

EXECUTIVE SUMMARY

This business idea started from the current condition where the people are started to apply healthy lifestyle in their daily life where people now get more into sport and eat healthy food. Tetra Pak (www.tetrapak.com) in their report “The Convergence of Health & Environment”, mentioned that 86% Indonesian respondent believe that healthy life style is important, and globally more than 65% of them plan to change their exercise habit to ensure that it could create a better health condition. In addition, 35.7% from total Indonesia population actively doing sport according to Ministry of Youth and Sport as reported from the BPS-Statistics Indonesia in 2018.

In 2020, with the impact of Covid-19 pandemic catch the world in shock which claimed million lives and hit almost all industries adversity, it creates business opportunity. The pandemic creates new habits and lifestyles, where people must respond, recover, rebuild and adapt living with the Covid-19. In UK for example, the sales of bike in April 2020 has been increasing almost 200% and in Indonesia, the producers of bicycles try to meet the demand by increasing the production capacity to 20%-30%. The trend of doing sports is impacting the production of other related sports companion such sports equipment, application including apparels. With its demand, new opportunity in apparel industry is widely open. PT Inovasi Mode Indonesia (PT IMI), a sportswear seller capture this opportunity through its brand “Moshion” and will serve the market with apparel products that could meet the needs of the consumer to support their active and healthy lifestyle.

Based on the Porter’s 5 Forces competitive analysis on the opportunity of the sport apparel business, the market for this industry is largely potential and supported by the capacity of suppliers that grow rapidly in the industry, including designers, textile and transportation services. Especially, for the market in Indonesia, which is majority Muslim women, only small numbers of local sportswear business players that capture this market. The market share is still open to grab and could win the competition. PT IMI exists to capture this untap market who are open to new product of Muslim sporty apparel amongst the players that already serve their targeted market with sport apparels.

Before the pandemic event, 115 respondents from a survey distributed to the Muslim community shared the needs to possess Shari and comfortable and practical sport wear for female in the age between 17 – 45 years old, majority is married female with children, has bachelor background and work as employee that has equal distribution on income from minimum wage to above IDR 20 million located mostly in Jabodetabek. As the demands is emerging, the Covid-19 pandemic also elevate healthy lifestyle to the higher level which will possibly expand the sportswear market significantly. As result of the 5's Forces analysis, Moshion is at strong level of competition in the industry with only small number of local players who are still new in the market. Moshion will enter the Muslim apparel market and focus to specific segment that are characterized as middle low young Muslima lives in suburb area who has the enthusiasm to sports and maintain its shari principle in public. Based on the rivalry analysis, Moshion is considered as part of the focus cost strategic group.

With its focus cost strategy, PT IMI as a value chain company, differentiate itself with competitor through its values SHARIA which offers affordability in price with average IDR 184.000 per unit and practicality in design while keeping its Shari principle for an outfit as well as the comfort level with material which will give the costumer new experience in doing sport activities confidently. As the focus area, PT IMI will concentrate to the market at 5 big cities in Java Island (Jabodetabek, Bandung, Semarang, Yogyakarta and Surabaya) with targeted market as big as 6.3 million potential buyers according to calculation based on BPS data. The product will penetrate the market through massive digital marketing communication and events with 70% digital commercial contribution and other contribution from outlets and department store. Through its focus cost strategy implemented in its operations strategy, Moshion is optimist to enter the market and compete with local existing player HIA Everywear in the same strategic group and grab the market share of specific untap customer with the affordable product of sharia concept.

With NPV of Rp 39.655.514.087, IRR 39%, it makes this business attractive and feasible. PT IMI planned to invest Rp 16.000.000.000, with capital cost 17,6%. Business feasibility analysis showing this business in high risk category, therefore, seeing the potential huge demand in the future, the company is optimistic that the business will grow. As result, PT IMI will successful in this business as the sporty apparel seller for young suburb Muslima in Java.