

Sales fall hits battery makers

Local car battery manufacturers face fiercer competition after total output in the first two months dropped 17.63% year-on-year, says a leading executive.

The market will be increasingly tough and competition will intensify. Manufacturers will compete to win consumer confidence in their brands and opt for value-added promotions rather than price-cutting, said Veerawat Korphaibool, managing director of 3K Products Co.

"It's good to have tough competition this year if it is constructive by [making firms] concentrate on strategies to create benefits for consumers," he said.

Each brand's strategy will differ depending on their positioning and target market. Some may focus on product durability and battery life, while others may opt for mass distribution, he said.

Manufacturers and distributors must carry out their marketing continuously to ensure consumer loyalty, he said.

The marketing strategy for 3K Products, the distribution subsidiary of SET-listed Thai Storage Battery Plc (BAT-3K), will be split into two phases this year. First, the company will directly communicate with car users through initiatives such as 24-hour emergency assistance services, roadshows and special promotions.

3K Battery will also communicate to niche groups and will support motoring events and race teams this year to reach the sport's fans. The outlook for auto battery production and distribution in both car assembly and replacement markets will be slow in the first half the year. Dampening factors include the sluggish auto market, increased battery life and dwindling consumer buying power, he said.

In the first two months, automotive battery production fell 17.63% to 1.05 million, down from 1.27 million last year.

Sales for the period were 715,072 batteries - 133,523 to car assembly plants and 581,549 to the replacement market.

Manufacturers and distributors should therefore focus on cost control and cashflow, Mr Veerawat said.

BAT-3K shares closed yesterday on the SET at 43.50 baht, unchanged, in trade worth 368,000 baht.

Source: Bangkok Post