

Burberrys market position and its competitors marketing essay



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Burberry has positioned itself as a staple for both, luxury and functionality. This positioning method has been consistent throughout the life of the Burberry brand and is a main driver in propelling Burberry into its current market position.

Rose Marie Bravo positioned Burberry in a manner such that it was neither classic nor cutting edge fashion. It was a medley of both. Burberry was portrayed as a fashion brand, although not very classic and aristocratic but at the same time it did not fall under the Haute Couture segment.

Bravo aspired to position Burberry between labels such as Polo Ralph Lauren and Giorgio Armani in the apparel region, and between Coach and Gucci in the accessories domain. Bravo termed the Burberry Brand as “ Functional Luxury”.

Polo Ralph Lauren has positioned itself as a lifestyle and apparel brand. It captured the most market share for apparel (menswear) although Polo priced its products lower than Burberry products.

Giorgio Armani and Gucci on the other hand have positioned themselves as high end luxury fashion brands. Armani mainly focuses only on apparels although in the recent years they have expanded their collection to include fragrances, cosmetics and accessories. Gucci however, captured 12% accessory market share and is the highest priced brand for accessories.

Q2. Is Burberry's competitive position sustainable over a long term? Why?

Burberry has positioned its brand in the minds of consumers to be “functional luxury.” Burberry maintains a product line with great width and depth consisting of many products.

Their products fall into one of two main categories: Fashion and Continuity.

Fashion products are designed to be responsive to fashion trends and are introduced on a collection-by-collection basis. Continuity products have life cycles that are expected to last for a number of years.

Burberry also has three primary collections: womens-wear, mens-wear and accessories. With so many different products offered in different collections Burberry has widened its scope. This contributes to the positioning of the Burberry brand.

In addition to its products, the Thomas Burberry collection and the introduction of the Burberry Prorsum for its haute couture segment has strengthened the position of Burberry. Thus Burberry now has positioned itself as a brand that caters to not just functional apparel and affordable fashion but also to high end custom made luxury clothing. The different collections under the Burberry brand have created a niche for Burberry in the apparel industry.

Thus, it can be concluded that Burberry's competitive position is sustainable over a long time .

Q3. Bravo's team is currently carrying out several initiatives including multiple collections, multiple channels and multiple licenses.

What is the role of each of these initiatives in Burberry's overall business model?

Multiple Collections

Burberry's Collections were categorized into: womenswear, menswear and accessories. The reason to update the product line was to fit the fashion desires of current and potential customers, and a way for Burberry to give a consistent look and feel across an array of products. In terms of womenswear, menswear, and accessories, each collection allows Burberry to compete with its major competition. A collection of accessories allows Burberry to adequately compete with larger accessory players such as Gucci or Coach.

Multiple Channels

Wholesale and retail operations allowed their product mass exposure to the customers. The company had taken more control over its distribution by purchasing some distributors and severing ties with others. It had 3162 wholesale stores, 434 department stores, and 2728 specialty stores.

Multiple Licenses

Throughout the 1970s, when Burberry was owned by GUS, the Burberry brand became licensed on too broad of an array to maintain the true image and values of Burberry. With this came overall turmoil when the pricing,

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designing, and quality of Burberry products became skewed across numerous markets. Due to this fact, Bravo determined and executed a plan where Burberry would now exercise control over everything from design to sourcing, manufacturing, and distribution. Ultimately, devising this licensing strategy allowed for the elimination of price, design and quality inconsistencies. Multiple licensees allows Burberry to introduce products in markets their competition has better hold of and still share in some of the profit.

These new collections and brands serve to further Burberry's new strategy and to mitigate risk of alienating core customers.

Elevated prices

Controlled global communications.

Q4. Has Bravo's team managed to elevate the overall status of the Burberry Brand?

Bravo's team has managed to elevate the overall status of the Burberry brand through a complete overhaul of pricing, distribution, product, and promotion. After these multiple product brands and lines were created, and new license ventures were ensued, in order for the company to move in a global, profitable direction, while keeping the core values of the Burberry image alive.

In terms of distribution, by 2002 Bravo and her team had managed to create world-wide distribution of the Burberry products.

Not only did Bravo's team replenish the overall pricing and distribution efforts of Burberry, but they also revamped new product lines, and product brands, in order to fulfill their goal of acquiring and retaining customers.

Lastly, Bravo's team challenged themselves in finally devising a plan to promote the Burberry image and successfully managed to convey the Burberry Brand to the customers by devising advertising campaigns that portrayed the true Burberry Brand Image.

Balance between continuity and fashion oriented products

Balance between men's and women's wear (27% vs 33%) men's wear has relatively longer PLC

Balance between accessories and apparels

Balanced distribution - Sales = 39% DOS 52% Distributors 10% Licenses

Greater geographical balance - dependence on Asia 75%

Brand tier strategy - London, Prorsum, Thomas - Black. Blue.