

Strategic Cost Management for Decision-making: Investment in Shopping Mall Stores by an SME in Thailand

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หลักการคำนวณ วิธีการ และเครื่องมือในการบริหารจัดการบัญชีต้นทุนนั้นเป็นที่ยอมรับและถูกนำไปใช้อย่างกว้างขวางและสัมฤทธิ์ผลในอุตสาหกรรมการผลิต แต่อย่างไรก็ตามในภาคอุตสาหกรรมการให้บริการโดยเฉพาะอย่างยิ่งอุตสาหกรรมการค้าปลีกนั้นหลักการบัญชีต้นทุนนั้นยังไม่ได้ถูกนำไปใช้อย่างแพร่หลาย

โดยตัวอย่างบริษัทที่นำมาศึกษาครั้งนี้เป็นบริษัทในอุตสาหกรรมการให้บริการและการค้าปลีกและเป็นบริษัทขนาดกลางและขนาดย่อม (SME) บริษัทดังกล่าวประกอบกิจการนำเข้าและจัดจำหน่ายรองเท้าสำหรับผู้สูงอายุจากคุณภาพสูงประเทศญี่ปุ่น ช่องทางการจำหน่ายสินค้าผ่านทางห้างสรรพสินค้าเป็นช่องทางหลักของบริษัทฯ ซึ่งจนถึงปัจจุบันทางบริษัทประสบความสำเร็จในการสร้างยอดขายผ่านทางช่องทางดังกล่าวเป็นอย่างดี โดยส่วนหนึ่งได้รับอานิสงส์จากการพัฒนาของห้างสรรพสินค้าและการทางเศรษฐกิจอย่างต่อเนื่องในช่วงหลายทศวรรษที่ผ่านมา

เพื่อเตรียมขยายบริษัทฯ จึงต้องการต่อยอดความสำเร็จในการจำหน่ายรองเท้าผ่านทางดังกล่าว โดยต้องการที่จะขยายสาขาในการจำหน่ายสินค้าต่อไปและจำเป็นต้องตัดสินใจเลือกรูปแบบในการลงทุนขยายช่องทางการจำหน่ายสินค้า โดยมีสองทางเลือกได้แก่ ลงทุนเปิดหน้าร้านของบริษัทฯ เองในห้างสรรพสินค้า (self-owned stores) หรือ วางขายสินค้าในเคาน์เตอร์ของห้างแบบฝากขายสินค้า (leasing stores) ดังนั้นปัจจัยศึกษาที่ใช้ประกอบการตัดสินใจเลือกแนวทางการลงทุนครั้งนี้เพื่อเลือกแนวทางที่เหมาะสมได้แก่ รายได้ที่เกี่ยวข้องกับการขาย ต้นทุนและค่าใช้จ่ายต่างๆ

ผลการศึกษาที่สำคัญที่สุดของการศึกษานี้พบว่า อัตราส่วนกำไรของห้างสรรพสินค้าและผู้จำหน่ายเข้าไปวางขายในรูปแบบการฝากขายมีความต่างกันเป็นอย่างมาก สัดส่วนผลตอบแทนที่ SME ได้รับนั้นต่ำกว่าราคาสินค้าที่จำหน่ายจะสูง (เมื่อเปรียบเทียบกับต้นทุนสินค้า) ก็ตาม ดังนั้นจึงทำให้การเติบโตของ SME ในประเทศเศรษฐกิจกำลังพัฒนาเป็นไปได้อย่างยากลำบาก

การศึกษานี้สามารถช่วยเพิ่มความเข้าใจและองค์ความรู้ในด้านบัญชีต้นทุน โดยเฉพาะอย่างยิ่งการศึกษารายได้ที่ทำธุรกิจอุตสาหกรรมการค้าปลีก โดยได้ศึกษาในด้านภาวะที่ข้อมูลและการนำหลักการบัญชีต้นทุนไปใช้กับบริษัทค้าปลีกที่มีช่องทางการจำหน่ายผ่านทางห้างสรรพสินค้า และได้แสดงให้เห็นถึงความสำคัญในการวิเคราะห์ต้นทุนอย่างละเอียด โดยเฉพาะการดำเนินการธุรกิจในรูปแบบเอเชียนอเอาท์เล็ต

คำสำคัญ: บัญชีต้นทุน, บริษัทค้าปลีก, SMEs, ประเทศไทย

I. Introduction

Strategic cost management is a valuable tool that provides important information to managers in many industries. An accurate understanding of costs and income is critical for managerial decision-making. This research focuses on the case of an SME (small/medium-sized enterprise) which was considering two alternative ways of expanding its presence in Thailand's footwear industry: leasing stores in shopping malls or investing in its own self-owned stores.

The topic of management accounting for SMEs was chosen for this research because, according to the Organization for Economic Co-operation and Development (OECD), SMEs are a major

driver of economic growth and adjustment: SMEs are flexible, innovative, quick to react to changing markets, relatively unbureaucratic, entrepreneurial, and “in touch” with reality.

This paper is organized as follows. First, the research methodology is explained. Then, a brief introduction of the company, product, industry, and distribution channel (shopping malls) is presented. Finally, a decision is made regarding the optimum choice for the company under consideration, followed by recommendations and contributions of the paper.

II. Literature Review

Research on the shopping mall industry has been done from different perspectives. Cheng et al. (2007) analyzed the application of a GIS (geographic information systems) in shopping mall location selection. GIS combines spatial (geographical) and non-spatial (market-oriented) data to construct visualized information that can be easily understood and analyzed by decision makers and that cannot be achieved in table or list forms. Tay et al. (1999) studied the determinants of retail rent in shopping centers in Hong Kong and found that the rental rate of a retail unit is positively related to its customer-generating power, the size of the shopping center and the age of the shopping center, but negatively related to its own size. Kim et al. (2015) found that find that the shopping mall experience impacts satisfaction and loyalty, as well as brand personality. Although the shopping mall personality influences satisfaction, it does not have a direct influence on loyalty. This study also shows that satisfaction affects loyalty as well. suggest that mall customer. Calvo-Porrall and Lévy-Mangin (2019) concluded that traditional segments are no longer so in hard times and proposed five new segments, namely “senior hostelry seekers”, “young enthusiasts”, “deal hunters”, “adverse-reluctant customers” and “leisure comfy-teens”; being the “young enthusiasts” the most attractive segment; while the “adverse-reluctant customers” represent the main challenge for mall

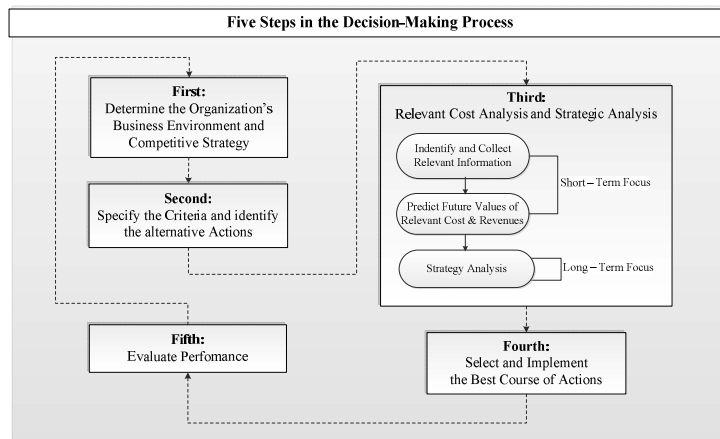


Figure 1 Blocher et al. (2012): The five-step Decision-Making Process

managers.

However, no research has been done from the strategic cost management perspective, where the research has focused on manufacturing industries. This paper examines a case of decision-making with relevant information in a shopping mall industry, considering the Five Steps in Decision Making Process with emphasis on the third step (Figure 1) and adopting a comprehensive approach to analyze relevant information for decision-making.

III. Methodology

The following methodology was applied. First, primary data were gathered through observation of activities performed by and interviews held with company owner/managers and staff. Then, after a review of the relevant literature, an analysis was conducted to determine which of the two operating models under consideration by the company is better.

The following methodology was applied for determining the better alternative:

- A sample was selected of the most important mall stores in terms of potential revenue and income for the selected SME.
- A cost classification was performed in order to analyze the profitability of the sample stores.
- Capital investment expenditures were estimated.
- Projected income statements were derived for the alternatives of leasing stores in shopping malls versus investing in its own self-owned stores.
- A decision was made based on the quantitative perspective.
- Qualitative factors were considered.

IV. The Case

1. Company Selection

An SME was selected for this study as SMEs represent an important source of employment and GDP in Thailand. In order to preserve the confidentiality of this SME, we will call it Sakura Shoes. The core business of Sakura Shoes is importing shoes from Japan and selling them through its chain of stores in shopping malls. Sakura Shoes is the exclusive distributor of this line of Japanese shoes in Thailand. Sakura Shoes also sells sandals and insoles, and provides the service of measuring the length, width, and arch of the foot in order to recommend tailor-made, customized insoles to match the feet and shoes of its customers.

In general, Sakura Shoes follows a differentiation strategy, selling quality products and offering customized service. For example, in some stores the company has equipment for measuring the exact size and shape of the customer's foot so he/she can purchase "custom made" insoles to go

with Sakura-sold shoes or other shoes worn by the customer.

Currently, Sakura Shoes sells through traditional channels (stores in shopping malls such as Central, Isetan, and its own “flagship” store) and on-line (through its own website and its official Facebook, Hotline, and Line accounts). However, 85% of its revenue comes from its stores in major shopping malls, especially the Central Group department stores which account for 58% of total brick-and-mortar sales.

2. Japanese Products in Thailand

Among the imported goods from many foreign countries to Thailand, Japanese products are ranked number two for at least the past six years (Office of Trade Service, Ministry of Commerce, Thailand), representing about 14% of Thailand’s total import at around 33 billion US dollar in 2019. (Ministry of Commerce, Thailand) These imports include machineries, auto parts, steel and other consumer products (Ministry of Foreign Affairs, Business Information Center office, 2020)

Thai Consumers have a good perception of Japanese brands (Rungtrakulchai and Setthapat, 2009). Thais are very familiar with and enjoy Japanese products from cars, mobile phones, and electronics, to personal care and cosmetics. This positive impression also extends beyond consumer products to also include such Japanese exports as music (J-Pop), TV dramas, and anime. (Reungsinpinya, 2011). Moreover, Japanese food is also very popular. Most of Thai people normally consume Japanese food in restaurants and street markets. (Thienhirun and Chung, 2015). Cosmetic products are also very popular.

Japanese culture seems omnipresent in Bangkok, where you can even find a genuine “maid cafe” – a restaurant where waitresses dressed in anime-like maid costumes treat customers as “masters” or “princesses.” (Nikkei Asia, 2020). Even, Thais usually prefer ‘Made-in Japan’ over ‘Made-in Thailand’ products. (Reungsinpinya, 2011).

3. The Product

The core business of Sakura Shoes is selling shoes for elderly women (although it also sells shoes for senior men). The shoes are imported from Japan and their price is high relative to the average spending power of Thai citizens: around twice the average price of similar shoes. Features that differentiate the product are their high quality and the variety of models and colors (around 800 SKUs). See Appendix 1 for an example.

4. The Industry

The shoe industry in Thailand is fragmented, with many competitors vying in diverse market segments. In the senior footwear market a wide variety products of varying quality are sold.

However, the shoes sold by Sakura Shoes have been gaining widespread popularity because of their perceived quality; the “Imported from Japan” image represents superior quality.

5. Shopping Malls in Thailand

Shopping malls have been developed in Thailand, especially in Bangkok, since the early 1990s. Among the best-known are Siam Paragon, Central World, Icon Siam Mall, MBK Center, EmQuartier, Central Embassy, Siam Discovery Mall, Siam Center, Terminal 21, and Gaysorn Village. Some, like Gaysorn Village and Siam Paragon, are luxurious and exclusive, while others, like Central World, are always buzzing with life and host live events and concerts on special occasions such as Christmas and Songkran (Thai New Year).

Large shopping malls in Thailand generally charge stores a rent fee of between 18% and 30% of total revenues from goods sold in the department store section of the mall; smaller malls charge a lower fee. Two factors affect the rent fee percentage: the size and reputation of the shopping mall and the product life cycle—the closer to the “decline stage” of the product life cycle, the lower the percentage rent fee the tenant must pay to the shopping mall. Tenants are also charged higher percentage rent fees during in peak sales and holiday seasons. Those shopping malls that hold high bargaining power over tenants may also charge an up-front fee for furniture and shop fixtures.

It is important to mention that the practice in Thailand of charging only a percentage rent fee differs from the practice found in shopping malls in other countries. A common practice found in Japan, for example, is to charge either a fixed rent or a percentage rent. Shopping center leases in New Zealand require tenants to pay the higher of the basic rental fee agreed for the premises or a percentage of turnover. The applicable turnover percentage varies among tenant types but is seldom more than 10% (Gerbich, 1998).

Currently, Sakura Shoes has stores in some of the major shopping malls listed above and a couple of stores in smaller malls. Generally, the big malls impose more regulations and restrictions on their tenants than the smaller shopping centers do. Although most of Sakura Shoes' income comes from the large malls, the profit margins for stores in those malls are smaller because of the restrictions.

6. Shopping malls: The Selected Distribution Channel

Lekagul (2002) state that three major factors, environmental, shopping, and background, were found to influence preferences for shopping environments in Thailand. The environmental factors include the perceived environmental types; spacious and well-organized spatial configurations; physical content, such as fresh products, vegetation, and sitting areas; and environmental conditions, such as maintenance level, crowdedness, and cool temperatures. Shopping factors include

recreational and value shopping. Respondents' background factors include shopping behaviors and socioeconomic backgrounds, such as age and household economic status.

As previously mentioned, Sakura Shoes products' prices are high, oriented to Bangkok's population with high income.

High-income shoppers can afford to shop anywhere; however, they prefer the opportunities for entertainment and recreation in the clean, convenient and comfortable environments of modern malls rather than the value shopping offered by Traditional Fresh Markets, in which conditions are rather uncomfortable. (Lekagul, 2002).

In Thailand, modern retailing is accounted for approximately 40 percent of retail market. This type includes supermarkets, hypermarkets, department stores, shopping malls and convenience stores (Thienhirun and Chung, 2015). This number has been constantly increasing in the last decades.

7. The Decision

Currently, the manager of Sakura Shoes has to make a decision with regard to the best approach for expanding the company's business by increasing the number of its stores in Bangkok shopping malls.

She is considering two alternatives: investing in "self-owned" stores in small shopping malls or leasing stores in large shopping malls.

Alternative I: Expansion through investing in self-owned stores

With this alternative, Sakura Shoes would lease a store at a small shopping mall for a five-year period with a renewable contract; we call this alternative "self-owned" stores as Sakura would have to invest in furniture, fixtures, and equipment in the small shopping mall. However, this capital investment would bring some benefits to Sakura Shoes, such as greater flexibility in pricing and lower fixed rental fees.

Alternative II: Leasing stores

In this alternative, Sakura Shoes would rent a store in a major brand-name shopping mall located in a desirable commercial area in Bangkok. The good location comes with some disadvantages, however, such as lower profit margins due to the higher percentage rent Sakura would have to pay to the shopping mall and price discounts it would be required to give to customers. (Such discounts are not literally "required"; they are proposed by the shopping mall, but the majority of tenants agree to them because of peer pressure from other tenants.)

8. Operation Process and Cost Components

Based on historical data and market expectations, the following was done.

- ① A list of revenue sources for Sakura Shoes was prepared (Appendix 2).
- ② A classification of costs (variable and fixed) and other accounts was performed in order to analyze profitability (Appendix 3).
- ③ Revenues were estimated using historical data. Sales discounts (according stage of product life cycle), percentage rent fees for each shopping mall, and sales commissions were also forecast (Appendix 4).
- ④ Fixed costs were estimated (Appendix 5).
- ⑤ Profitability structure was forecast (Appendix 6).
- ⑥ Other capital investment expenditures were estimated (Appendix 7).
- ⑦ Projected income statements were prepared for each alternative (Appendix 8).
- ⑧ A decision was made from the quantitative perspective.
- ⑨ Qualitative factors were considered.

9. Summary of the Methodology applied in the Decision Making Process

Sakura Shoes' average sales per branch from five shopping mall chains is presented in appendix 2. Isetan is the leader in terms of average sales per month followed by Central shopping mall and Siam Takashimaya, the newcomer at the time of this paper. The average sales of each branch was calculated considering the data from the 20 leased stores in the shopping malls and complemented with the data of the owned store. On the other hand, the contra revenues, liabilities and cost items are presented in appendix 3. In appendix 4, sales patterns in each shopping mall chain are categorized into 2 main categories, regular season and peak sale season where variable costs sale discounts, rent fees and sale commissions are calculated accordingly.

Fixed costs -such as depreciation, rent and salaries incurred in the headquarters and each shopping mall- are quantified and accordingly allocated to each shopping mall in appendix 5. Complementing appendix 3, profit margin of top five shoe models that the company offers are examined in correlation with each shopping mall chain. The detailed calculations presented in the appendices 2, 3, 4 and 5 allows us to analyze the profitability of each option (appendix 6) an essential element in the decision-making process. From the analysis considering the top five shoes models sold, it can be concluded that Isetan is the mall chain that yields the highest profit margin to the Sakura Shoes. Capital investment of the company along with profit margin analysis of its additional service is presented in appendix 7. Finally, in appendix 8, a full income statement brings together all the data and analyses to provide us the financial performance of each option. From this final appendix, it can be concluded that the owned store generates significantly higher net income margin.

V. Conclusion

Considering quantitative factors only, analysis shows that Sakura Shoes should prefer to grow by investing in “self-owned” stores as this would be more profitable for the company. Should the company choose the lease alternative, the choice of where to lease would depend on the proportion of sales considering the discounts offered. If proportion of sales volume (after discounts) were equal, the best choice would be Isetan mall as this choice would provide the highest profit margins.

However, it is recommended that Sakura Shoes not close its current stores in the large malls as they contribute to building the company’s reputation and brand recognition.

It is also advised that Sakura Shoes bolster its on-line sales by applying loyalty marketing techniques.

Finally, Sakura Shoes must be very careful in the selection of the shopping malls to continue its expansion plans. For example, Bangkok’s iconic Japanese department store Isetan closed its doors in late August. (Nikkei Asia, 2020). Consequently, potential revenues and costs should not only be the only variables in the evaluation of the malls’ selection. Since “Cost management information includes both financial and nonfinancial information critical to the firm’ success” (Blocher, p.23), other qualitative strategic factors (like changes in customers preferences, competitive advantage, industry trends, etc.) that could affect Sakura Shoes’ profitability should also be considered.

VI. Contributions

The paper complements the small number of existing studies of management accounting in merchandising companies; adds to the literature on implementation of relevant cost analysis, especially in shopping mall distribution channels; and highlights the importance of thorough cost calculation in developing countries in Southeast Asia.

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Appendices

Appendix 1: Example of the Product



Appendix 2

Sakura Shoes' Sales per Shopping Mall (in BHT)				
Shopping Mall	# of stores	Average sale per branch	Total Sales	%
Central	10	220,000	2,200,000	58%
The Mall	7	150,000	1,050,000	28%
Isetan	1	280,000	280,000	7%
Siam Takashimaya	1	163,636	163,636	4%
Tang Hua Seng	1	100,000	100,000	3%
Total	20	913,636	3,793,636	100%

Other Sources of Revenue

Own store's sales	1
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Total Number of Off-Line Stores	21
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On-line sales

Company's website
Facebook
Hotline
Line

Appendix 3

Contra Revenue , Liability and Cost Classification

Contra Revenues
Sales Discounts

Variable Costs
Percentage rent fee
Sales Commissions

Liability
Sales tax liability

Fixed Costs
Salary
Salary Overtime
Depreciation: Furniture, fixtures, and equipment at department store

Appendix 4

Revenue Structure and Variable Costs

Department Store	Central 50%		Siam Takahimaya		The Mall 35%		Iscan 10%		Tang Hua Sang 5%		Walking Habit (own store)
	Percentage net fee	29.0%	27.0%	23.0%	22.0%	21.0%	24.0%	19.0%	20.0%	24.0%	
Regular season	32.0%	30.0%	30.0%	26.0%	25.0%	24.0%	30.0%	22.0%			
Peak sales and holiday season	71.0%	73.0%	73.0%	73.0%	78.0%	79.0%	76.0%	76.0%			
Revenues minus Percentage net fee	68.0%	70.0%	70.0%	70.0%	74.0%	75.0%	74.0%	78.0%			
Regular season											
Peak sales and holiday season											
Discount % offered to the customers											
% of the Discount assumed by Siam Shores											
% of the Discount assumed by the mall											
Sales - Rent fee - Customers' discount											
Regular season											
Peak sales and holiday season											
Sales Commissions											
Commission's rate paid to salesforce											
Net commission (Commission paid over Net Sales)											
Net Sales after commission											
Regular season											
Peak sales and holiday season											
Proportion of total sales according to the discounts offered to customers											
Weighted average Net Sales											
Regular season											
Peak sales and holiday season											
Proportion of Sales according to the season											
Regular season											
Peak sales and holiday season											
Average Net Sales Margin considering season periodicity, net fees, sales discounts and commissions											
Total											

Remark: Numbers in italic are author estimate

Appendix 5

Selling, general and administrative expenses: Cost structure					
FIXED COSTS	Unit	Factor	Rate	Amount per month	Amount per year
HQ					
Salary					
Number of ppl	# of employees	16			
Actual expenses at HQ (THB/year)	THB			1,377,000	16,524,000
Number of branches	# of branches	21			
HQ expenses allocated to each branch (THB/year)	THB			65,571	786,857
Stores' expenses (Per store)					
Salary					
Number of person	# of employees	1			
Rate per month	THB	10,000		10,000	
Over time					
Number of OT hour per month	THB/HR		45.00		
OT rate per hour	THB/HR		62.50	2,813	
Number of special OT hour month			5.00		
Special OT rate per hour			83.33	417	
Free agent salary allocation	% of normal salary	25%		2,500	
Capital investment: Furniture at department store					
Central			85,000		
Siam Takashimaya			156,000		
The Mall			120,000		
Isetan			-		
Tang Hua Seng			-		
Useful life: Furniture at department store	Month	36			
Central	Month	36			
Siam Takashimaya	Month	36			
The Mall	Month	36			
Isetan	Month				
Tang Hua Seng	Month				
Depreciation: Furniture at department store					
Central	THB/Month			2,361	
Siam Takashimaya	THB/Month			4,333	
The Mall	THB/Month			3,333	
Isetan	THB/Month				
Tang Hua Seng	THB/Month				
Owned Store (Per store)					
Salary					
Number of people	units	1			
Rate per month	THB	10,000		10,000	
Over time					
Number of OT hour per month	units		57.50		
OT rate per hour	THB		62.50	3,594	
Number of special OT hour month	units		10.00		
Special OT rate per hour	THB		83.33	833	
Free agent		25.0%		2,500	
Rent				73,000	
Depreciaition	2,000,000	60		33,333	
Online shop					
Salary					
Number of person	units	1			
Rate per month	THB	10,000		10,000	
Overtime					
Number of OT hour per month	units		-		
OT rate per hour	THB		62.50	0	
Number of special OT hour month	units		-		
Special OT rate per hour	THB		83.33	0	

Appendix 6

Profitability Margin Analysis

Top 5 models	Model #1	Model #2	Model #3	Model #4	Model #5	Worst one
Total sales value of each model	3,200,000	2,000,000	1,900,000	1,800,000	1,200,000	380,000
Sale price (with VAT)	4,250	5,950	5,950	5,950	4,250	9,250
Sale price (without VAT)	3,972	5,561	5,561	5,561	3,972	8,645
COGS	600	885	980	1,105	600	2,620
COGS/Sale	662%	628%	567%	503%	662%	330%

COGS ratio average (adjusted for conservative and VAT)	588%
Share of top 5 models of total sale	21.5%

Revenue and cost structure per 1 pair	Central		Siam Takashimaya		The Mall		Isetan		Tang Hua Seng	
	THB	%	THB	%	THB	%	THB	%	THB	%
Sale revenue (average sales price included VAT)	5,270.0	107.0%	5,270.0	107.0%	5,270.0	107.0%	5,270.0	107.0%	5,270.0	107.0%
Sale revenue (average sales price without VAT)	4,925.2	100.0%	4,925.2	100.0%	4,925.2	100.0%	4,925.2	100.0%	4,925.2	100.0%
General percentage (Based on Central Department store rate)	2,067.2	42.0%	1,993.0	40.5%	1,984.5	40.3%	1,829.5	37.1%	1,913.6	38.9%
Average Sales MINUS sales discounts, rent fees and commissions considering season periodicity	2,858.0	58.0%	2,932.2	59.5%	2,940.7	59.7%	3,095.8	62.9%	3,011.7	61.1%
VAT rate	7%		7%		7%		7%		7%	
VAT (in BHT)	344.8		344.8		344.8		344.8		344.8	
COGS (Weighted average)	834.0	16.9%	834.0	16.9%	834.0	16.9%	834.0	16.9%	834.0	16.9%
Net Sales minus Variable Costs	2,024.0	41.1%	2,098.2	42.6%	2,106.7	42.8%	2,261.8	45.9%	2,177.7	44.2%

Appendix 7

Capital Investment Analysis			
Items	Units	Customized insole equipment station	Foot analyzer
Initial investment	THB	184,366.51	213,840.00
Expected useful life	months	60	60
Salvage value	THB	-	
Depreciation per month	THB/month	3,072.78	3,564.00
Variable cost			
Custom insole	THB/unit	781.11	
Ready made	THB/unit	621.32	
Commission	% of sales	2.50%	
Selling price			
Customer insole			
Full price	THB/unit	4,250.00	
Member price	THB/unit	3,825.00	
Pre-make insole			
Full price	THB/unit	1,610.00	
Member price	THB/unit	1,449.00	

Appendix 8

Income statement				
	Whole company		Own Store	
Number of units sold per year	8,918		687	
	THB	%	THB	%
Sales included VAT	47,000,000	107.0%	3,622,642	107.0%
Sales without VAT	43,925,234	100.0%	3,385,646	100.0%
Rent fee, Customers' discount and Sales Commissions	18,436,519	42.0%	-	0.0%
Net Sale after all the Variable Cost	25,488,715	58.0%	3,622,642	100.0%
VAT	3,074,766	7.0%	236,995	7.0%
COGS (Weighted average)	7,437,951	16.9%	573,298	16.9%
Contribution Margin	18,050,764	41.1%	2,812,348	
Fixed Costs				
Per month	1,377,000		89,927	
Annual	15,737,143		1,865,982	
Depreciation			400,000	
Net Income	2,313,621	4.9%	546,366	15.1%

