

THE JEAN GENIE
Mc Group will set up a denim factory in Indonesia or Cambodia as it eyes regional expansion. **B10**

Mc Group sets sights on region



From left: Ornsiree Chinkumtornwong, Mc Group's brand and marketing vice-president and marketing vice-president, Chanchira Hongladarom, the senior vice-president for marketing, and Sangkae Hanvanich, the executive vice-president for sales, celebrate the opening of the 100th Mc Jeans outlet yesterday, at the Megabangna shopping centre.

Indonesia is a prime prospect for jeans plant

PITSINEE JITPLEECHEEP

Mc Group, the producer of jeans, is set to become a regional brand and cash in on market integration following the Asean Economic Community in 2015.

It will set up a denim factory in Indonesia or Cambodia and appoint local distributors to distribute its products in each country, said chief executive Sunee Seripanu.

"We're studying the proper location for our Asean factory, which will be built within the next five years," she said.

Indonesia is attractive because its population of 242 million accounts for more than one-third of the 10-nation bloc. As well, the jeans market there is fragmented, with no players controlling a lion's share, plus its labour costs are lower than Thailand's.

Apart from the Asean factory, the firm is also moving ahead with its regional expansion plan. The company is negotiating with Indonesian partners to distribute Mc Jeans products over there.

The firm hopes the appointment of Indonesian distributors next year will

help to spur its product consumption and brand awareness in Indonesia.

Mc Group appointed a local distributor in Myanmar this year.

"Though the product price is similar to that in Thailand, the response from Myanmar customers has been beyond our expectations, with first day sales of up to 100,000 baht, double our previous projection," said Ms Sunee.

There are eight Mc Jeans outlets in major cities including Mandalay, Nay Pyi Taw and Yangon, and jeans sales in the country are expected to reach 30 million baht next year.

The company will move more aggressively in the domestic market as well. Outlet openings will increase to 40-50 a year from 20-25 a year over the past five years.

It will spend 200 million baht from 2013-14 to double the number of Mc Jeans shops to 200, thereby creating 100 new jobs.

Ornsiree Chinkumtornwong, the brand and marketing vice-president, said the company is not concerned about new fashion brands entering Thailand. Sales remain healthy, with average annual growth of 30% in the past three years.

"We're a firm that has produced real jeans for almost four decades. So we're confident about appealing to Asean cus-

tomers more than other brands and offering quality at an affordable price. Also, we're the only brand that does all its own work processes, so our cost is competitive," she said.

Mc Group will import technicians from Italy and Japan to work permanently.

The company changed its name from PK Garment (Import-Export) to Mc Group Ltd and will list on the SET by mid-2013.

The brand-name jeans market in Thailand was worth an estimated 7 billion baht last year, with Mc Jeans controlling 35%.

Sales of Mc Jeans will reach 3 billion baht this year, doubling to 6 billion annually by 2016.