

BURBERRY: CHIC OR CHAV? THE MURKY HISTORY OF THE LEGENDARY CHECK

MANAGEMENT DECISION

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

Management Decisions

Short-term solution (1997-2004)

The management at Burberry knew that they could not stop a select group of individuals from either purchasing or wearing their iconic checks, but they had the vision to drive focus from this towards a better public image. The very first decision that the management of Burberry took was to reduce the visibility of their iconic and distinctive check pattern. The brand also decided to remove the checked baseball cap from their collection. The checked pattern that was once seen in 20% of their clothing and accessories was dialled back to only 5% by 2004. Another key step Burberry took was to rope Christopher Bailey in the position of creative director in 2001. Mario Testino was brought in to shoot the advertisement campaign with renowned super-model Kate Moss enlisted as the new face of the brand. The aim was to re-envision "Classics with a twist". These new personalities would help the brand merge the brand's image of classic and heritage with the fashion concepts of modernism and youthfulness. This was followed by getting well-liked celebrities to endorse the brand to improve the brand's image. The distancing from gang-related and "chav" culture began by trying to change how their audience perceives their brand.

The vision for the future was clear: extending their product range in terms of quality as well as style and design. The brand then began to extensively license their products which provided the company with a substantial influx of cash but had a counterproductive effect with a significant increase in counterfeits and imitations in the market. However, Burberry did achieve its goal of rebranding into a brand that signified heritage and class while maintaining an aura that is not considered old and dated. Rose Marie Bravo, then CEO of Burberry and person credited for these initiatives stated:

Burberry now exemplifies a brand that is "not so avant-garde, not so snooty" by helping evolve the brand's masculine roots "in a very feminine way".

However, Burberry's troubles weren't over yet as the company's decision to license their products and designs worldwide threatened to destroy the reputation of the brand as well as tear down the brand's uniqueness and identity.

Long-term vision (2006-2015)

Burberry had financially recovered from the crisis and the brand's new direction seemed promising but when the new CEO Angela Ahrendts took charge in 2006, the brand was still in trouble. Her first point of action was to identify why a once renowned luxury brand was only growing 2% a year in the luxury segment. The new

CEO identified that even though the brand had a solid foundation, it had lost sight of its core values and heritage in pursuit of global expansion. The company had 23 licenses around the globe, each of which had been involved in something different. The luxury clothing and apparel industry strives on promise on exclusivity, quality, and high-end style, all of which were lacking in the brand's current global offering.

In order to end the brand's current ubiquitous nature of products, Burberry had to envision itself as more than just a British heritage brand. The new CEO set her eyes on rivalling with the world's top luxury brands such as Louis Vuitton. The solution: focusing on core values, heritage and centralizing design and brand identity. Angela Ahrendts defined great unified branding as:

"From Apple to Starbucks, I love the consistency – knowing that anywhere in the world you can depend on having the same experience in the store or being served a latte with the same taste and in the same cup. That's great branding."

To address challenges that stemmed from different designs and products being made and offered around the world at different price points was countered by the introduction of a global design director, Christopher Bailey. He was made in charge of the creation and approval of any and all designs and products that were introduced in any part of the world. Shortly after changes in design and manufacturing teams all around the world were made, all design was centralized under the supervision of Christopher Bailey. Investments were made to fortify the heritage rainwear that Burberry is known for through divestments in other less important clothing lines. The decision led to emergence of a political storm as the Welsh factory was shut down, and the CEO along with Burberry's chairman had to testify before the UK parliament.

The next priority for the new CEO was to align Burberry with its core values and brand identity and reflect these through their product line. The Burberry signature coats, which once were part of the British culture and connected the brand to the royal family now only made up for only 20% of their global brand business. Burberry's core values and brand identity were so closely associated with the iconic trench coat, the water-proof cloth it was made from, and the story surrounding it. The plan was to reinforce the Burberry heritage through innovation around the iconic trench coat and use it to enhance the brand's reputation as a luxury clothing brand all while staying true to its legacy.

The new strategy dictated that everything from designing to marketing needs to follow the ethos of Burberry's iconic trench coat. The decision was also made to reorganize the structure of the company and focus on the big picture to benefit the entire company rather than smaller departments making their own decisions. New

positions such as head of corporate resources, planning, chief supply chain officer was added along with other restructuring to help the brand reach its aims. On the expansion side of things, Burberry targeted markets where its competitors were operating without a Burberry store and the store staff was trained to focus on outerwear rather than relatively less expensive items like polo shirts. The focus of marketing also shifted towards targeting younger audience mainly millennials in line with Burberry's strategy of rebranding from earlier in the 2000s.