

Promotional ideas and strategies: Case of Burberry Company



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Company Background:

Burberry Group is a British luxury fashion retail chain which has its head office in London, England. Burberry Group was founded in year 1856 in Basingstoke, England. Thomas Burberry was the founder of Burberry Group. Burberry Group deals in fashion industry. At present Burberry Group has its business spread over national and international 498 number of locations.

The products sold by Burberry Group are clothing, perfumes, cosmetics and accessories. The Revenue of Burberry Group in year 2017 was 2,766 million pounds. In the same year the operating income was 394.3 million pounds and the net income was 287.7 million pounds.

Burberry Group has something for everyone in the fashion world. It offers apparels, perfumes, cosmetics and accessories for women, men and even children. Burberry Group strategy as revealed in year 2017 was to set up multiyear plan to reenergize its products and services to the customers so that the sustainability of the business can be assured and the long term development of the business can be accomplished. The vision of Burberry Group is to establish such a position of Burberry Group brand name in the luxury fashion industry. Burberry Group intends to make efforts towards sharpening the existence of the business and accomplishing the rewarding outcome by achieving long term sustainability and growth of the margins over time. This way the business wants to accomplish comfortable profit margins for its investors so that their money can be made worth investing. That is Burberry Group intends to deliver attractive returns to the shareholders and accomplish steady growth of its share price in the open market operation.

Burberry has also framed out strategy to deliver the combination of superior growth in the organic profit and applying continuous growth in the cash generation process. The commitment

of Burberry Group is revealed towards capital allocation framework which will ensure easy running of Burberry Group by maintaining equitable liquidity positions.

The six pillars of Burberry Group strategy are identified by Burberry which include four revenue drivers such as communication, product, distribution and digital. The rest two are the enablers which include inspiring people and achieving operational efficiency.

Burberry Group has been consistently trying to improve its product range by introducing new products and services. The main attempts will be made by company to attract customers for luxury fashion clothing. Hence innovative ideas are applied to develop new product range.

Burberry Group is also trying to improve its communication to the customers by using the latest technological breakthrough offered by social media websites. The attempts will be made towards changing the customer perception and apply such communication plans that will ensure customer engagement and reinventing of the editorial contents.

Burberry Group has plans to develop and expand its business process in new regions. Burberry Group wants to open wholesale and retail door for business in the United States and EMEIA region. On the other hand, the new establishments of Burberry Group's retail store are on the cards which will be effective in near future. Both the methods of retail and wholesale selling will help Burberry Group in applying luxury distribution network and support.

The digital proposition will also be achieved by offering personalized stories and editorials through the web portal which provide service round the clock and attract customer attention.

The operational excellence will also be achieved to improve efficiency of the business with the purpose to attain economies of scale. The inspired people program is also developed by Burberry

Group to foster a dynamic and inclusive culture with the purpose to engage employees in improving strength of the brand (Burberrypc.com, 2018).

Task one: Research on Burberry fashion store

Marketing mix has been applied efficiently by Burberry under which the right product or its combination is set at the right place at the right price. There are four P's in the marketing mix including product, price, place and promotion. The product includes the different kinds of fashion clothing that are sold by Burberry Group. The attempts are made to produce new variety and high range of clothing materials for women, men and children. Other than clothing, Burberry Group also deals in selling perfumes, cosmetics and accessories. The price component is fixed by Burberry by carefully going through the pricing plan applied by competitors. This way the pricing is done at highly competitive prices so that the customer decision about purchase can be affected. The place of the Burberry fashion stores is kept in malls and popular places where the movement of the customers is high. Burberry Group has its retail outlets in different countries around the world. The promotion of Burberry Group products and services are made at regular intervals using various sources to reach out to the target population (Naresh K. Malhotra, 2010).

1.) Promotion mix techniques:

The promotion mix techniques used by Burberry inside its store is done through efficient deployment of layout, services, special offers, new launches, waiting time at tills, enhancement of sales, staff, atmosphere, music, shop window are all taken into consideration. These can be explained as follows.

A. Layout:

The layout of Burberry store is highly attractive. The main efforts are made towards revealing the latest in fashion to the customers. There are proper lighting arrangements followed by attracting display of the clothing products, perfume, cosmetic and accessories.



Source: <https://www.fasola.jp/search/floor-map/no2/img/pic-burberry.jpg>

The above clearly shows the layout of Burberry store which is neat, clean and with everything placed just in place.

B. Staff:

The staff members of Burberry company acts as one team, which make efforts towards achieve the most desired goals and outcomes for the business. This way team is assigned tasks as per the predefined strategy which can be followed.



Source:

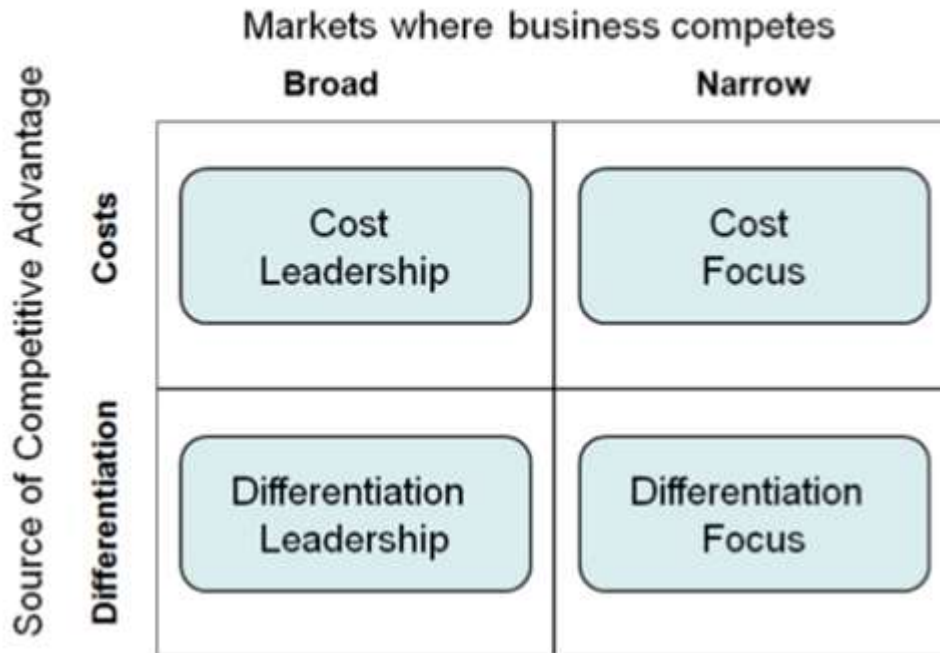
https://az616578.vo.msecnd.net/files/2016/05/19/6359925777905620181626643095_team.jpg

The team members at Burberry therefore work in alignment with the pre-stated target goals and outcomes.

2.) Porter's strategic model:

The porter's strategic model can helps in describing as to how Burberry Group can achieve competitive advantage in the chosen market. The Burberry company business can be analyzed as per the porter's generic strategy as follows.

Porter's Generic Strategies



Source: <https://s3-eu-west-1.amazonaws.com/tutor2u-media/subjects/business/diagrams/porter-generic-strategies-diagram.jpg?mtime=20150418103059>

The business of Burberry Company can be placed in the differentiation leadership under which the source of competitive advantage is differentiation and the market where business competes is broad. This way the attempts are made by the management of Burberry Company to achieve differentiation leadership by offering variety of products and service under one roof. Also different stores around the world target the customers of high range in these regions (Malhotra, 2002). Furthermore five force analysis of porter reveals the following status of the Burberry business.

- a. There exist high competitive rivalries with other companies who are selling homogenous products.
- b. The threat of new entry is always there as there are no blockades for them.
- c. The threat of substitution is present as other businesses offer similar products and services.
- d. The supplier power is low as the number of suppliers to Burberry Group is high.
- e. The buyer power is high as the customers of Burberry Group are aware of the prices and products sold by other companies.

3.) Customer Relationship Management:

Customer relationship management is applied by Burberry with the purpose to assist customer retention and achieve sales growth by applying strategies and practices. These way efforts are made to manage and analyze customer interactions and data.

A. Atmosphere:

The atmosphere in the Burberry store is stress relieving where the customers to take out time from their busy life and make shopping of the goods and services that can improve their lifestyle.



Source: http://butterboom.com/wp-content/uploads/2016/05/Burberry_Butterboom.jpg

This way the shopping conducive atmosphere helps in promoting sales in the Burberry retail store.

B. Music:

Burberry stores are always observed playing music. The music is played with the purpose to offer customer a cool and calm experience in shopping. The customers could enjoy the live music along with shopping.



Source: <http://www.londnr.com/wp-content/uploads/2016/10/Burb.jpg>

The live music station committed to play calm music for the customers is always played on the Burberry store.

C. Shop window:

The shop window is always placed with the latest trends clothing material, perfumes, accessories and cosmetics. This way the customers are made informed about the latest that the Burberry store has to offer.



Source: <https://ak9.picdn.net/shutterstock/videos/17781139/thumb/7.jpg>

The customers can have view of the products displayed on the window and promote window shopping for the customers so that they can make up their mind for making purchase. As

depictable from the image, the Burberry stores are so well placed that the person can have view of all things offered on sale from outside the store.

4.) Segmentation, Targeting and Positioning (STP):

The segmentation, targeting and positioning is done with the purpose to define customers in different region, target them with appropriate strategy and position the products in the market as per the needs of the customers.

The STP Process



Source: <http://dimitriosgogos.me/wp/wp-content/uploads/2018/01/stp-model.png>

A. Service:

The customer service provided by Burberry is up to the standards. Burberry Group offers enhanced customer service, wherein its employees offer high variety of goods and services to the customers.



Source: [http://4.bp.blogspot.com/--](http://4.bp.blogspot.com/--6_mFTiG1CA/UqlC5zxZRjI/AAAAAAAAACs/INicvzad6L8/s1600/imagesUBNNHROJ.jpg)

[6_mFTiG1CA/UqlC5zxZRjI/AAAAAAAAACs/INicvzad6L8/s1600/imagesUBNNHROJ.jpg](http://4.bp.blogspot.com/--6_mFTiG1CA/UqlC5zxZRjI/AAAAAAAAACs/INicvzad6L8/s1600/imagesUBNNHROJ.jpg)

The above image showcase well-dressed employee greeting the customer in the Burberry store. This way a personalized service is given to each customer in the Burberry store.

B. Waiting time at tills:

Burberry has made towards offering enhanced customer service under which they won't have to wait long at tills. The self-service checkouts are made by Burberry Group inside the establishments wherein the customers who do not want to wait in queue can directly approach the self service checkouts. There they can make bills by their own self and initiate the required payment.



Source: <https://i.dailymail.co.uk/i/pix/2015/05/18/01/28CB5FA800000578-3085713->

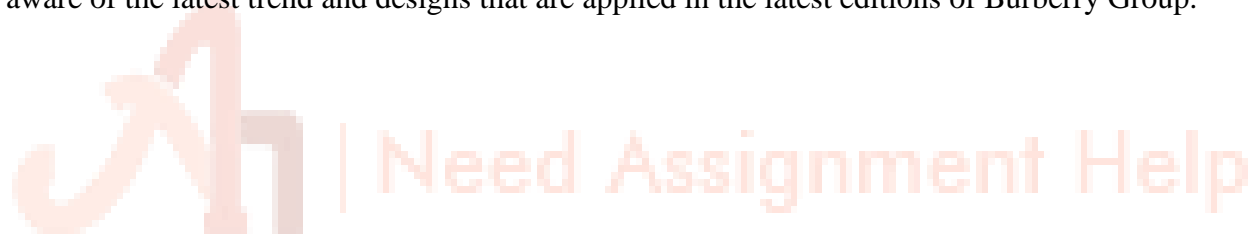
[Britain now has 42 000 self service tills yet tests proved that -a-2 1431909363482.jpg](#)

This way the new idea of self service checkouts are applied by Burberry Group to enhance the customer experience and save them from the long waiting in queue. There are about 42,000 self service tills offered in the United Kingdom.

5.) Market positioning:

Burberry position itself as a well respectable brand in the market which are preferred by customers around the world. Consistent efforts are made by Burberry Group to achieve enhancement of sales.

Burberry has been organizing various fashion shows at regular intervals to make the customers aware of the latest trend and designs that are applied in the latest editions of Burberry Group.





Source:

https://images.complex.com/complex/images/c_crop,h_446,w_595,x_0,y_2/c_limit,w_680/fl_lossy,pg_1,q_auto/Burberry_Fashion_Calendar_awep8a/burberry-vetements-tom-ford

This way the use of fashion shows are made for making the customers aware of the latest trends and offers to the customers in clothing, accessories, perfumes and accessories. Burberry has organized fashion shows in United Kingdom in the last month which has attracted the interest of buyers.

6.) Promotional mix strategies:

The promotional mix strategy is applied by Burberry from time to time attract and impress customers.

A. Special offers:

The Burberry store offers heavy discounts and special offers to the customers specifically during holidays or festive season. This helps in attracting more customers and enhances the sales of the business.



Source: <http://www.lovesales.com/assets/images/sales/1/b/burberry.jpg>

Special offers are made to the online as well as offline customers. The customers could use the required code to cash or avail the latest discount offer. Burberry bags are among the top sellers in United Kingdom as they are offered on sale through online platform as well as stores..

B. New launches:

There are regular new launches that are made by Burberry with the purpose to maintain interest of people in the business. Recently company introduced its women perfume which was meant to attract women customers to the retail stores.



Source: https://ak1.ostkcdn.com/images/products/4312631/Burberry-London-Womens-3.3-ounce-Eau-de-Parfum-Spray-761393ed-edcf-42b1-9858-28e70f7eb649_600.jpg

This way regular updates and new product range are introduced by Burberry Group to offer variety to the customers. The latest edition is the Burberry London Women spray which has attracted the interest of various customers.

7.) Advertising campaign

The advertising campaigns are applied effectively by Burberry. Burberry Group uses television, radio, billboard, internet, newspaper and various other methods for promotion and advertising of company products and services.



Source: <https://pmcwwd.files.wordpress.com/2016/08/burberry-150816-01.jpg?w=640&h=415&crop=1>

The above is the latest fashion trend offered by Burberry. These include the woolen clothes that will meet the requirements of the customer in coming winter season.

8.) Promotion Mix:

The promotion mix techniques used by Burberry includes advertising, personal selling, sales promotion, public relations and direct marketing.



Source: <https://businessjargons.com/wp-content/uploads/2015/09/promotion-mix.jpg>

Advertising: Burberry Group makes aggressive advertising on television and FM radio with the purpose to reach out to target customers.

Personal selling: Burberry Group has deployed huge work force in the selling department who support personal selling.

Sales promotion: Burberry Group applies various sales promotion techniques including discounts and offers for the customers.

Public relations: The after sale service is provided by Burberry Group which help in developing public relations.

Direct marketing: Burberry Group has sales man which supports the process of direct marketing.

9.) Outside agencies for promotion:

As per the latest reports and review by the British Newspaper Burberry Group is offering best in class service to its customers. The variety of products and services are expanding at steady which meets the requirements of the customers. However the rising competition has affected the overall pricing and profit margins of Burberry Group (Miller, 2018).

Task two: Retailer applying different evaluation tactics:

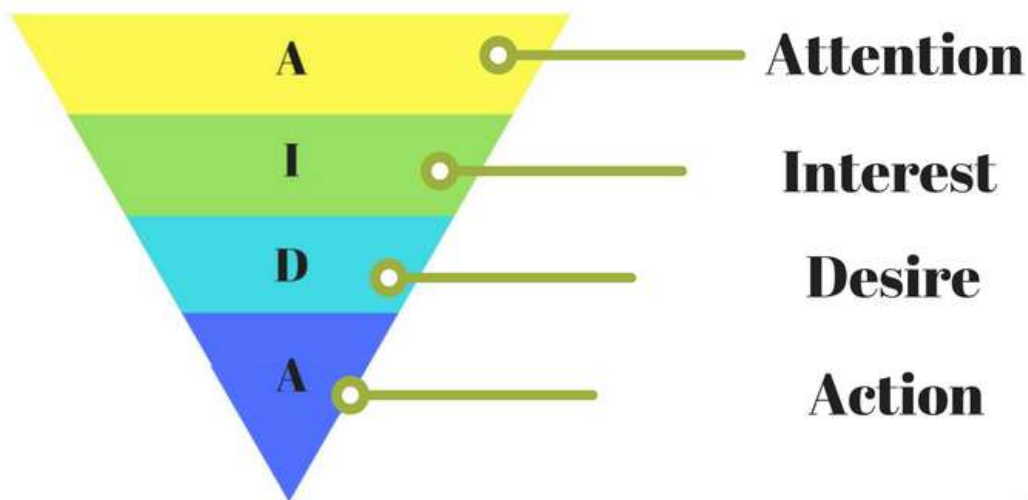
There are different evaluation tactics that are applied by Burberry Company. These include AIDA,

1.) AIDA:

AIDA initials stands for Attention, Interest, Desire and Action. It actually reveals the hierarchy of effects in this model. That is the customer passes through various stages before the final decision of purchasing is made. Thus a linear and a proper sequential methods are identified which are followed before the purchase decision is made. This is a widely used model in

marketing and advertising, where in efforts are made to frame out such strategies so that the customer purchasing decision can be affected. This way AIDA reveals the way that is followed to achieve brand choice for customers (Lotayif, 2016). AIDA is applied by Burberry Company in reaching out to the target customers and making their mind for purchasing various products and services sold by the business.

The AIDA Model



smekdigital.com

Source: <https://www.smekdigital.com/wp-content/uploads/2018/03/The-AIDA-Model.png>

1.) Attention:

At this first stage the customer attention is tried to be achieved. Burberry Company has launched various advertising campaigns and fashion shows so that the attention of the customers can be attracted. The customers in this stage are made aware of the category, product or brand that is available with Burberry Group. Burberry offers clothing, perfumes, accessories and cosmetics of

high range and variety for sale to the customers. Therefore the advertising programs and fashion shows helps in conveying the various products and services sold by Burberry Group.

2.) Interest:

At this stage the interest of the customer is actually seek by showcasing the different benefits and gains that can be retrieved through purchase of particular product or service sold by Burberry Company. The customer is therefore made interested by revealing him the various benefits and gains that could attained by making purchase of particular product. This way product information, brand benefits and lifestyle upgrades are among the factors that are revealed at this stage.

3.) Desire:

At this stage the customer develops a desire to buy particular product or service sold by Burberry Company. That is the inner most desire in which brand recognition is achieved and favorable disposition is attained towards the brand are among the features of this stage. It is at this stage that the customers look for the brand in the market.

4.) Action:

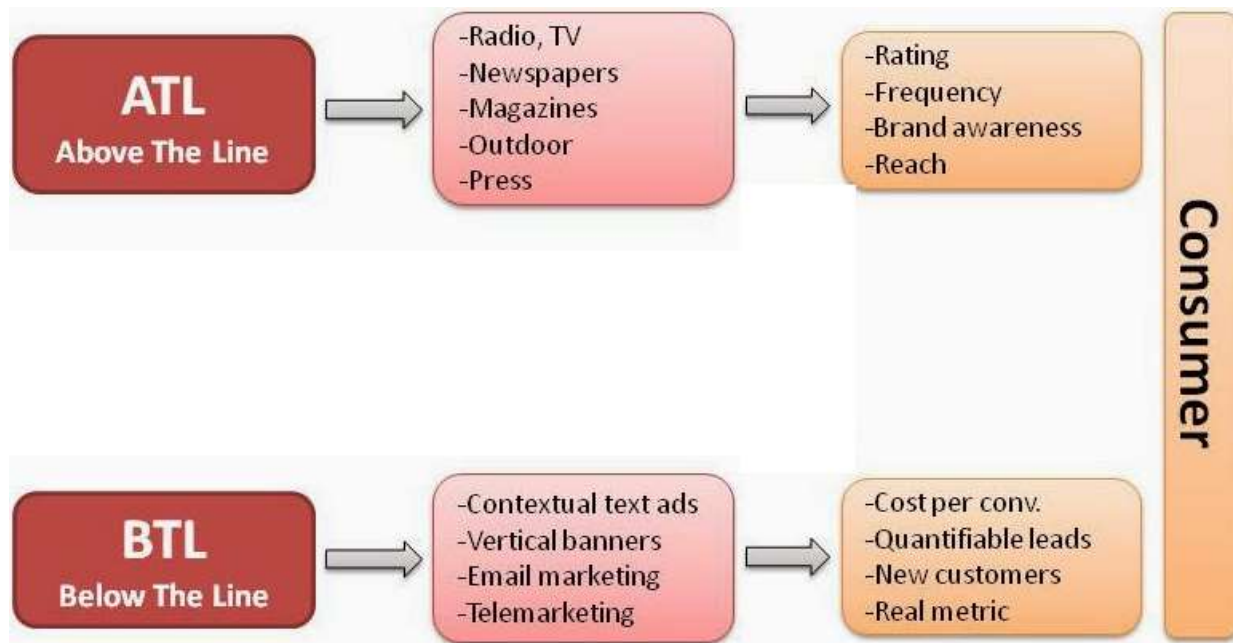
In this stage, the customer takes the action of buying particular product or service. After going through the earlier stated stages, the customer at this point prepares mind to buy Burberry company products and services. Hence the action of purchase is made and the desired goods and services are delivered to the customer.

This way the customer passes through various stages before the final decision of purchasing is made. Thus a linear and a proper sequential methods are identified which are followed before the

purchase decision is made. This is a widely used model in marketing and advertising, where in efforts are made to frame out such strategies so that the customer purchasing decision can be affected. This way AIDA reveals the way that is followed to achieve brand choice for customers. AIDA is applied by Burberry Company in reaching out to the target customers and making their mind for purchasing various products and services sold by the business (Kotler & Gary, 2006).

2.) Above / below the line:

The above/below the line is the advertising strategy that is used to promote brand and reach out to the target customers. Above the line (ATL) involves using the conventional methods of advertising products through radio, television, newspaper, magazines, outdoor and press. This way a simple approach is applied to reach out to the target customers through use of mass media channels. Below the line (BTL) involves the advertising on one to one basis. The methods involved under this advertising are distribution of pamphlets, hoardings on road, billboard, brochures and demos to the customers. This way the attempts are made to reach out to customer on one on one basis. The direct customer outreach therefore helps in achieving customer interest in buying the products and services.



Source: [http://4.bp.blogspot.com/-](http://4.bp.blogspot.com/-WF8_LCnwhkE/VCTdC4bQLKI/AAAAAAAAAJY/P0gn_czRp2A/s1600/above-below-through-the-line-marketing.jpg)

[WF8_LCnwhkE/VCTdC4bQLKI/AAAAAAAAAJY/P0gn_czRp2A/s1600/above-below-through-the-line-marketing.jpg](http://4.bp.blogspot.com/-WF8_LCnwhkE/VCTdC4bQLKI/AAAAAAAAAJY/P0gn_czRp2A/s1600/above-below-through-the-line-marketing.jpg)

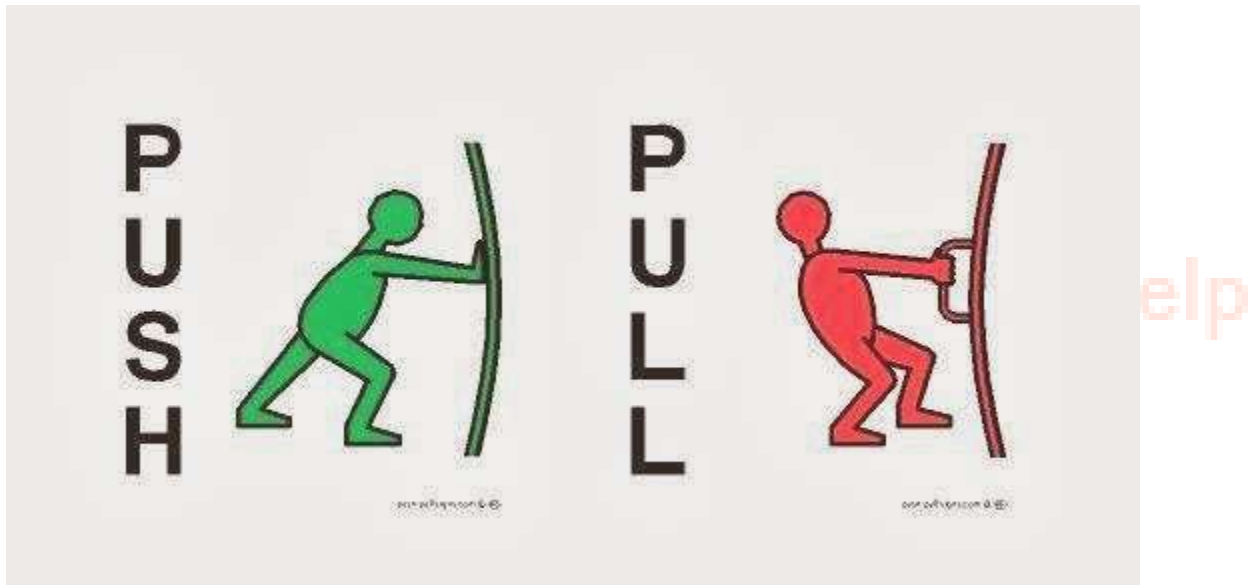
Burberry company applies both ATL or above the line advertising as well as BTL or below the line advertising methods. Under ATL advertising the use of mass media campaigns are made to reach out to the target customers. Burberry Group applies advertising on television, radio and print and internet as means of reaching out to the target customers. The main purpose of ATL advertising is achieving customer rating, brand awareness and reaches to the target customers. On the other hand, the use of BTL advertising is also made by Burberry Group at regular intervals under which fashion shows, exhibitions and sampling is done to reach out to the target customers. Even the use of contextual text advertising, vertical banner, email marketing and telemarketing is also done to reach out to the target customers, affect the decision making and achieve their purchase decision. The main purpose behind BTL advertising is to achieve

quantifiable leads, attract new customers and achieve real metric. Above the line (ATL) involves using the conventional methods of advertising products through radio, television, newspaper, magazines, outdoor and press. This way a simple approach is applied to reach out to the target customers through use of mass media channels. Below the line (BTL) involves the advertising on one to one basis. The methods involved under this advertising are distribution of pamphlets, hoardings on road, billboard, brochures and demos to the customers. This way the attempts are made to reach out to customer on one on one basis. The direct customer outreach therefore helps in achieving customer interest in buying the products and services. The mixture of both the advertising methods of ATL and BTL has helped Burberry Group in placing the products and services before the customers spread in distant places (Goldstein, 2007).

3.) Push and pull strategies:

Push promotional strategy involves taking the product direct to the customer who is already aware of that particular brand or product. This way the purchase decision is affected by showcasing the product before the customers through various advertising methods. The trade shows, exhibitions, direct selling, point of sale displays are among the various push tactics that are used to display the product before the customers who are already aware of the brand name and product benefits. This way the decision of purchase is affected by making the product available near the doorsteps of the customer. In push strategy the products are brought near to the customer by making involvement of the retailers who could place the product near to the customer.

Pull strategy on the other hand, is a process in which the customer is motivated to seek out the brand. That is the customer searches for the brand in the market after getting aware of the associated benefits. The example of pull tactics includes advertising on mass media channels, referrals, sales promotion and customer relationship management. All these methods help in making the customer aware about the product and thereby the desire of purchasing that product is raised. In pull strategy the customers are attracted towards the product by showcasing its features and benefits and hence the purchase decision is affected under which the customer seek for the particular branded product in the market (Caniels & Gelderman, 2007).



Source: [https://3.bp.blogspot.com/-](https://3.bp.blogspot.com/-qqHVlmDw0fg/UtVsG4RDmTI/AAAAAAAAAU4/WgBYC-Pu3cs/s1600/push-and-pull-sign-green-red.jpg)

[qqHVlmDw0fg/UtVsG4RDmTI/AAAAAAAAAU4/WgBYC-Pu3cs/s1600/push-and-pull-sign-green-red.jpg](https://3.bp.blogspot.com/-qqHVlmDw0fg/UtVsG4RDmTI/AAAAAAAAAU4/WgBYC-Pu3cs/s1600/push-and-pull-sign-green-red.jpg)

Burberry Company applies both the push and pulls strategies. Under push strategy, Burberry Group schedules various fashion shows and exhibitions at regular intervals so that the product can be placed near the customer so that he could make purchase of it. On the other hand, pull

strategy is also used under which the customers are motivated to buy particular product and service. The use of advertising on radio, television and internet are made so that the customers can get aware of the latest offers, discounts and other promotional schemes. This way the customer's desire is raised to buy Burberry Group product or service. Push promotional strategy involves taking the product direct to the customer who is already aware of that particular brand or product. This way the purchase decision is affected by showcasing the product before the customers through various advertising methods. Pull strategy on the other hand, is a process in which the customer is motivated to seek out the brand. That is the customer searches for the brand in the market after getting aware of the associated benefits (Azadi & Rahimzadeh, 2012).

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