Boden sees strong sales at home and in the US, plans further expansion

By Sandra Halliday - September 5, 2017

As Boden, the mass-premium brand beloved of the British middle classes, gets ready to open a high-profile high street store (on the King’s Road in London’s Chelsea), the company has reported yet another strong year of trading.

Sales and profits were up almost in double-digits in 2016. And while the business is a UK favourite, international trading was particularly strong last year.

And the current year is looking healthy too with sales up 8% in the first half, a good performance given the challenging conditions we’ve seen all year.

The company said pre-tax profit rose 9.6% to £26.2m in the year to December 31, with sales up just short of 9% to £308 million as customer numbers increased and the gross margin improved. Womenswear was strong and the second half saw sales accelerating with women’s product up in double-digits.

The company is controlled by founder Johnnie Boden and appeals partly due to its strong British image. Ex-prime minister David Cameron and his family are fans, along with many other older UK-based Millennials and Gen Xers.
Minister David Cameron and his family are fans, along with many other older UK-based millennials and Gen Xers. But as well as appealing in its domestic market, its very Britishness is helping drive its success abroad.

The company said that almost 40% of its revenues now come from the US and the weak pound has clearly helped it in foreign markets. And that boost from the US has also helped it cope with some higher costs caused by rising import prices.

CEO Jill Easterbrook, who only joined this year from Tesco, said the company saw wide-ranging improvements last year with sales up but costs also kept under control.

And the company managed to increase the brand’s availability online beyond its own website via deals with Next Label, La Redoute and Zalando.

But interestingly, while catalogue-based retailers are rushing to dump their print editions and go fully online, Easterbrook said that the printed catalogue is still important as customers still like it and find it inspiring.

The brand’s expansion into physical stores is also key to its growth at home and abroad and this expansion includes concessions in John Lewis, the new King’s Road store (to add to its own longstanding store near Park Royal station in London) and its wholesale deal with US-based Nordstrom stores.

The company sees potential for more physical stores and wants to expand further in the countries it’s already in both via partnerships and its own shops.

The CEO also said that part of its success has come as it has adjusted its product approach to allow it to generate sales interest all season. She said that the firm would previously see large orders early in the season but now that customers buy little and often, the firm has adjusted its supply chain to be able to respond faster to trends and to drop new product more often.

She added: “There is significant opportunity as we focus on new customers, new distribution channels and new markets. We have ambitious plans based on solid foundations as we continue to develop Boden as an international multichannel brand.”