting some respondents find its products unique. Therefore, the perception of Thanksinsomnia's uniqueness is mixed, with a slight leaning towards being unique.

There are three indirect competitors for Svstain: H&M, Cotton On, and Uniqlo. On the perceptual map, these brands are positioned in a higher-priced market quadrant than Erigo, Thanksinsomnia, and 3Second. According to the survey:

- H&M: 46.5% of respondents gave low scores (1-2) for affordability, indicating that its products are perceived as expensive. However, 65.1% of respondents gave high scores (4-5) for uniqueness, signifying that H&M's products are regarded as having distinctiveness.

- Cotton On: 44.2% of respondents rated its affordability low (1-2) and perceived it as expensive. For uniqueness, 39.5% gave neutral scores, while 39.6% gave high scores (4-5), indicating that Cotton On is moderately unique. Compared to H&M, Cotton On is positioned slightly lower in price and uniqueness.

- Uniqlo: 37.2% of respondents rated its affordability low (1-2), indicating that its products are also expensive. However, 32.6% gave neutral scores. 86% of respondents gave high scores (4-5) for uniqueness, showing that

Uniqlo is viewed as significantly unique, outperforming H&M and Cotton On in this dimension.

Svstain is positioned in the market quadrant with high uniqueness and affordable prices. This is supported by 95.4% of respondents who gave high scores (4-5) for affordability, indicating they consider Svstain's products affordable. Additionally, 97.7% of respondents gave high scores (4-5) for uniqueness, highlighting that Svstain's products are perceived as highly distinctive.

4.3 Annual Sales Estimation

In a business like Svstain, product sales are the primary revenue stream. Sales performance depends on several factors, such as the target market, market size, accessible market, competition, and promotional efforts by the business. Sales can be estimated using data from previous transactions, accounting for potential increases or decreases influenced by various factors affecting product demand. The sales data utilized by Svstain for this estimation includes data collected during the KMI Expo 2024, a three-day bazaar held in October 2024, and online sales via e-commerce platforms throughout October 2024.

Table 4.1 Svstain's 3-Year Sales Projection

3-Year Sales Forecast

3-Year Sales Forecast
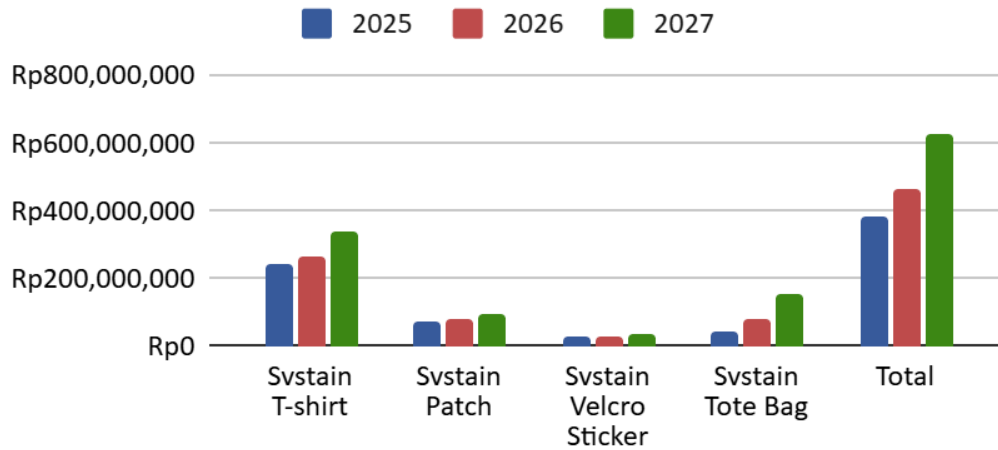
Legend: 2025, 2026, 2027

Number of Sales	2025	2026	2027
Svstain T-shirt	1,618	1,792	2,263
Svstain Patch	2,477	2,744	3,307
Svstain Velcro Sticker	1,089	1,206	1,474
Svstain Tote Bag	312	624	1,170
Total	5,496	6,366	8,214
Unit Price	2025	2026	2027
Svstain T-shirt	Rp149,900	Rp149,900	Rp149,900
Svstain Patch	Rp29,900	Rp29,900	Rp29,900
Svstain Velcro Sticker	Rp24,900	Rp24,900	Rp24,900
Svstain Tote Bag	Rp129,900	Rp129,900	Rp129,900

Total	Rp334,600	Rp334,600	Rp334,600
Unit Cost of Sales	2025	2026	2027
Svstain T-shirt	Rp62,000	Rp62,000	Rp62,000
Svstain Patch	Rp7,200	Rp7,200	Rp7,200
Svstain Velcro Sticker	Rp5,200	Rp5,200	Rp5,200
Svstain Tote Bag	Rp60,900	Rp60,900	Rp60,900
Total	Rp135,300	Rp135,300	Rp135,300
Total Sales	2025	2026	2027
Svstain T-shirt	Rp242,538,200	Rp268,620,800	Rp339,223,700
Svstain Patch	Rp74,062,300	Rp82,045,600	Rp98,879,300
Svstain Velcro Sticker	Rp27,116,100	Rp30,029,400	Rp36,702,600
Svstain Tote Bag	Rp40,528,800	Rp81,057,600	Rp151,983,000
Total	Rp384,245,400	Rp461,753,400	Rp626,788,600
Total Costs	2025	2026	2027
Svstain T-shirt	Rp100,316,000	Rp111,104,000	Rp140,306,000
Svstain Patch	Rp17,834,400	Rp19,756,800	Rp23,810,400
Svstain Velcro Sticker	Rp5,662,800	Rp6,271,200	Rp7,664,800
Svstain Tote Bag	Rp19,000,800	Rp38,001,600	Rp71,253,000

	Total	Rp142,814,000	Rp175,133,600	Rp243,034,200
	TOTAL NET SALES	2025	2026	2027
	Svstain T-shirt	Rp142,222,200	Rp157,516,800	Rp198,917,700
	Svstain Patch	Rp56,227,900	Rp62,288,800	Rp75,068,900
	Svstain Velcro Sticker	Rp21,453,300	Rp23,758,200	Rp29,037,800
	Svstain Tote Bag	Rp21,528,000	Rp43,056,000	Rp80,730,000
	Total	Rp241,431,400	Rp286,619,800	Rp383,754,400

Svstain's sales projections for 2025 to 2027 reflect stable growth across all product categories, including T-shirts, patches, stickers, and tote bags. Essential products like Svstain T-shirts and Svstain patches remain the most significant contributors, with sales expected to increase from 1,618 units and 2,477 units in 2025 to 2,263 units and 3,307 units in 2027, respectively. Stickers also show a positive growth trend, rising from 1,089 units in 2025 to 1,474 units in 2027, solidifying their role as complementary items to the main product line.

Svstain's total gross profit is projected to grow from IDR 384,000,000 in 2025 to IDR 627,000,000 in 2027. The selling prices per unit remain consistent, such as IDR 149,900 for T-shirts and IDR 29,900 for patches. Production costs are well-managed, with T-shirts costing IDR 62,000 and patches IDR 7,200, ensuring Svstain maintains optimal profit margins.