Burberry Brand History

• 1856 – Brand established by Thomas Burberry
• 1880 – Developed a waterproof material called Gabardine
• 1901 – Introduced the Equestrian Knight trademark
• 1924 – Check print made public

  The red, white, beige and black check pattern symbolises the brand
  The print was used as lining for the trench coat
  By 1967 the brand expanded their check print to other merchandise
  The brand became saturated with counterfeit items, the print started to look “cheap”
  The new CEO made the brand to a produce more quality pieces and less merchandise
  with the print.
Burberry Brand Identity

Kapferer’s (2004) luxury brand identity model

- **Physique**
  - High-end quality
  - Users acquire a look of casual sophistication
  - Recognisable by distinctive Equestrian Knight logo and endorsement by celebrities

- **Personality**
  - Classic
  - Sophisticated
  - Check pattern

- **Culture**
  - British sensibility
  - Strong international recognition

- **Relationship**
  - Connectivity through extensive use of social networking platforms
  - Focus on relationship building
  - Flagship stores with high quality service

- **Reflection**
  - Wealthy and accomplished
  - Fashion conscious

- **Self image**
  - Affluent
  - Elegant and stylish
  - Globalised
Burberry Brand Personality

Karl Heine’s (2009) luxury brand personality model

**Modernity:**
Timeless, everlasting, peaceful, balanced, charismatic

**Eccentricity:**
Respected. Down-to-earth, solid, decent

**Opulence:**
Prestigious, wealthy, glamorous, prominent

**Elitism:**
Cool, elegant, accomplished, flawless

**Strength:**
Resolute, direct, ambitious, successful, purposeful
Burberry Brand Positioning

Ease of Access

Luxury-limited distribution

Premium-wider distribution

Price/accessibility

- Channel
- Gucci
- Giorgio Armani
- Burberry
- D&G
- Miu Miu
- Just Cavalli

Sporty  Casual  Fashionable  Classic  Couture

- Polo Ralph Lauren

Accessories (perfumes, timepieces, eyewear)
- Thomas Burberry
- Blue Label
- Black Label
- Burberry London
- Prorsum

Ease of Access
SWOT

Strengths:
• Wide international network of retail, wholesale and licensing channels
• Granted royal warrants by Prince of Wales and Queen Elizabeth II
• One of the largest luxury fashion brand in the UK
• Strong advertising and brand presence in UK and Europe
• International celebrities as brand ambassadors
• Inaccessible to working class, exclusive

Weaknesses:
• History of negative association with ‘chavs’ and football hooliganism
• Weak cost structure
• Lack presence in particular areas of the world

Opportunities:
• Expansion and growth into emerging markets
• Increasing use of e-commerce
• Increase accessibility of diffusion products such as accessories
• Hosting more fashion shows
• Increasing celebrity endorsements
• Increasing sponsorship for events
• Increase innovation for new products/services

Threats:
• Intense competition, high bargaining power and low switching costs for customers
• Substitute products
• Pricing pressure
• Threat of negative associations
• Insufficient stores (brand presence) in smaller cities

Recommended Growth Strategy

Current Products

Market penetration
• Intensify online social media events to increase consumer participation and e-commerce activities
• 3D screening of fashion shows in emerging markets which have less opportunities for such shows to be run in their countries
• Increase the efficiency of supply chain processes
• Increase retail stores in small cities

Product Development
• Intensify non-apparel development
• Appoint new, young designers
• Increase endorsements by famous celebrities, especially those representing emerging market cultures
• Licensing of new accessories

Market Development
• More flagship stores and regional offices in emerging markets such as Middle East, India, China, Sao Paulo, Armenia, Mongolia, Egypt, Israel
• Vertical integration-acquire textile industries which supply Burberry with raw materials
• Acquire close rival companies such as D&G, Hugo Boss

Diversification
• Horizontal integration- form joint ventures or contractual relationships with other luxury industries such as high end sports cars to produce their merchandises

New Products

New Markets

Current Markets
References


