

Bos Brands strengthens D2C focus as e-commerce heats up

By  Lauren Hartzenberg

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Bos Brands, the company best known for its popular range of Rooibos iced teas, is ramping up its direct-to-consumer (D2C) offering with the launch of a subscription service. This follows a [revamp of the company's online store](#) last year to better cater to the growing online demand for its expanding range of products.



Introducing organic Rooibos-based products beyond just ice tea was at the top of Bos Brands' to-do list in 2020. This led to the launch of a range of Rooibos health shots in March and Fruit Icys – a freeze-at-home confection – in September, both appealing to consumers wanting to treat themselves in a more health-conscious manner.

The new subscription service makes the full range of Bos products available directly from the brand at a discounted cost for monthly orders.

“We have a strong and loyal following of Bos fans, and we want to encourage them to use our online store and our pure play partner Takealot, to ensure that they always have their favourite Bos products at home,” says Will Battersby, CEO of Bos Brands.



To make use of the subscription service on the Bos online store, customers simply shop the products they would like to

receive every month, and select the recurring order option at checkout for the 5% discount to register. They can adjust the order each month or cancel at any time.

“Consumers are generally shopping less often and buying in bulk more, so a subscription service makes a lot of sense in the current climate. It’s a great way for us to reward our regular customers who appreciate the convenience of home delivery,” Battersby explains.

Growing online and abroad

In 2021, Bos Brands is betting on the continued growth of online retail. “In 2020, online sales accounted for 5% of our sales, where previously it represented only 1%, and our plan is to grow that to 10-15% in 2021. We have been forced to push our e-commerce thinking five years ahead and make other adjustments based on the impact of the Covid-19 pandemic,” Battersby notes.



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Over the past five years, the Bos brand has expanded operations to the United States and Europe. The business is currently 60% in South Africa, 30% in Europe and 10% in the US, and this year Bos Brands intends to expand its footprint further.

Battersby chatted to *Bizcommunity* about the company's growth plans, refreshed D2C strategy and how the pandemic has impacted business.

■ ***In light of your online store relaunch last year, and the new Bos subscription service, can you comment on the growth of the direct-to-consumer model in the retail industry, and the benefits it can provide food manufacturers like yourselves?***

The growth in e-commerce has been here for a while, what Covid did is kick us along 5 or 10 years down the track in the space of 1 year. In the US online retail sales jumped from about 8% to 18% during 2020 which shows the extent of the move. Before Covid online sales in South Africa made up less than 1% of sales but this is sure to have changed and won't go backwards.

There are numerous benefits to D2C but some that have been most helpful to us include:

- Having a direct relationship and line of communication with our consumers
- Driving cash generative revenue
- We can track the effectiveness of our marketing so much better than before. We can stop quickly what's not working and

dial up the things that are.

- You can sell your full range to anyone, anywhere in the world.



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■ ***What are some of the challenges that come with direct-to-consumer offerings, and how has Bos Brands navigated these?***

Delivery fulfilment and stock management are important areas of a successful D2C business. You can't run out of stock and you need to have a service that delivers on time and cost-effectively. We have run a few different models but currently we prepare all online orders in-house and work with a number of couriers to deliver them around the country.

Customer service suddenly becomes very personal so you need a customer-centric team which we are lucky to have. We get so many emails and messages thanking our team for their speedy and friendly manner in which they deal with challenges.

Profitability – the revenue might be nice but once you add up all the delivery costs and other items linked to your D2C business just make sure it's adding to your bottom line. Scale does help so also don't be scared to spend on marketing to push sales to that profitability point.

■ ***With operations in South Africa, Europe and the United States, how have the Covid-19 lockdowns in the various markets impacted the Bos Brands business?***

We lost all our on-trade (restaurant, coffee shop) business in South Africa and Europe during hard lockdowns and had retail impacted by the slow down on impulse purchases. We have however seen increased sales in our large pack formats (1L and 3L) as more people buy for home consumption.

We have seen e-commerce grow over 300% which is incredible and have opened online shops in the US and EU. We have had to restructure how we operate in our overseas countries which has been tough, but we came into 2021 much leaner and stronger for the years ahead.



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■ ***Any interesting plans in store for Bos Brands in 2021?***

Our goal is to share Rooibos with the world through our fun, healthy, delicious range of products and in doing so add value back into South Africa.

Eighteen months ago we decided to elevate the brand beyond being just an ice tea and leverage our Rooibos platform. This has meant innovation in a number of other categories from Functional Wellness Shots to Fruit Icy's. In 2021 we will continue with the execution of this strategy with three new and exciting innovations planned.

We also plan to explore more export opportunities in the East and have already secured orders from Australia and China so things are moving in the right direction.

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