

# The environmental factors affecting the burberry marketing essay



Prestigious and Luxury brand such as Burberry represent the uppermost level and form of craftsmanship. It strains a customer loyalty that is not exaggerated by trends. This brand set seasonal trends and is capable of generating consumers, wherever they are recognized. Luxury consumers are constantly in the search for newer ways to satisfy their unpredictable wants and needs. Therefore, it is important for Burberry not being bounded with their exclusivity and geographical location and to be able to conduct a research and supply their customers with a major importance, to exist as the successful high-end fashion label (Hines & Bruce, 2007).

This report will aim to discuss and criticize the key factors of Burberry brand that helped to sustain its exclusivity and the market strategies that have been put in practice to impact the brand image and gained such high profits. Furthermore, it gives an explanation how this brand can continue its aura and luxury status and finally a conclusion with recommendations on areas of improvements.

## Introduction

From the live streaming of Burberry's runway fashion shows online and in the major flagship stores, the company's principal position on Facebook and Twitter of being the most "liked" brand, it's very successful advertising campaigns aimed to place the brand on the top within the "democratic luxury positioning", Burberry has been seen as one of the most winning luxury brands of the past couple years, achieving their profits to go double when deciding to acquire digital marketing tools, thus being able to stay on float in the period of global recession and financial crisis.

Luxury brand is a ground-breaking perception both from the perspective of a marketer and the consumer (Hines & Bruce, 2007).

Environmental factors affecting the marketing of Burberry

Rivalry- associated collection trends

Analysing the history of Burberry it is seen that it was economically doing well until the economic downturn of 2008. Since then and until now it has not been fully recovered yet. Moreover, there is a huge competition within the luxury fashion industry. And during recent years it has intensified and Burberry is facing such a competition in many of its products and markets. Amongst company rivals are those international luxury goods companies who control a number of luxury brands and some are smaller firms focusing on local production. Thus, Burberry's competitors differ through the different products they produce including non-apparel, womenswear, menswear and childrenswear, hence they are having greater financial resources and bargaining power with suppliers. In addition, those customers with a lower income are buying more high street clothes, which in turns create a competition from mid priced market ([http://www. burberryplc. com/bbry/](http://www.burberryplc.com/bbry/)).

Unpredictably changing ecological and financial environment

An important environmental factor such as terrorist attack or natural catastrophe which is not under control of the company may affect the business market. In such conditions, operations within the market cannot be ensured, especially in the short term ([http://www. burberryplc. com/bbry/](http://www.burberryplc.com/bbry/))

Constantly changing customer profiles and daily life trends

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The Burberry's successful business depends on its ability to go beyond the customers' anticipation and unstoppably stimulate the demand by creating new, functional in use and fashionable goods. Thus to develop trending categories, company needs to create particular product groups and balance major apparel and non-apparel markets. In the meantime of attracting new customers to the brand, Burberry adds innovation to the market. In addition the company features outerwear and the Burberry Check icons as part of its marketing initiatives ([http://www. burberryplc. com/bbry/](http://www.burberryplc.com/bbry/))

The company has formed its hierarchy and expresses the eagerness to become more responsive to luxury fashion by acquiring the abilities which would help to revive products and reload them, hence it will give the company priority in responding to the constantly changing environmental factors in more efficient and proactive manner.

Segmentation methods, targeting and positioning of Burberry

The geographic criteria refers to the regional and population element of the market.

The demographic segment refers to age, gender, ethnicity, religion, social class, occupation and family status (Kotler, 2008). The Burberry customers tend to be in a huge age range. The classic styles in a modern perspective are acquired by a huge range of people whether they are younger or older. In addition, with having children's range the company can cater for all ages.

Psychographic segmentation is usually a lifestyle-orientated segment which uses interests and activities as the basis for the market (Cant, 2010). The

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Burberry generally attracts traditional yet stylish individuals who appreciate the heritage and legacy of the brand. Those individuals who like old British classics like trench coat in a modern perspective.

Behavioural segmentation tends to involve consumer purchasing patterns in regards to the product (Lancaster & Massingham, 2011). Burberry tends to target stylish, young people, both male and

female who are both fashion aware. Those could include

includes students and working people. They are pleased about good clothes from

a classic brand and realize there is a style. They are aware of good clothes and love them. In accordance to the four segmentation criteria, the primary targeted individuals of the Burberry are usually young males and females who are old classic fashion-loyal luxury style enthusiasts.

After changing the label of the casual line of the women's and men's apparel clothes as Burberry Brit, the company has achieved more clarity in its brand segmentation. The dividing label from Burberry London line allowed the brand to broaden their assortment in each segment and to achieve more effective distribution of the goods within the targeted group of people ([http://www. burberryplc. com/bbry/](http://www.burberryplc.com/bbry/))

The targeting strategy the Burberry uses is very much a niche market. Also, they nearly doubled their marketing budget and launched a new advertising campaign to develop and promote their brand image across the globe. Their

advertising strategies and production tend to assume that customers are  
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those elite consumers and, particularly in recent time, expanding on the certain social groups of individuals within the UK who are valuing a high quality products and designer brands (Bickle, 2010)

Through the theoretical framework the Burberry's positioning could be regarded as good position in the buyers' mind through better product attributes, price and quality, offering the product in a different way than the competitors do (Kotler, 2008). The Burberry is positioned relatively strong against its competitors. It is rivalled against Ralph Lauren and Gucci luxury goods giants. Burberry has used segmentation, targeting and positioning highly effectively in their marketing strategy. They have chosen a 'democratic luxury' positioning which had a positive influence during the recent financial crisis. In addition to that, the company is working on improving of the quality of their products in the fashion industry. Adjusting affordable prices with high branding, which, in turns, help to position their products in the buyer's minds as one of the best. The Company again becomes as an attractive brand which has proven popularity amongst luxury fashion market and continues to grow. Their strategies are a cause for concern to their competition, as their market share increases. The product is one which continues to develop, thus increasing their profits.

Marketing Mix variables used by Burberry

Digital marketing tools used by Burberry

As the luxury fashion industry has been deliberate to proactively react to the quick pace of online media & branding, Burberry has been a successful

innovator in digital marketing, scrupulously among luxury brands, behaving as an inventor with initiatives that include:

**Social Networks.** Burberry took its classic trench coat and put it online, showing this timepiece to online users and thus attracting younger audience through the digital media by launching the social networking website, [Artofthetrench.com](http://Artofthetrench.com). In the first week it attracted more than 200,000 visitors and 3 million page viewers. In addition, Burberry has more than 700,000 fans on Facebook, attracting the customers with help of Twitter and YouTube.

Moreover, while having considerable amount of fans on Facebook, the company realized it needed to develop its exceptional and exclusive individuality through its own created area and community which has been followed by inventing and implementing further strategies by using following digital concepts.

**Retail Theatre.** The retailer also recognized its customers' digital saviness and introduced a range of iPhone apps allowing customers to buy instantly, thus coinciding with their runway shows.

**Online Streams of Runway Shows.** Being aware that most people can't experience first-hand of the runway, Burberry tried to give their customers the next best thing with seamless online streaming shows. Which in turns created a new selling niche in the world of luxury fashion by bringing runway to reality faster than other competitors' brands can deal with - goods ordered online are on hand for delivery within seven weeks, rather than the

usual up to six months- totally new in the standard luxury fashion delivery cycle (Bickle, 2010).

As an advantage of using digital tools in the marketing strategy Burberry reported 20% increase in sales as consumers improved their eagerness for luxury brands, after stating the success of its digital innovations. In addition to the rocketed profits and improved image the traffic significantly increased in their stores around the world. According to the data a larger proportion of total marketing spend as a percent of sales was shifted to digital marketing as a result of this innovation. In addition, the brand has experienced increased brand awareness and reach of new customers, the addition of over 700. 000 Facebook fans and Artoftthetrench. com, which received over three million page visitors since its launch in November 2009.

Gucci, LV and Vertu have different ways of attracting and being emotionally attached to their consumers. They have established this through their versatile products, product aesthetics, excellence in customer service quality, the retail environment, shopping experience and methods in distribution channels. These attributes reflect upon the brands marketing approach and how they adapt to their consumers.

Hence, for the luxury brands to be successful; it is important for these brands to identify and adapt to their consumers rather than their consumers adapting to them.

<http://www.cosmeticsdesign-europe.com/Products-Markets/Luxury-one-size-does-not-fit-all>

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