

BYE-BYE ROBINSON RATCHADA
The retail chain is counting on the new Rama IX branch after the flagship store in Bangkok is closed next year. **B3**

Robinson to close flagship store in 2013

Rama IX branch to get most of those shoppers

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Robinson Department Store Plc says it will close its flagship store on Ratchadaphisek Road in Bangkok after the land lease expires next year.

The closure of Robinson Ratchada, which contributes the highest sales to the company, will mean a loss of 1.2 billion baht in sales next year.

But president Preecha Ekkunagul believes the Rama IX branch, which has been open for nine months, could help accommodate regular customers from the Ratchadaphisek store.

Robinson Rama IX is located in Central Plaza Grand Rama 9, which has high potential to serve customers in the Ratchadaphisek, Asok-Din Daeng, Phetchaburi and Ramkhamhaeng areas.

The company expects sales at Robinson Rama IX will reach a billion baht in the first year of operation, only 200 million baht behind the sales at the Ratchadaphisek branch.

"We're confident enough to call Robinson Rama IX our new flagship store, replacing Robinson Ratchada," said Mr Preecha.

Before this, he put his efforts into renewing the lease with the landlord, Racha Palace Co, to develop a new Robinson concept store. But he failed because the landlord wants to develop the plot itself.

However, the company has been successful in renewing the 10-year lease with the landlord of Robinson Bangrak

on Charoen Krung Road.

A major renovation for this branch will begin next year while Robinson considers a minor change to its store on Sukhumvit Road.

The company will also spend between 800 million and 1 billion baht next year to open a new lifestyle shopping centre in Sakon Nakhon province.

This new branch will be the company's fourth upcountry store after those in Chiang Rai, Udon Thani and Ubon Ratchathani provinces.

These are all aimed at tapping the huge purchasing power from neighbouring countries after the Asean Economic Community (AEC) kicks off in 2015.

"Once the AEC takes place, competition will grow. But we're not worried about new players, as we have the expertise and advantage in the department store segment," said Mr Preecha.

Robinson achieved first-half sales of 10.1 billion baht, up by 22.9% year-on-year. Net profit was 1.03 billion baht, up by 34.1%.

Mr Preecha expressed concern the second-half retail outlook may not be as good as in the first half.

People will be more cautious about spending due to the global economic crisis, while farm prices are declining.

Moreover, consumer spending has been pulled down by the government's first-time car buyer scheme.

Car purchases will make consumers spend less on non-necessary items such as fashion.

Robinson expects its full-year sales will increase by 22% over last year's 19.3 billion baht.

ROBINS shares closed last Friday on the SET at 63.25 baht, unchanged, in trade worth 106 million baht.



Preecha: Confident as AEC approaches