

APPAREL

Mc Group slashes outlets, diversifies into spa goods

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SET-listed Mc Group Plc, the maker and marketer of Mc Jeans, will restructure its business by merging two factories in Bangkok and outsource some manufacturing through a joint venture after slower growth in recent years.

The group's chief financial officer, Bundit Praditsuktavorn, said the company has also cut the number of sales points for Mc products to 887, from 897 points of sales.

Most sales points that have been closed are those that had poor performance, many of them in neighbouring countries, such as Myanmar.

The move will help the firm manage operations more efficiently, with only one Mc factory, located in Bangkok, Mr Bundit said.

Mc Group, which owns brands such as Mc Jeans, Mc Lady, and Mc Pink, reported sales revenue at 1.22 billion baht in the first quarter this year, a growth of 6.6%.

Weak spending sentiment has brought the firm to target 10% sales growth for the entire year, lower than the previous year's target of 12-15%.

"We scaled down the number of sales points this year to increase our focus on marketing," Mr Bundit said.

Competition is heating up in Thailand's jeans market, whose players include not just leading brands like Levi's, Wrangler and Lee, but also fast-fashion brands like Uniqlo, Zara, H&M and others.

Mc Group in recent years has adjusted its strategy by adding watch distribution

firm Time Deco Corporation to its portfolio and extended Mc product lines to cover travelling bags, socks and caps.

In February this year, Mc Group also set up "Aromatic Active Co" to sell two home spa brands, "M&C" and "Nature Touch."

Aromatic Active is the joint venture between Mc Group and Nature Touch group, which imports and exports cosmetics developed from herbs and natural extracts.

The company plans to open "M&C" pop-up stores for home spa products or skincare goods at Centrepoint of Siam Square, opposite Siam Center later this week.

The pop up store will sell two home spa brands, with products ranging from aromatic soaps, talcum powders and perfumes under the M&C and Nature Touch brands, targeting middle income consumers group.

The company expects 50 million baht in sales from home spa products this year.

He believes that skincare products will help expand Mc's customer base, while the company will expand the clothing business with more lines, such as activewear to be added in the future.

The company is interested in the large activewear market of about 12 billion baht.

Of the total, international brands comprise 4 billion baht and the remaining 8 billion baht comprise local brands, led by FBT and Grand Sport.

MC shares yesterday closed on the Stock Exchange of Thailand at 20.30 baht, up 30 satang, in trade worth 32.6 million baht.