

EXECUTIVE SUMMARY

In Indonesia, e-commerce has become the most popular platform to buy and sell new goods, while there are only a few platforms that facilitate second-hand goods transactions. In 2019, the second-hand goods total transaction in OLX reached Rp 49 billion and this number only reflects a modest portion of second-hand goods market potential. In addition, based on research conducted by Carousell, 8 out of 10 Indonesian people are willing to purchase second-hand goods.

According to Olivia Lautner, Indonesia Associate Country Manager Carousell, on average, 82% of 1000 people have 29 unused second-hand goods that are stored in their house such as toys, clothes, books (SWA 2017). Moreover, based on our findings, the majority of the respondents sold their second-hand goods if they still want to earn something or just donated their second-hand goods if they do not bother with the goods anymore. However, there are several issues that arise from selling second-hand goods such as low offer price, takes time to sell, inconvenience in doing COD, hard to take good photos, tough bargaining, and lastly, trust issues between both parties. From a buyer perspective, there are also several concerns such as bad quality, fictitious sellers, and difficulty in bargaining. If all of these problems in the second-hand goods market can be solved, the future growth for this market will be promising.

BarterBarang is created to become the solution for both second-hand goods buyer and seller. BarterBarang will be able to facilitate both transactions that previously faced many obstacles to become more practical and trusted. Practical because the customer does not need to take an attractive photo, negotiate, and COD. The transaction system will adopt an open barter system that makes the seller can immediately use their stored goods value to exchange it with any other goods based on their preference. Trusted because every goods in the BarterBarang system is already through proper inspection and quality assurance. In addition, BarterBarang always makes sure the valuation will be fair for all customers.

BarterBarang's competitive strategy is cost focus and this strategy will be implemented in all divisions such as marketing, operation, human resource, and finance. The total market potential for second-hand goods is Rp 1.2 trillion. BarterBarang will target conservative segment in Jabodetabek from 13-34 year old. This segment's main characteristics emphasize originality and affordability. They only purchase something necessary, therefore they tend to appreciate BarterBarang value

because BarterBarang can ensure all their belongings are useful. The segment size for conservative is considerably big with around 13% from total market potential worth around Rp 156 billion.

The total capital needed to establish BarterBarang is Rp 17.4 billion with the target total revenue approximately Rp 20.9 billion in year 5. Based on going concern assumption, the expected NPV for this project will be Rp 36.9 billion and the estimated IRR most likely scenario will be around 24.6 %.

