

Breeding Brands

As a house of 25 consumer brands in Indonesia, Achmad "Mad" Alkatiri is driving Hypefast for regional expansion.

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Ecommerce has been the primary driver of growth in this internet driven economy and is experiencing a new tailwind with the growth of brand aggregators. Typically, brand aggregators acquire multiple brands that operate on ecommerce platforms in order to consolidate them under one underlying platform and assist them in scaling their businesses.

This phenomenon has largely been fuelled by individuals' ability to create their own brands in the product world and market them digitally, but whom at some point face, challenges in developing their brand in the marketplace ecosystem. Thrasio, a US-based company that raised \$1.6 billion in investment, is a market leader in this segment. It has acquired over 100 brands on Amazon and has a fulfilment center with over 15,000 products.

Following Thrasio's success, a proliferation of brand aggregators began worldwide, including in Southeast Asia, which has 350 million digital consumers. One of them is Hypefast, which is based in Indonesia. Hypefast was founded in early 2020 by Achmad "Mad" Alkatiri, a marketing expert with years of experience working for companies such as Shopee and Lazada. As the first of its kind in Indonesia, Mad claims that Hypefast has been prof-

itable in comparison to the majority of startups in the country over the last two years, generating nearly \$100 million in revenue.

Hypefast was conceived in 2017, inspired by brand founders that Mad met while working at marketplaces. It aims to assist local brands that have achieved product-market fit in scaling their businesses. The majority of brand founders he met could generate up to Rp1.5 billion in revenue per month, but their growth stalled when they didn't know what to do next.

"The tricky part is that many Indonesian brand founders come from extremely humble backgrounds, possess incredible product ideas, but have never experienced scale," Mad explains. Hypefast began as a partner to brands, bringing capital, expertise, and an ecosystem to help them reach their full potential.

When it comes to brand acquisition, Hypefast

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is extremely selective, placing a premium on quality over quantity. Each month, it acquires between one and two brands, allowing it to focus on the brand's post-acquisition growth rather than portfolio expansion. Apart from product-market fit, they look for strong brand founders, profitability, and brands with a strong online presence.

Early in the process, Hypefast acquired brands with which Mad was already familiar. As Hypefast grew, it established an investment and sourcing team to approach potential brands through vari-





The euphoria surrounding brand aggregators may be waning in the West. However, Southeast Asia is now experiencing its greatest boom to date. Una Brands, based in Singapore, may be Hypefast's strongest competitor. They are already present in nine countries across Asia Pacific and expanded to Indonesia officially last October, with plans to acquire 15 Indonesian brands this year.

Meanwhile, since 2020, Indonesia has seen the launch of at least one new local brand aggregator each year. Following the launch of Hypefast in 2020, the founder of Sorabel launched OpenLabs in October 2021, with up to \$100 million in available funding to invest in potential brands.

Tjufoo and BerryBenka's newly rebranded GrowCommerce were the latest aggregators to join the buzz earlier this year. GrowCommerce, which operates on an aggregator model, focuses on Indonesian digital native brands and already manages five. Tjufoo is also a newcomer, focusing on Indonesian SMEs.

ous channels and now brands are reaching out to them as they have established a level of credibility in the market.

"My business model is similar to marriage; we will be long-term partners and collaborate closely," Mad says of his brand acquisition strategy. Thus, before a deal can be closed, brands must go through a series of processes, beginning with an introductory call to ascertain whether the chemistry exists and continuing through to the due diligence process.

Hypefast now owns 25 local Indonesian brands with a wide-range of ticket sizes, up to Rp50 billion. In addition to capital, Hypefast also channels its expertise to brands through its Centralized Functions Team (CFT), which consists of experts in all business-related aspects, from legal, partnership, and customer services to logistics. Additionally, each brand receives a dedicated brand manager who assists with brand operations and acts as a liaison between the brand and the Hypefast team.

Finally, Hypefast provides brands with an ecosystem that enables them to be more cost effective and competitive. This includes access to fulfillment centers, offline stores, and cross-border facilities. Last year Hypefast created four offline stores under Etalash for womenswear, and Buiboo for mom and baby essentials. Each location houses Hypefast's different brands within the same category, allowing customers to touch and feel each product under the Hypefast umbrella.

Additionally, Hypefast has been developing regional partnerships to enable brands to sell their products in a more localized manner, connecting them to partners in Malaysia, Thailand, and Singapore to reach international consumers more quickly.

Hypefast's portfolio brands have grown rapidly as a result of these services. Hypefast serves as the business strategic thinker, bolstering the brand's ideas with data and research. This has enabled brands to concentrate their efforts on operations and productivity. Mad recounts how one brand increased its monthly revenue from Rp1.5 billion to Rp12 billion in just ten months after joining Hypefast. Bo-

hoPanna, a brand in the mom and baby essentials category, successfully expanded to Europe in 2020.

CALLA the Label, a clothing brand, joined Hypefast in November 2021. Yeri Afryani, CALLA's founder, admits that joining Hypefast has freed her up to focus on the brand's development, as Hypefast has assisted with their paperwork. "Previously, we were more concerned with operations. As a result, since we began collaborating earlier this year, we've been more organized in our legal and financial work," Yeri adds. Additionally, Hypefast aided them in determining their vertical expansion strategy. When they expressed an interest in launching perfumes, Hypefast investigated whether this would be a good fit for their brand.

Although it has achieved profitability in a short period of time, Hypefast still has a lot to accomplish. It will continue to acquire brands selectively. They intend to diversify their portfolios this year by focusing on health, beauty, and personal care brands rather than fashion. Expanding its brands' offline presence is also a priority with two new stores currently scheduled to open this year.

Regional expansion is underway, with the acquisition of several Thai and Malaysian brands and the establishment of offices in both countries. Thailand and Malaysia are vying to become new markets for Hypefast. Meanwhile, Singapore is being eyed as a potential location for Hypefast's second headquarters, which would house the company's regional CFT.

Mad's long-term goal is to establish Hypefast as a strong house of brands for local products, challenging established brands that have dominated the global and Indonesian markets. "There is no reason why local brands cannot thrive in the market, and we have extremely creative people, exceptionally talented retail staff, and incredible access to manufacturing. Indonesia has long been established as a manufacturing country, and we want to establish ourselves as a brand country," Mad enthusiastically states. 