

Available online at [www.sciencedirect.com](http://www.sciencedirect.com)**ScienceDirect**

Procedia - Social and Behavioral Sciences 169 (2015) 240 – 248

---



---

**Procedia**  
 Social and Behavioral Sciences
 

---

The 6th Indonesia International Conference on Innovation, Entrepreneurship and Small Business,  
 12 – 14 August 2014

## Lesson Learned from Indonesian Biggest Fashion Retailer Company to Encourage the Development of Small Fashion Business

Ivana Liliani Sugih<sup>a\*</sup>, Subiakto Soekarno<sup>b</sup>

<sup>ab</sup> School of Business and Management, Institut Teknologi Bandung, Jl. Ganesha 10, Bandung 40132, Indonesia

---

### Abstract

Indonesian retail industries for fashion sector continue growing vigorously due to raise of income per capita and rise of middle-up class people. PT Mitra Adiperkasa Tbk (MAP) is the leader of fashion retailer in Indonesia. The company's stock had ever categorized as a blue chip stock in February 2013 - January 2014 indicates its satisfactory performances. The company successfully brought many top fashion brands from other countries such as Zara and takes the Indonesian market well. In 2014, the stock is no longer pinned as a blue chip even some securities dwindled 24% of the stock price and the profit growth reach the negative area. The issues above trigger a curiosity about the company performance and value. How is the actual financial performance of MAP compare with other local and global companies? What innovative idea does each brand of MAP have to captivate Indonesian market? How small fashion businesses in Indonesia should develop themselves to be the fashion leader brand in the home country? To assess the financial performance, ratio analysis is going to be used. PT Mitra Adiperkasa financial performance will be compared with PT Matahari Department Store, PT Ramayana Lestari Sentosa, FJ Benjamin Sdn Bhd (Malaysia), Royal Sporting House Ltd (Singapore), and Giordano International Ltd (Hong Kong). The valuation will use 2 methods; DCF and market approach. The valuation using DCF method confirms that MAP's shares will grow 46% in 2029. This financial analysis is an encouragement either for the entrepreneurs to start fashion business or small businesses to continue developing since in the future fashion business is always tempting for investors and customers. Small fashion business should implement effective and efficient supply chain to create fast retailing and become the fashion business leader in the home country.

© 2015 The Authors. Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of Center for Innovation, Entrepreneurship, and Leadership (CIEL), School of Business and Managements (SBM), Institut Teknologi Bandung (ITB).

---

\* Corresponding author.

E-mail address: [ivana.liliani@sbm-itb.ac.id](mailto:ivana.liliani@sbm-itb.ac.id)

**Keywords:** mitra adiperkasa financial position; mitra adiperkasa valuation; fashion industry; ratio analysis; dupont analysis; small fashion business indonesia; fahion market segment

## 1. Introduction

The fashion industry is indeed a dynamic business, characterized by demand uncertainty resulting from the high variation in styles and consumer tastes, makes it impossible to forecast demand accurately. Retail is an activity of selling small quantity of goods and services to the end-users. In 2012, this sector contributed 1.44% increase of GDP Indonesia. Several factors such as an increase in purchasing power of Indonesian consumers especially on special occasions like Aid Mubarak, Christmas, Chinese New Year, etc ; high population growth ; rising income per capita; and a rise of middle-up class people in Indonesia support the Indonesian retail growth. Retail sector itself is divided into several retail areas including food & drink, fashion, household goods and other subsectors.

Fashion is always an interesting topic to be discussed since it is one of human primary needs. Everyone wears clothes and footwear everyday in every activity, encourages people to have more than one cloth and footwear. Moreover, rapid changes in fashion season impulse people to not stop buying fashion items. In addition, fashion determines someone from social class unto their characteristic. That is why fashion retail sector will always expand greater and be more attractive to be contemplated.

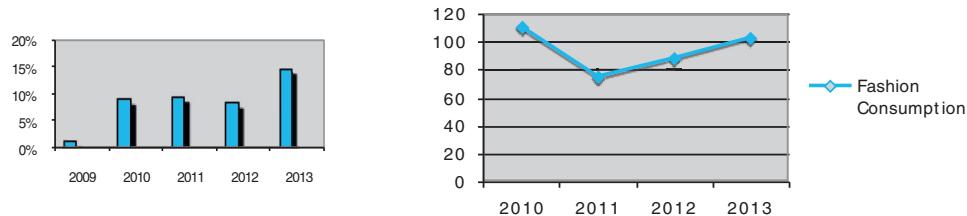


Fig. 1. (a) Indonesian Retail Growth; (b) Indonesia Fashion Consumption Index

PT Mitra Adiperkasa Tbk (MAP) is the biggest fashion retailer company in Indonesia. It was established in 1995 and listed in Indonesian Stock Exchange in 2004. The key business of this company is bring the top fashion brand and department stores from other countries to Indonesia such as Zara, Topshop, Sogo Department Store. Currently it has more than 1700 stores in 57 cities in Indonesia and employs 18,000 employees. The vision of the company is to strengthen our position as number 1 retailer & distributor in Indonesia (online and offline). The mission is to bring health, happiness and a more fulfilling lifestyle to our valued customers through our portfolio of world-class brands and delightful shopping experience.

MAP has performed significant business growth in Indonesia proved by many awards achieved. One of them is Indonesia's Most Admired Companies (TOP 20) by Fortune in 2012. In February 2013- January 2014, the MAP stock is categorized as a blue chip (LQ45). It indicates MAP had great performance compare to other listed company. The unstable exchange rate is the biggest challenge of MAP to keep the price affordable and also profitable for the company. MAP's strategies in 2008 effectively encountered the global economic crisis in 2008, which affect Indonesian rupiah exchange rate.

This research is intended to give a lesson learned from MAP for small fashion businesses to survive and develop significantly so finally able to dominate either national or international market. Several analyses are undertaken to support the strategy and innovation advises. The analyses are performance analysis and company valuation using asset based approach, market approach and discounted free cash flow approach.

## 2. Literature

Understanding the fashion industry and exactly your label will sit is fundamental (Meadows, 2012) to make your product and business precise. Some research should be done to help understanding your potential product at current

and future markets. Market segment in fashion is different and each fashion business should acknowledge each market segment to be the future leader company in the fashion market. Product area analysis is an analysis to help small fashion business focuses on one area of fashion. Performance analysis is an evaluation of company's performance for the specific period using ratio analysis. In this research the analysis will be undertaken for 5 years period from 2009-2013. PT Matahari Department Store and PT Ramayana Lestari Sentosa are the companies from local whereas Royal Sporting House (Singapore), Giordano International Ltd (Hong Kong), FJ Benjamin (Malaysia) are the representative of global companies. In this research DuPont analysis will be used to dig deeper information from the MAP performance so that the appropriate advises can be offered. Company valuation helps estimating the company value based on its assets, market and free cash flow. Valuation helps to see investor's interest to the business and hopefully give a brief picture for fashion business in Indonesia.

### *2.1. Market Segment*

From the very beginning a businessman should decide the level to position the fashion label. One analysis to help define the strategy is market segment analysis. The three main market segments are Haute Couture, ready-to wear and mass market.

### *2.2 Product Area Analysis*

Begun with focusing on just one area is wiser while the fashion industry offers a broad spectrum of product categories. The more specific the target market, the bigger the chance of developing a strong message of the brand and delivering a great product to your buyers, press and consumers alike. The figure below will show the typical areas that many new fashion start-ups choose to specialize in.

Area	Brief	Market
Women's daywear	Practical, comfortable, fashionable	Haute couture, ready-to-wear, mass market
Women's eveningwear	Glamorous, sophisticated, right for the occasion	Haute couture, ready-to-wear, mass market
Women's lingerie	Glamorous, comfortable, washable	Haute couture, ready-to-wear, mass market
Man's daywear	Casual, practical, comfortable	Tailoring, ready-to-wear, mass market
Man's eveningwear	Smart, elegant, formal, right for the occasion	Tailoring, ready-to-wear, mass market
Boys' wear	Practical, hard-wearing, washable, inexpensive	ready-to-wear, mass market
Girls' wear	Pretty, colorful, practical, washable, inexpensive	ready-to-wear, mass market
Teenage wear	Highly fashion-conscious, comfortable, inexpensive	ready-to-wear, mass market
Sport wear	Comfortable, practical, well-ventilated, washable	ready-to-wear, mass market
Knitwear	Right weight and color for the season	ready-to-wear, mass market
Outerwear	Stylish, warm, right weight and color for the season	ready-to-wear, mass market
Bridalwear	Sumptuous, glamorous, classic	Haute couture, ready-to-wear, mass market
Accessories	Striking, fashionable	Haute couture, ready-to-wear, mass market

Fig. 2. Product area for fashion

### *2.3 Ratio Analysis*

Ratio analysis is a method to evaluate the overall financial condition and performance of a company. It compares the number against previous years, other companies, the industry or even the economy in general. Ratios look at the relationships between individual values and relate them to how a company has performed in the past, and how it might perform in the future.

Two types of ratio comparison will be used in this research. Cross sectional analysis involves the comparison of different company's financial ratio at the same point in time. Regularly, a company will compare its ratio values to those of a key competitor. Time series analysis will evaluate company's performance over time. Multiyear ratio comparison will develop trend and enable any investigation of company's progress. This ratio analysis will examine MAP's liquidity, activity, debt, profitability and market.

## 2.4 DuPont Analysis

DuPont analysis is a method to dissect a company's financial statement and to assess its financial condition which is summarized in ROA and ROE. By breaking ROA and ROE we will get deeper insight about the company and which part should be improved to get the better performance.

$$ROA = \frac{\text{Earnings available for common stockholders}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total Assets}} = \frac{\text{Earnings available for common stockholders}}{\text{Total Assets}} \quad (1)$$

$$ROE = \frac{\text{Earnings available for common stockholders}}{\text{Total Assets}} \times \frac{\text{Total Assets}}{\text{Common stock equity}} = \frac{\text{Earnings available for common stockholders}}{\text{Common stock equity}} \quad (2)$$

$$ROE = \frac{\text{Net Income}}{\text{Earnings before tax}} \times \frac{\text{Earnings before tax}}{\text{EBIT}} \times \frac{\text{EBIT}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total Assets}} \times \frac{\text{Total Assets}}{\text{Equity}} \quad (3)$$

## 2.5 Valuation

According to Aswath Damodaran on his book *Investment Management*, there are 3 methods to determine the company value but only two of them will be used on this research:

- Market approach valuation. This approach is also known as price per earnings approach. It uses average P/E ratios of similar businesses that listed on a stock exchange.

$$\text{Firm value} = P_E \text{ ratio} \times \text{Earnings before tax (EBT)} \quad (4)$$

- Earnings approach valuation. This method focuses on the future income potential of a business. There are several variations in this approach, the one will be used in this research is Discounted Cash Flow Approach. This method refers to the time value of money concept. In order to determine the value of a firm, free cash flows of the firm, growth rate and weighted average cost of capital (WACC) should be determined.

$$\text{Value of company} = \sum_{t=1}^{\infty} \frac{\text{Free cash flow } t}{(1 + \text{WACC})^t} + \frac{\text{Free cash flow } t-1}{\text{WACC} - g} \quad (5)$$

## 3. Research Methodology

The source of secondary data required for this research is audited financial report of the companies. There are six financial reports from six companies in total. Those companies are PT Mitra Adiperkasa Tbk (MAP), PT Matahari Department Store Tbk, PT Ramayana Lestari Sentosa, Royal Sporting House (Singapore), FJ Benjamin Sdn Bhd (Malaysia), Giordano International Ltd (Hong Kong). All financial reports are for 5 years period from 2009 to 2013. Especially for Royal Sporting House, the financial report is only from 2009 to 2010 since the company decided to be delisted, so no more financial report afterwards.

## 4. Data Analysis

### 4.1 Haute Couture

Haute couture means luxurious combination of extravagant design, elaborately detailed and finished one-off pieces. First set up in Paris, servicing the very few who can afford the luxurious creations that are fitted specifically to the client's every measurement. For that reason, haute couture products sold at very high price. In Indonesia many people do not really understand the meaning of haute couture. Some fashion companies titled their product with

haute couture just to mark up the price product whereas the techniques of sewing are the same with other collections. It creates a bias definition of haute couture in Indonesian fashion industry. It is difficult for small fashion business to implement the real haute couture like Parisian did, because there is specific certificate for the designers who are allowed to create haute couture collections. Moreover, in other countries especially Western countries, this kind of fashion is used by celebrity or other top people to attend the award ceremony like red carpet. In Indonesia the red carpet events are seldom occur so the demand of haute couture is still very low.

#### 4.2 Ready-to-wear

Ready-to-wear is a viable alternative to haute couture which comes in a range of standard sizes that could be brought directly from the shop. By doing away with the necessity of long fitting sessions, it was far from expensive so that it is more accessible to a wider audience. Ready-to-wear products is produced only the number of garments ordered, thereby minimizing the risk of overproduction.

In Indonesian market, ready-to-wear products are more welcomed than haute couture. Although the price is still quite high, the products are more fashionable and can be worn for daily activities. Many fashion business in Indonesia started from ready-to-wear collections then begin to create haute couture collections. This market segment has wider target market so it enables to increase the brand or company awareness.

#### 4.3 Mass Market

Today most people wear mass-market fashion which serves even wider range of customers than ready-to-wear. Clothes are produced in very enormous quantities. The design is mostly adapted from the big names in fashion at the high end of the market. By being creative and produce the trendy products with cheaper materials, resulting an affordable fashion. The companies that implement this segmentation are Zara, Topshop, H&M and so on.

Mass market in Indonesia is still struggling. The small fashion businesses are reluctant to enter this segment because the ability to meet the market demand is still limited. Fast retailing, fast production and precise demand forecasting are needed and therefore challenge the business. One of ways to be one of the biggest fashion retailers is by entering mass-market segment. Combining internal ability and outsourcing will help the company cover the lack of ability.

#### 4.4 Product Area Analysis

Determining product area is an important element while creating a planning either to start-up fashion business or to develop current fashion business. This analysis will consider about:

- Fashion area of which the entrepreneur or businessman know the most. It will make the product area decision easier.
- Resources availability. All things needed to produce the fashion product are called resources. It includes human resources (labor), material resources, financial resources, and technology resources (machine).
- Market availability. One of the goals of company is generate profits from the sales. The revenue stream of the company is affected by the market availability. The spending of Indonesian people especial for fashion increase in the last 5 years. Indicates the fashion market in Indonesia is still growing, supported by the population and economic growth.

#### 4.5 Time-series analysis

Table 1. Revenue Growth Comparison

REVENUE GROWTH	2009	2010	2011	2012	2013
MAP	19%	15%	25%	29%	28%
Local	9%	13%	17%	20%	18%
Global	-10%	6%	20%	7%	%

Revenue that generated from sales is an important thing for both company and its stakeholders. The revenue itself should result in a significant growth year by year to create an allure for the company. MAP's performance according to the revenue growth is above both local and global competitors. It indicates that MAP was able to penetrate well to Indonesian customers.

Table 2. Operating Profit Growth Comparison

<b>OPERATING PROFIT GROWTH</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>MAPI</b>	80%	46%	39%	22%	-1%
<b>Local</b>	34%	23%	40%	23%	1%
<b>Global</b>	-25%	47%	144%	11%	-39%

The operation income of the company is important to consider the effectiveness of the company. From the operating income we can predict whether the company will gain or loss in the end of the year. Negative incentives from national condition of Indonesia drives operating profit of MAPI decrease each year. The huge impact comes from the instable Indonesian Rupiah (IDR) against US Dollar. Recall that MAPI products are middle high-class brands imported from foreign country. A great tension is unavoidable if the situation especially the exchange rate is not stable. Moreover, the operation cost tends to increase every year especially the labour cost.

Table 3. Net Profit Growth Comparison

<b>NET PROFIT GROWTH</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>MAPI</b>	335%	23%	79%	20%	-24%
<b>Local</b>	156%	14%	243%	33%	6%
<b>Global</b>	-39%	182%	46%	10%	-48%

Sales performance of the company is not merely the way to see the performance of the company. In the end, businesses will eagerly searching for profit and sustainability. Based on the table above, MAP net profit fell deep enough. It was caused by operation cost increase and fluctuating exchange rate in 2013.

#### 4.6 Cross-section analysis

Table 4. Cross-section analysis 2013

<b>Ratio 2013</b>	<b>Mitra Adiperkasa</b>	<b>Matahari</b>	<b>Ramayana</b>	<b>Giordano</b>	<b>FJ Benjamin</b>
<b>LIQUIDITY</b>					
<b>Current ratio</b>	111.74%	90.10%	246.49%	261.60%	160.05%
<b>Quick ratio</b>	38.10%	51.81%	155.97%	209.80%	74.73%
<b>ACTIVITY</b>					
<b>Inventory turnover</b>	166.08%	330.37%	442.69%	443.44%	181.95%
<b>Average collection period (days)</b>	16	3	1	38	61
<b>Average payment period (days)</b>	199	230	94	1	116
<b>Total asset turnover</b>	62.57%	81.42%	137.05%	130.86%	139.637%
<b>DEBT</b>					
<b>Debt ratio</b>	68.92%	126.61%	26.52%	27.30%	52.775%
<b>PROFITABILITY</b>					
<b>Gross profit margin</b>	49.81%	65%	36%	61%	45%
<b>Operating profit margin</b>	7.72%	27%	7%	14%	2.1%
<b>Net profit margin</b>	3.37%	17%	7%	11%	1.0%
<b>EPS</b>	IDR197	IDR394	IDR55.04	HKD 0.4	SGD 0.01
<b>ROA</b>	4.1982%	39.1626%	8.9193%	14.836%	1.46%
<b>ROE</b>	39.49%	297.36%	110.07%	850.00%	3.09%
<b>MARKET</b>					
<b>P/E Ratio</b>	27.85	27.907	19.260	15.550	30.977
<b>Book value per share</b>	IDR500	IDR132.56	IDR50.00	HKD 0.05	SGD 0.23
<b>Market/book ratio</b>	11.00	82.982	21.200	132.177	0.958

From the table above, we see that MAP liquidity ratio is the lowest compared to local and global companies. The low quick ratio indicates MAP has too many inventories. MAP should work harder to turn the inventory into a more liquid form. The activity ratios especially inventory turnover and total asset turnover show MAP was in the lowest position. It supports the statement that MAP should work harder to sell the inventories. MAP has quite high debt

ratio compared to others. Lower value of debt ratio will be more favourable since higher value indicates higher risk in operation. In terms of profitability, MAP showed dissatisfied performance in 2013 compared to other companies. P/E ratio of MAP in 2013 remained high showed investor's high expectation to the company.

#### 4.7 DuPont Analysis of MAP

Table 5. ROA using DuPont

YEAR	Earnings available for common stockholders / sales	Sales / Total Assets	ROA
2009	3.99%	121.69%	4.8535%
2010	4.26%	128.42%	5.4768%
2011	6.11%	133.41%	8.1540%
2012	5.71%	126.61%	7.2275%
2013	3.37%	124.67%	4.2008%

The table above shows MAP's ROA each year. The ROA decline significantly because the net profit in 2013 falls more than 2% than the previous year, resulting ROA 2013 drops remarkably.

Table 6. 2-level ROE using DuPont

YEAR	Earnings available for common stockholders / total assets	Total Assets / Common stock equity	ROE
2009	4.85%	407.11%	19.76%
2010	5.48%	442.17%	24.23%
2011	8.16%	531.93%	43.42%
2012	7.22%	721.81%	52.14%
2013	4.20%	940.72%	39.49%

Table 7. 5-level ROE using DuPont

YEAR	Net Income/ Earnings Before Tax	Earnings before tax/ EBIT	EBIT/ Sales	Sales/ Total Assets	Total Assets/ Common Stock Equity	ROE
2009	58.18%	91.59%	7.48%	121.70%	407.11%	19.76%
2010	72.91'	61.41%	9.53%	128.41%	442.17%	24.23%
2011	74.38%	77.87%	10.57%	133.40%	531.93%	43.42%
2012	72.41%	78.50%	10.04%	126.61%	721.81%	52.14%
2013	67.57%	64.59%	7.72%	124.67%	940.72%	39.49%

After breaking down the ROE formula into several levels, we can conclude that overall performance of MAP in 2013 decreased. The sales slightly decrease but earnings before interest and tax (EBIT) decrease highly. This was driven by the high operation cost such as electricity cost which affect the rental cost and labour cost. Moreover, loss on exchange rate demolishes MAP performance. Although most of the factors were from external, MAP tried to show its best internal performance by dividing dividend and was awarded as Best Retailer of the Year by World Retail Congress in France 2013.

#### 4.8 Company value

Calculation using market approach resulting that company value of MAP is IDR 7,308. However, calculation using discounted cash flow is IDR 7,176 in 2029. These calculations create price range of MAP's shares from IDR 7,176 – IDR 7,308.

Table 8. Valuation result using DCF

COMPANY VALUE
DCF Stage 1
DCF Stage 2
NPV of terminal value
Enterprise value
(-) Net debt/(+) net cash
Equity value
Number of shares
Equity value per share
Current Price

<b>Upside/(downside)</b>	<b>46%</b>
<b>Risk free rate indonesia</b>	7.86%
<b>Equity risk premium</b>	8.30%
<b>Beta</b>	1.15
<b>Tax</b>	23%
<b>WACC</b>	14.30%

## 5. Conclusion & Recommendation

In conclusion, fashion industry is a promising sector in Indonesia. Consumption level that keeps growing becomes a positive incentive for the entrepreneurs to start the fashion business. The analysis of MAP shows that external factors dominantly influenced MAP performance. The external factors are operation cost which is driven from the rental cost, labor cost and fluctuating exchange rate. All of MAP portfolios are imported brand which makes it depends on the stability of rupiah. Although MAP had increased the selling price 10%-15%, the cost of retailing was higher.

Based on this research, I want to give some recommendations. Firstly, to prevent negative growth and increase MAP's performance, it is better to collaborate its portfolios with top local fashion brands. The reason is because local brand will not affected by the fluctuating exchange rate. This strategy will help local business to compete with international brands or even motivate them to be the next international fashion brands.

Secondly, MAP is better to create a unique sale event to attract more customers. For example by cooperating with media social which will give special price to its users. Maximizing the student cards discount will also help MAP to sell its inventories more.

Operation cost especially which comes from electricity and labor cost are something unavoidable. Shopping area efficiency will help this company to press the rental cost. Reducing area is one of the efficiency actions. Lastly, MAP should improve the online shop method. Several brands does not have Indonesian website with IDR currency. Meanwhile, the rise of mobile shopper in Indonesia is quite high. The availability of this strategy will boost the online sales. The valuation calculation predicts the MAP's share price will increase up to 46% in the future. For the investors, it is a good time to invest in this share.

## 6. Lesson Learned for small fashion businesses in Indonesia

Mitra Adiperkasa is a good example of fashion retailer in Indonesia. Small business can learn a lot from this company. Firstly, small fashion business should put its position in the right place. The product, target market, price, promotion and place should be thought carefully. MAP successfully implemented these elements. The product is clear, top fashion brands. The target markets are specific and the price is adjusted to the target market. *Retailers today should put aside the old way of understanding the customers* (Fisher, 2010) and find out new strategies which cannot be read by the customers. Using the market segment analysis and product area analysis, the fashion business owners are able to position their business perfectly to the market.

Secondly, quality should be put on top. Currently customers are searching for top quality products. They start to consider their spending. It is important to put the quality at the first. A quote from Steve Jobs says "*Sell dreams not products*". Fashion helps people reach their dreams to be confident, beautiful, sophisticated and so on. Good quality fashion product is a way to make a dream comes true.

Thirdly, cooperate with Indonesian designer or celebrities to create affordable ready to wear fashion. Dorothy Perkins, one of British fashion brand which is brought by MAP did a great collaboration with The Kardashians. The popularity of the designers and celebrities will help small fashion business generates more attention and more income which will be used to expand the business wider.

Other lesson learned get from MAP is the company faces the consumers' propensity to delay purchase intentionally until a sale occurs, which leads to fewer sales at full price automatically reducing profitability. As a small business which is trying to develop bigger, the company should know how to control the strategic consumer behaviours and have them purchase at the initial full price. One of the options is not held sale often but always sell the fashion products affordably, so that the consumers will not wait the sale season to buy the products. The difference between MAP and small fashion business is the dependency of exchange rate. Most of the local companies use local materials so the fluctuating rate will not give a huge impact for the company. It gives

opportunities for the companies to develop even bigger to grasp Indonesian market and start expansion to the International market.

In this era, mobile shoppers are propitious for small fashion business development. The data shows the internet users in Indonesia grows 430%. They are possible target market for the small fashion business. The company will be easier to develop by managing the online selling method. Online method will help the business lower or even eliminate the rental cost. Social medias are the source of online selling. Maximize the utilisation of social media is the key success at the online market.

Lastly, small fashion business should create a good management and agile activities. Good inventory management will make the inventory rise below the sales growth. Good market respond is also needed to know what customers want right now and produce the products quickly. Accurate forecasting and an ability to manage uncertain demand is an important component to create effective and fast supply chain. Fast fashion retailers solve the demand uncertainty matter by providing quick response with regard to control strategic consumer behaviours, fast fashion retailers provide small quantities of highly fashionable design at reasonable price. This strategy increases the consumers' willingness to pay at full price.

## Acknowledgement

This author would like to thank Jesus Christ for His great blessings. Moreover, thanks to my parents who always give their love and supports. Special thanks to my best teacher and the best mentor, Mr Subiakto Soekarno for the guidance and helps writing this research.

## References

- Damodaran, A. (2002). *Investment Valuation: Tools and Techniques for Determining Value of Any Asset*. Canada: John Wiley & Sons, Inc
- Fisher, Marshall. (2010). *The New Science of Retailing: How Analytics are Transforming The Supply Chain and Improving The Performance*. Boston: Harvard Business School Publishing
- Gitman, Lawrence J. (2009). *Principles of Managerial Finance (13<sup>th</sup> ed)*. Boston: Pearson Education
- Meadow, Toy. (2012). *How to Set-up and Run a Fashion Label (2<sup>nd</sup> ed)*. United Kingdom: Laurence King Publishers
- PT Mitra Adiperkasa Tbk. (2009-2013). Annual Report. Retrieved on April 18, 2014, from <http://www.map-indonesia.com/?main>
- PT Matahari Department Store Tbk. (2009-2013). Annual Report. Retrieved on April 18, 2014, from <http://ir.matahari.co.id/phoenix.zhtml?c=171562&p=irol-reportsannual>
- PT Ramayana Lestari Sentosa Tbk. (2009-2013). Annual Report. Retrieved on April 18, 2014, from <http://www.ramayana.co.id/index.php/en/about-the-company/financial>
- Giordano International Ltd. (2009-2013). Annual Report. Retrieved on April 18, 2014, from <http://www.giordano.com.hk/HK/investors/investors.html>
- FJ Benjamin Sdn Bhd. (2009-2013). Annual Report. Retrieved on April 18, 2014, from <http://www.fjbenjamin.com/investors-annual-reports.php>
- Royal Sporting House Singapore Ltd (2009-2010). Annual Report. Retrieved on April 18, 2014, from [http://infopub.sgx.com/FileOpen/RSH09\\_Full.ashx?App=Prospectus&FileID=6417](http://infopub.sgx.com/FileOpen/RSH09_Full.ashx?App=Prospectus&FileID=6417) and <http://infopub.sgx.com/FileOpen/RSH%202010.ashx?App=Prospectus&FileID=9107>
- <http://id.techinasia.com/dalam-5-tahun-terakhir-jumlah-pengguna-internet-indonesia-naik-430-persen-grafik/>