

Burberry marketing assignment

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Financial ??? One way to measure brand equity is to determine the price premium that a brand commands over a generic product. For example, if consumers are willing to pay \$100 more for a branded television over an unbranded television, the premium provides important information about the value of the brand. 2. Brand extensions ??? A successful brand can be used as a platform to launch related products. The benefits of brand extensions are the leveraging of existing brand awareness thus reducing advertising expenditures, and a lower risk from the perspective of the consumer.

Appropriate brand extensions can enhance the core brand. 3. Consumer-based ??? A strong brand increases the consumer's attitude strength toward the product associated with the brand. Attitude strength is built by experience with a product. The consumer's awareness and associations lead to perceived quality, inferred attributes and eventually, brand loyalty. [i]' The brand equity in the Burberry line of clothes clearly lies in its infamous checkered pattern. " The Burberry check pattern was introduced in the early 1920s as a lining to its signature trench coat, and became a registered trademark.

Burberry's trench coat was chosen to be the official coat of the British army in World War I. [ii]" Over the ensuing years, celebrities, politicians, socialites, movie stars, kings, and explorers all donned the checkered flag. " As a result, the brand increasingly became a symbol of both luxury and durability. [iii]" This is Burberry's brand equity. A mere glimpse of a checkered pattern on the inside of a full length trench exemplifies the quality, durability and prestige that Burberry has come to represent. 2. What were Burberry's consumer base and target customers?

The consumer base and target customers of the Burberry label has been as much of an evolution as the brand itself. Burberry was founded in 1856. In the early years of the company Burberry was known for its gabardine (invented by Burberry) trench coats that were waterproof, breathable and able to withstand extreme conditions. The coats became the official coat of the British Army in World War I. Over the ensuing years as the brand expanded its consumer base grew to include celebrities, well known adventurers, politicians, aviators, balloonists and explorers.

By the 1990s, Burberry's product line was being sold in retail environments inconsistent with its core proposition. The consumer base consisted mostly of older males and Asian tourists. The brand was skewed towards an older customer base. The reinvention of Burberry began in 1997 and with that a new consumer base and target market was born. The new CEO, Rose Marie Bravo, immediately repositioned the brand with the goal of attracting a younger customer base. Bravo decided that there was a niche for Burberry between labels such as Polo Ralph Lauren and Giorgio Armani in apparel, and between Coach and Gucci in accessories.

Bravo and the Burberry team decided to create different Burberry lines for different target markets. Burberry London served as the core label. The Thomas Burberry line appealed to the younger, more fashion conscious consumers of Spain and Portugal. Burberry Blue and Black labels were designed for the young men and women of Japan. Prorsum was the private jet of the Burberry fleet. It was showcased on the runways of Milan, London and New York. Prorsum was not your everyday collection of clothing. It was extremely luxurious and was released more to make a statement about the <https://assignbuster.com/burberry-marketing-assignment/>

brand than anything else. The Prorsum introduction was Burberry's way of communicating the idea that Burberry was a brand with the stature to appear on runways alongside the fashion greats. It was a way of telling people that something very special was happening at Burberry. [iv]" By 2003 Bravo had achieved her goals. Burberry had not only become popular among a younger demographic, it had become positively hip. The company had gone from a consumer base of British soldiers to a base of hip hop moguls and pop icons such as Madonna. 3.

Bravo and her associates were able to develop a series of marketing strategies to create a " unique value proposition" and address sub brands, licenses, advertising, retailing issues, and the company's status among consumers. What did they do? Bravo's goal was to transform Burberry from a tired outerwear manufacturer into a luxury lifestyle brand that was aspirational, stylish, and innovative. The first thing she did was bring in a new management team. She hired the best of the best. She hired people with great retail experience and a tremendous understanding of price points and gaps.

Step two was to reposition the brand to attract younger customers while retaining Burberry's core customer base. A decision was made to position Burberry between Ralph Lauren and Armani and between Coach and Gucci in accessories. Burberry was to be positioned in the realm of being both " accessibly luxurious" and " aspirationally functional. [v]" Step three was to update the product line. Outdated designs were eliminated. The design team worked on creating a consistent look and feel across all products. New products such as bandanas, miniskirts and spike heeled boots were created.

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Burberry simplified its offering into three primary collections: Womenswear, Menswear and Accessories. Step four was to address and reign in the various licensing agreements that existed with the various Burberry products. With non-licensed products, Burberry exercised control over everything from design to sourcing, manufacturing and distribution. Bravo and her team reined in many of the older licensing agreements to curb inconsistencies in price, design, and quality across markets. The company also assumed tighter control over distribution, ending some relationships and expanding others.

Advertising of the brand was also completely revamped. Once again Bravo followed a best of breed approach and hired some very talented advertising and marketing professionals (photographers, creative directors, advertising agents, etc). A two phase advertising campaign was launched with the goal of maintaining Burberry's classic positioning yet at the same time transforming the brand into a more trend conscious and modern brand.

Thanks to the help of a great ad team and some cutting edge supermodels in Stella Tenant and Kate Moss the advertising goals were achieved.

Burberry was now classically hip. 4. Burberry is an international brand. What did Bravo and her associates do to address various international marketing concerns ??? problems? As the Burberry brand became licensed across a range of categories the price, design and quality of products began to vary across local markets in part because the company exercised limited control over its licenses. In addition, parallel trading became particularly common in Asia. By the 1990s, Burberry's product line was being sold in retail environments inconsistent with its quality proposition.

The company had become reliant on a narrow base of core products and its customer base was predominantly Asian tourists and males. The brand had lost exclusivity and the Far East accounted for way too much of its revenue. The brand was too skewed to an older customer base. To combat these issues Bravo and her team took several steps listed below: 1. Repositioned the brand as a luxury good. This would help remove the retail stigma and stereotype that was developing. 2. Updated the product line. They brought forth the Burberry bikini, tailored suits, and hip miniskirts.

This helped to reinvent the product especially overseas where it was being worn mostly by Asian males. The new womenswear line allowed the brand to migrate more towards an equilibrium between male and female consumers. 3. Burberry exercised tighter controls over everything from design to sourcing, to manufacturing and distribution. They worked only with licensees who had the right to design, manufacture, and distribute products under the Burberry name. Bravo and her team reined in many of the old licensing agreements curbing inconsistencies in price, design and quality. 4.

Burberry enacted much tighter restrictions with regards to distribution. By 2002 the company had opened 132 company owned stores in addition to placement in thousands of department and specialty stores. It was in the company owned stores that they were able to display their full product line and showcase the vision and expansion of the product. ————— [i] www.netmba.com/marketing//brand/equity [ii] Burberry. Harvard Business Review. 9-504-048. [iii] Burberry. Harvard Business Review. 9-504-048. [iv] Burberry. Harvard Business Review. 9-504-048. [v] Burberry. Harvard Business Review. 9-504-048.

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