Study on Indonesia’s Fashion Market

How to enter Indonesia’s Ready-to-Wear fashion market?

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Introduction

When we think of fashion, renowned cities such as Milan, Paris, New York, London and Italy comes to mind. They are noticeable internationally; fashion brands and designers from Europe and America are praised for their unique, fresh, and up to date designs. They are the ones who set the boundaries.

Asian designers are emerging, but still lack of Well-known Asian designers in the international fashion Industry. Although there are some Asian designers who are making a breakthrough through their design in big leading cities such as Paris and New York, it is still an opportunity given and open only to small minority (Shamdasani, 2013). This is caused of some Asian designers still lack of originality, uniqueness and aesthetic. Creative Trends service (Hong Kong)’s founder Leow (2013) explained that many trends in Asia and the West followed on what is shown on the fashion shows of main fashion cities. Until they have designers that truly rival the ones working in these cities, he argues that nothing will change (Michael, 2013).

Following in the footsteps of the Japanese who had put their names in fashion history internationally from the 1980s onwards, China and South Korea currently there have a number of growing well-known designers, while Indonesia is rarely mentioned. Sjamsidar Isa (2015), Chairman of Indonesian Fashion Designers Association (IPMI) assessed that this is because Indonesia fashion show is still often regarded as a kind of feast, which causes the lack of Indonesian designers promotion. While in fact, designers also need their own promotion to be known. Fashion shows in Indonesia need to be taken more seriously. With the recent growth of fashion development in Indonesia, the country does have the potential and support from the government and from the country’s fashion enthusiasts. Indonesia is ready to move forward and take a step forward to play and be a part of the fashion industry.
Indonesia’s fashion and lifestyle are currently getting more exposed and local customers are starting to pay more attention to fashion, since Indonesian’s works in term of quality are not inferior to other nations and ready to compete internationally (Budiardjo, 2015). Individuals in Indonesia are starting to express their individuality and are motivated to show their own distinctive personal style. This change in customer behavior of Indonesians shopper has been helpful to the growth of Indonesian fashion industry (Muchilson, 2011). It gives more diversity on Indonesia fashion target group.

Despite the fact that fashion is rapidly growing in Indonesia, only big metropolitan main cities are affected by it. Jakarta as the capital city of Indonesia followed by Surabaya – the second biggest city in Indonesia is both showing a steady phase on the style development. Both metropolitan cities are the biggest home for fashion enthusiast in Indonesia. Therefore, when it is about Indonesian fashion, it is about Jakarta and Surabaya fashion.

Local brands have always been available for Indonesians to shop, but the phenomenon of emerging new ready-to-wear local brands and fashion designers is a huge hit recently. Jakarta and Surabaya are starting to appreciate local brands; customer awareness of local brands such as The Goods Dept, Anye and many more is increasing. The current fashion market in Indonesia has a mix of traditional, cultural aspects of Indonesian culture and are mixed with the new, simple yet modernized style.

New rising Indonesian designers who have been active for only five years in Indonesia's fashion Industry such as Tex Saverio, Peggy Hartanto, and Patrick Owen are starting to expand and are taking Indonesian fashion to a new international level. They are elevating the name of the country by slowly taking over the heart of their international fans, targeting international customers and not only locals. In a nutshell, Indonesia has low labor costs, many accessible sources, and its rapid growth of middle class and affluent consumers in the country, Indonesia shows a high potential for growth in the fashion industry.
This paper covers and discusses the current market of Indonesia’s fashion industry: an analysis of the Indonesian fashion demand, opportunities to start a fashion brand in Indonesia and how to start my brand and gain recognition in Indonesia. I will be investigating useful and relevant information by a case study analysis focusing on Indonesian existing ready-to-wear brands for the development of up-and-coming local luxury ready-to-wear fashion brands.

**Body**

**Competitor’s Analysis: Tex Saverio, Peggy Hartanto, and Patrick Owen**

Indonesia’s fashion designers have grown year-by-year, especially ready-to-wear fashion designer in Indonesia. Let’s start off with Tex Saverio, the number one luxury designer currently in Indonesia. Tex started his career in ready-to-wear fashion business on December 2012. He instantly gained popularity by several Hollywood celebrities months later by producing a one of a kind dress for Lady Gaga. His big break was made possible because of Lady gaga who wore Tex’s one of a kind dress for her Lady Gaga Fame promotion campaign and also for her photoshoot for Harper’s Bazaar magazine in the US (see fig. 2). Not only that, the metal organza-wedding gown that he designed have also appeared in Hollywood movie; Hunger Games who was worn by the main actress Jennifer Lawrence.

![Figure 2 – Lady Gaga in Tex Saverio](image)

Tex Saverio’s success is the result of his insistence on doing what he likes and dare to show his own trademark character through designs, so he
did not follow other designers. "I was never afraid of my designs do not sell well, even with the consistency I designed something different, the demand for dresses my work actually increased. All the ordering clothes on me really understand how my work on stage, and how my work in everyday life," said Tex for Kompas Female in Jakarta fashion week 2012. Tex claimed that the stage is simply a fashion show, not a place to sell clothing collection (Dini, 2011). Therefore, he never get interested in making ready-made clothing for the fashion show, to have clients or subscribers from the performances. Fashion show means to express art and to pour all imagination or distribute creative side.

Tex's design are known for always being extravagant, it speaks luxury for the Indonesian customers. He has an eye for detail, focusing on little details such as embellished hand stitching; shiny embellished stones and ornaments, complicated laser cut patterns, and even stunning show stopper headpieces. His design aesthetics are modern, up to date, and edgy. Price tag for his stunning designs starts from IDR 2.500.000 ($170) for a top, and up to IDR 25.000.000 ($1800) for his one of a kind jacket.

Another rising fashion ready-to-wear designer that got Asian New Generation Fashion Designer Award in 2013 as Indonesian representative is Peggy Hartanto. While Tex focusing on his handcraft and experimental design, Peggy is acknowledging for her clean and minimalist design. Her first collection of SS13 UNSEEN was debuted at Jakarta Fashion Week 2013, in November 2012. In this first collection, the label gained attention from national and international media when the collection was seen in public figures in notable events (galleries lafayette, 2015).

Peggy's collections are celebrated by international celebrities such as Giuliana Rancic from E! And Fashion Police TV show and Kaley Cuoco in People's Choice Awards. In 2015, the records of celebrities who wear her clothing continue to increase. The in model Gigi Hadid wore Peggy's Nimbus jumpsuit while attending a party given by the Sports Illustrated magazine in mid February 2015. The rise numbers of international celebrities who wear
and acknowledge Peggy’s design make Indonesians proud and love their own local products. It made Peggy’s entered the outstanding designers’ names from Indonesia even Asia.

Peggy’s main selling items in her collection are dresses and jumpsuits. The price range of these items is also a fairly affordable for buyers whose incomes are upper middle class, which is about IDR 3,900.000 to IDR 5,800.000 ($295 - $440) (see fig. 3). While for accessories such as belt is around IDR 300.000 ($22). A lot of costumers who want to buy Peggy’s items in addition to its affordability, also because of its quite well-known design that people would recognize it is from her and comfortable to wear to any occasions, such as when they want to hang out during leisure time to the malls or various events from formal to informal. This also is one of many reasons that make Peggy managed to penetrate the fashion market in Indonesia, which is where the most brand in Indonesia not timeless design, always extravagant and do not have minimalistic feeling like Peggy has.

Another designer who has minimalist style is Patrick Owen. Patrick Owen is the first Indonesian designer that style leads to street wear. With the new clothing line launched in 2012, Patrick’s fashion creations quickly caught the attention of a wide range of fashion and social communities in Jakarta. Armed with a mission to revolutionize the design of everyday dress women based on his philosophy that every woman should have an adventurous spirit
but remains graceful even in everyday style. He creates high quality collections that display bold prints, hand-stitched embellishments, and brave line cut, with the nuances of romantic and sophisticated. Dubbed as "the next big thing" by local fashion media (jakartafashionweek, 2016). Patrick also started venturing into the men's clothing line, inspired by the androgynous style.

Similar to Peggy, Patrick’s items also for upper middle class costumers. The price range is from IDR 3.555.000 to IDR 4.850.000 ($265- $370) (see fig. 4). He also sells furniture accessories items, which are highly priced to buy fashion live style item. It is about IDR 880.000 ($66) for a pillowcase and IDR 10.800.000 ($880) for 3D embellished tablemat.

Similarities between the mentioned brands are that they have given Indonesian customers with a wearable style that is suitable for the their demands. It is important for a brand to have a strong trademark where customers can be are attracted to and willing to buy the item. A trademark can distinguish a brand from another, if customers can recognize their trademark. Take an example from the mentioned Peggy Hartanto who is famous for her cutting designs and simple down to earth tone, or go crazy with digital prints like Patrick Owen, or highly luxurious handcrafted embroideries avant garde style from Tex Saverio. The price range of the clothes has to be affordable yet appealing to the market. Best selling key items should be available per collection, for example, with Peggy’s stylish dress that keeps young sophisticated females came back for more, or Patrick’s daring sweater, which
is covered with digital prints.

**The opportunities to make a brand in Indonesia**

**Gigantic Indonesia**

Indonesia has a population of 260 millions and is one of the most populated country and the largest in south East Asia. Currently Indonesia is showing rapid change, economy itself portrays great hope. Being the fourth most populated country, Indonesia is number sixteen of largest economy in the world. In 2030, it is estimated that Indonesia will be the seventh biggest economy in the world. Within fifteen years, Industrial Indonesia will be the home of 113 million skillful workers, and the place for 135 million fellows of the consuming class (McKinsey Global Institute, 2013). Since Jakarta and Surabaya are the most populated cities in Indonesia, these cities will be the place for fast development in infrastructure and modernization. For the fashion industry, this means advantages. With growing economy and massive consumers in Indonesia, it is easier for a brand to sell and offer their collection for the market. Furthermore, startup business owners can hire affordable employees for the brand to work and expand; growing a new business in Indonesia is doable. Resources such as fabrics, trimmings, and machines are easy to find and affordable too.

**The rise of middle class & wealthy costumers**

After the election of Indonesia’s new president Joko Widodo in the late 2014, economy growth in Indonesia is starting to rise (Euromonitor.com, 2016). There are approximately more than 50 million people out of Indonesia’s population, or roughly 20.8% who are entering the middle class tier between 2003 and 2010 (Schonhardt, 2012). The Indonesian middle class has grown up to 150 million people in the year of 2015 (Voice of America, 2015). There is a large increase on the middle class and wealthy class, the number of people who is entering this category is rising and are going to rise constantly in the near future (Euromonitor, 2015). The future of consumer looks bright and it continues to shine, as numbers of young buyers under the age of 30 are staring to jump into the tier (Schonhardt, 2012). Indonesia is
surprisingly the home of 98 thousand millionaires (Credit Suisse, 2014) – with
the rise of middle class and affluent customers in Indonesia, more money will
be spend on products and services since each individual have a higher
disposable income. The rise of the middle class and wealthy customers
expands the target market quantity in Indonesia. With many people liking
luxury expensive items, building a luxury brand in Indonesia suits the market
potential.

Consumptive culture

Compared to other Asian countries such as Singapore and Japan,
Indonesians are seen as high spenders in shopping. The desire for
Indonesians to shop for the hottest and newest item on the market is very big,
seems that nowadays Indonesia’s consumer really want to follow what is hot
in the market with the growth of the fashion industry itself. Quoted from Astri
Permatasuri (2015), the head of marketing and communications at Plaza
Indonesia Mall in Jakarta: “The economic growth in Indonesia is very good, so
as you can see it also affects the consumer behavior toward shopping.
Indonesians are very known, as impulsive buyers like “what’s the trend, we
have to get it”. Indonesian tends to shop for luxury and branded items outside
from Indonesia, since price are definitely cheaper outside. Affluent Indonesian
customers always want things instantly, they do not mind paying the high
price tag (Alisjahbana, 2015). The consumptive Indonesian customer desire to
pay more, since status and wealth is considered one of the most important
things for Indonesians.

Fashion demand in Indonesia & the style

There is a difference between the fashion style that sells well in Jakarta
and Surabaya. Female consumers who are living in Jakarta tend to be more
fashion forward with versatile, toned down look. Fashion consumers in
Jakarta tend to dress more casual so they can achieve a versatile style
towards a busy day in the capital city (Parzada, 2015). Compared to
Surabaya, the style that sells well are a more of feminine, chic, and
glamorous. Dresses and skirts sell well here because female consumers in Surabaya are more into the chic look (Halim, 2016). But on the design aesthetic, both cities are into western, modern, sophisticated style and luxury (Parzada, 2015).

Urban street-wear brands are starting to dominate the younger market of fashion in Indonesia. Teenagers starting from the age of 15 to young adults on the age of 30 are starting to follow the street wear style. International brands such as Adidas, and Nike are on its peak at Indonesia, offering consumers with its laid back, casual sporty look. Local brands such as Patrick Owen, and LMT is seen as one of the most promising urban street-wear labels in Indonesia.

How to get your Fashion design noticed and accepted in Indonesia fashion market

1. Internet and social media in Indonesia

The growth of social media and Internet has proven to be one of the best methods for advertising for the Indonesian customers. Since the boom of smartphone, Indonesians are always seen with their phone. Social media such as Instagram, Path, and Facebook are the biggest players in Indonesia. Many Indonesian designers and brands first starts online without having a physical store, and after a few lucky months selling their clothes in the industry they can then afford owning a store (Prawitasari, 2015). Designers and brands such as Peggy Hartanto, LMT, Poise24 started selling online first through Instagram and their personal webpage. Many brands try to maximize their online campaign and online sales, since now online sales are their biggest income, and secondly it is easier for them to keep in touch with the customers through the comment section. Promotions online are very cheap and fast through social media.

2. Jakarta Fashion Week: the window to Indonesia fashion

There are definitely fashion shows airing in the country, but the number
one fashion show has to go to Jakarta Fashion Week (JFW) that is held yearly by Femina Group since 2011. It is every Indonesian designers dream to join this spectacular fashion show since it is being covered with hundreds of local and international press. The 7 days fashion show has its own show planned for new and emerging designers, which is very good for publicity, and future prospects. Getting into JFW for a new brand means that you get a golden ticket for expanding the future possibilities of the brand (Prawitasari, 2015).

3. Joining the Indonesian Fashion Forward program by JFW

Indonesian Fashion Forward (IFF) is a movement made by JFW with the aim of elevating the Indonesian fashion scene. IFF is held yearly and the program lasts for 1 full year. It is a ‘training’ camp for designers that are luckily chosen from a screening competition, to that are being mentored by fashion professionals. Joining the program gives you access to the Indonesian fashion world; from press and media, production, fashion shows locally and internationally. Designers that have been a part of the movement include: Sapto Djojokartiko, Peggy Hartanto, Tex Saverio, Patrick Owen, and many more. Sharon Marlisa aims to enter the program after the brand has experience selling for a few years in Indonesia, giving a focus sole on the street wear brand identity that are currently lacking in Indonesia.

Figure 5 – Indonesia Fashion Forward with Indonesian president “Joko Widodo”
Conclusion

In this thesis I have investigated the fashion market in Indonesia to understand in what way I can develop and position my own brand. I have done this by analyzing popular, demanded, and selective local brands in Indonesia. First, after doing the research Sharon Marlisa is going to be released as a brand that has a high focus on design identity. Tex Saverio, a high-end luxury Indonesian designer said that it is very important for a brand to have trademark without having to follow the demand from the market. Second, Sharon Marlisa has to position the brand under the category of luxury street wear in Indonesia. Indonesians are very attracted to high quality, expensive and luxury items, especially now that they are starting to pay attention to local brands and designers too. Currently, there are not so many street wear brands in Indonesia, when the demand is quite big. This is one of Sharon Marlisa’s strongest advantages on having the business in Indonesia. Price range of our products will be affordable. The collection consists of many fashion key items; from jacket, tops, bottoms, dresses, and accessories including caps, backpacks, and stylish ankle pads. Customers can easily mix and match Sharon Marlisa’s daring street wear style from this collection.

My intention would be to launch Sharon Marlisa with a collection that is fully supported by IFPP. Following my research, my collection would be 6 outfits, a lookbook, webshop, a collection book that will cover business plan, brand identity and the brand’s collection range plan that will be sign up for JFW program in Jakarta after my graduation.
Source List

Books

Interviews
Permatasuri, A. (2015). *Plaza Indonesia Targeting into Southeast Asia’s Shopping Center*.

Online Images:


Speechs


Websites


