

BUILDING A BETTER FUTURE

HomePro plans five new stores, an e-commerce outlet and its first foreign branch in Kuala Lumpur. **B3**

HomePro plans new branches, online sales

'No worries' over new foreign rivals

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Home Product Center Plc (HomePro) plans to open five new branches upcountry this year and introduce an e-commerce channel in the third quarter.

The moves are aimed at helping to achieve annual growth of more than 10%.

Second-tier provinces will be the sites of the new branches including Chachoengsao, Suphan Buri and Roi Et. The two other locations are still being chosen.

Each new branch will cost 400-500 million baht to open.

The 40 current stores cover major cities and provinces nationwide, with the Rangsit branch again posting the top sales last year.

Southern branches, especially Phuket, Krabi and Koh Samui, also enjoyed good figures, while the Northeast was the region with the largest proportion of sales.

Nat Jaritchana, a senior vice-president, said the company is looking for land in Kuala Lumpur on which to open its first foreign branch this year.

Malaysian consumers' behaviour is very similar to that of Thais, but they have greater purchasing power, he said.

"We want a foreign branch within Southeast Asia in order to take advantage of the Asean Free Trade Area," said Mr Nat.

However, new free trade agreements are attracting new rivals, especially China.

A Chinese investor is planning a wholesale trading centre in Bangkok's Bang Na district, where a HomePro branch is located.

Mr Nat said the company is not very worried about the possible new rival, as the Chinese centre will

compete directly in the lower-end segment, while HomePro focuses more on "C+ to A-" customers.

Meanwhile, HomePro's new e-commerce service will kick off in the third quarter. Tens of millions of baht are being spent on IBM software and hardware.

The company tested e-commerce ser-

vices last year. One million baht in revenue was generated, with living products the hottest sellers.

This year's full e-commerce launch will see 60,000 items offered via a variety of pricing and promotion strategies.

Mr Nat said e-commerce will especially help to extend the company's reach to areas where it has no physical presence.

HomePro is targeting sales growth of more than 10% this year. It met last year's target of 10% in just the first nine months.

Some 80% of last year's sales were to homeowners.

Research has shown that owners of houses that are aged five years or less spent a combined 12 billion baht on their homes last year; aged 6-20 years, 117 billion; and aged 21-40 years, 62.3 billion. People usually renovate their homes once in three years.

HomePro (HMPRO) shares closed on the Stock Exchange of Thailand yesterday at 7.95 baht, up 15 satang, in trade worth 133 million baht.



Nat: Land sought in KL for new branch