The brand DNA and Heritage

Brand DNA

A brand is like a human being: it has thoughts and feelings, it has an essence and a personality and all of this characteristics create its DNA. A brand DNA fundamentally is constructed on: who the brand is, what it does, how it does it and most importantly the reason why it does it: what’s its purpose. A strong and distinctive DNA permit to brands like Burberry to stand out in behalf of the fact that it manages to create an emotional attachment within its customers whom are loyal to the brand because they understand, incorporate, empathise and feel the brand.

Heritage

An essential part of Burberry DNA is forged by its solid heritage. “Like a living being, the brand has ancestors, a history, cultural and geographical roots” (Kapferer P.143 P) thus heritage is a strong story telling device that helps creating a sentimental connection with the brand audience. Heritage is a guide line that Burberry has created, developed and will follow in its future strategies.

History

The brand was founded in 1856 by Thomas Burberry a young english dress maker; his purpose/vision was to build a company that would become one of the leading brand provider of high quality and luxurious outerwear for the upper class. Thomas was well know for his creative and innovative mind, hence innovation has always been one of the key points in Burberry’s essence since the very beginning. Burberry’s DNA began with its signature trench coat. The trench coat can be considered as a sort of starting point for the brand that then worked to develop the garment throughout the years. (Burberry Limited, 2016 A) The famous trench was worn by military officers and aviators during the time of World War I because of its suitable attributes especially being comfortable and weatherproof. After the war it became famous among noncombatant, common citizens. Subsequently many British famous names of the past such as Audrey Hepburn, Peter Sellers etc... were captured wearing the signature trench coat.
As a matter of fact Burberry nowadays still uses British icons to represent the brand in advertising to maintain the strong British heritage, which I will further explain the concept more detailed. “We were born from a coat, that is the soul that is the DNA of our brand and I think our greatest challenge was how we leveraged this heritage category” (Angela Aherendts, Burberry CEO IHT 2010 London B) ergo the functionality, durability and distinctive style of the trench coat construct part of the core of the brand.

After inventing and developing the trench coat Burberry started his ascending climax on the enlargement of the product range by expanding not just in clothing but in beauty along with accessorise. Burberry has reinvented itself many times along the years, in order to ensure its success and to keep a firm and stable position in the market. However the brand has never lost its values and heritage on the way to the continuous renovation and growth. Despite innovations, Burberry is able to maintain its strong heritage and not to loose its connection with the past. What Burberry is undoubtedly competent at doing, is creating a sentimental attachment and connection between the brand identity and its customers.

Burberry’s image rejuvenation began in 1997 when a new CEO Rose Marie Bravo was embraced by the brand. Bravo managed to modernise the brand by using a strategic marketing strategy: celebrity endorsement. British icons like Kate Moss were subjects of several campaigns photographed by the talented and famous photographer Mario Testino. Testino stylistic choice of immortalising the model using a black and white filter became example of the iconic Burberry advertising campaign. (Burberry Case Study C). Moreover the campaign resulted to be so successful and it managed to reach customer attention, that even after the first one shot in 1999 the brand nowadays is still using Testino skills and is still featuring British icons. (Burberry Limited, 2016 A)

In 2014 the current creative director of Burberry Christopher Bailey became also CEO combining the two roles together. Bailey relation with the previous CEO Aherendts who formerly moved to Apple remained strong and this led the duo to develop a collaboration between both brands. In 2015 Burberry and Apple created a channel inside Apple
music, named Burberry Acoustic with the aim of promoting emerging music talents. (Burberry Case Study C) As stated before innovation has an important part in Burberry DNA. In 2012 the brand created a whole new way of perceiving the brand experience by building a new massive store in Regent’s Street. The main aim of this new shop is to create a space where the physical and digital world melts together. (Burberry Case Study C) The store permits to the customers to interact digitally on screens located around the shop, it has a restaurant inside, free Wi-Fi and a well trained staff always ready to welcome and help customers. By personally visiting the shop the customer gets a clear idea of how Burberry heritage is still a guide line for the brand that is able to connect history with innovations such as technology and digital media. More than half of the marketing budget of Burberry goes into digital media. The brand has a strong presence in most of the social media such as: Instagram, Facebook, You Tube, Twitter and Pintrest. (Burberry Case Study C) The aim of investing such a huge amount of money on social media is to keep customers involved and captivated by the brand, reach the curiosity of new customers and especially to engage with every different type of audience depending on the social media. Not to mention that with social media the brand gets to know customers willing and needs (especially with Millenials generation) to always find new strategies to keep up and give them what they are looking for.

**Brand Identity Prism**

Kapferer prism analyse Burberry brand identity more in details.
In conclusion Burberry’s success is due to its ability to conserve its values and beliefs even though various internal and external changes have occurred throughout the years. The brand has always ensured key selling points like the quality and authenticity of its products and managed to leverage its heritage by using it as a story telling device able to merge the past with the present and by creating new possibilities and innovations. Thus, Burberry greatest ability is to adapt itself depending on the time and the audience despite perpetual changes and this has helped leveraged the brand economically and socially.

Luxury market PESTLE

POLITICAL
- The industry has differing opinion over the fact that UK might be leaving the European Union (BREXIT). Important characters belonging to both the luxury (e.g. Burberry chief executive Christopher Bailey) and middle market (e.g. M&S chief executives M.Bolland) signed a letter to the newspaper “The Times” to highlights their support to Britain prime minister David Cameron who thinks that Brexit wouldn’t be an healthy decision for UK’s economy. (Drapers, 2016 D)
- During last year there have been several attacks from the terroristic group ISIS. This led to a common feeling of fear and anxiety especially among citizen of metropolitan cities (this cities are more likeable to be attacked from terrorists because they are considered to be the centre of the economical power of the specific country that they belong to). Furthermore the increasing number of refugees crossing the boarders are worrying the population and might distract consumer behaviour.

ECONOMICAL
- Due to the economical crisis most consumers have less disposable income available, therefore they shop for primary needs rather than unnecessary goods such as the luxury ones and if possible they would rather spend money on cheaper brands (aiming to save money for the future).
- BREXIT might cause transformations in trade policies. A luxury brand may have to reconsider its trade relations regarding both importations and exportations with the rest of the countries belonging to the European Union. Furthermore importing and exporting might become more difficult and expensive if England would leave Europe due to higher interest rates.
- Likewise the currency exchange will change, pound value is expected to go down of 20% if BREXIT happens (this may increase tourism as it would be more convenient to shop in the UK).
SOCIAL
- Tourism bring economical wealth to the country. Especially Chinese travellers spend a huge quantity of money on luxury goods abroad (increasing of traveler from China: 83m trips in 2012).
- Transparency is becoming an important value especially among generation Y. Customers are no longer interested in fancy luxurious goods but they are rather interested in knowing how the product is made and which values are associated with it and the brand/company who produced it. (Hard Luxury: Condé Nast International Luxury Conference, 2015 Q)

TECNOLÓGICO
- Year after year the number of discoveries and developments in the technology sector increases. There is a massive innovation in various fields. Like new or developed: materials, production techniques (e.g. 3D printing), machines etc... Innovation is essential in a luxury brand that wants to be fast forward, up to date and keep up with its competitors.
- Smartphones, tablet, m-commerce, computers etc... are the contemporary, easy, fast and accessible ways to shop and connect. Especially via social media, considered to be one of the easiest and rapidest way to get to know your customers and more importantly to communicate with them.
- Insta season is a concept becoming always more common in numerous luxury brand (e.g. Burberry, Tom Ford, etc... already adopted it). It consists on the idea of getting the collection straight off the catwalk by avoiding the usual six-month gap between putting designs on the catwalk and in-store (see-now, buy-now, wear-now). (Drapers 2016 I)

LEGAL
- Copyright issues are common between luxury brands. As an example recently Burberry signed a lawsuit against the american retailer JC Penny accusing them of copying Burberry famous check print in some of their garments. (Drapers, 2016 G)

ENVIRONMENTAL
- A luxury brand can decide to use an ethical trade policy to respect the environment. Especially lately sustainable fashion is becoming a big issue and an always increasing number of customers is more attracted by brands who’s policies respect the habitat. Some of the main rules when a brand decide to adopt an ethical trade policy are: recycling materials, working with fair trade companies and using production systems created with the aim of diminishing the environmental impact caused by the fabrications of goods.
According to Drapers and WGSN Burberry recently decided to apply two new significant marketing strategies. The first strategy consist in creating collections that don’t stick anymore to a specific season like autumn/winter or spring/summer but that are “seasonless”. This decision was made because Burberry wanted to create a variety of garments appealing to its customers all around the world that live in different weather conditions. Furthermore by doing this the brand will have broader options in terms of creativity and won’t be restricted to any season. (WGSN, 2016 J, Drapers, 2016 I)

The other strategy is the adoption of insta-season a concept that consists on the idea of getting the collection straight off the catwalk by avoiding the usual six-month gap between putting designs on the catwalk and in-store (see-now, buy-now, wear-now). Other luxury brand like Tom Ford, Tommy Hilfiger and Rebecca Minkoff followed the same step with the purpose of giving more power to the customers. Tommy Hilfiger described it as a way to “democratise the runway”. (WGSN, 2016 J, Drapers, 2016 N) For Burberry this process intent is to continue that concepts of innovation and development that are essential part of the brand heritage:

"The changes we are making will allow us to build a closer connection between the experience that we create with our runway shows and the moment when people can physically explore the collections for themselves,” (Burberry CEO and creative director Christopher Bailey). (Drapers 2016 I)

On the other hand other luxury brand like Gucci decided to remain loyal to the more traditional approach by refusing to adopt insta-season. Francois-Henri Pinault CEO of Kering, which controls Gucci and a numerous other fashion houses stated that the concept of insta season “negates the dream” of luxury. Besides the idea of waiting for the collection to be on sale manages to “create desire” for his labels. (Drapers,2016 O)

Therefore this risky choice might have the effect of democratising the image of Burberry too much by taking away the exclusivity of it which has always been part of the brand essence. But on the other hand Burberry may have thought that customers will be thrilled by the idea of receiving more power and this will led them to buy more.
Burberry innovation and technology

Technology nowadays is part of our daily life. We use technology to get in contact with people, to order food, clothes, furniture... anything that we need. We have the world in our hands: smartphones, tablet, m-commerce, computers etc... are the contemporary, easy, fast and accessible ways to do almost everything spending less effort, less time and by staying comfortably in our house, office or anywhere we want.

A smart retailer like Burberry who likes to always be the first in innovation and keep up with the time, of course managed to exploit technology at its best. As explained previously in 2015 Burberry and Apple created a channel inside of Apple music named Burberry Acoustic with the aim of promoting emerging music talents. After that the relationship between Apple and Burberry stayed strong, in fact according to Drapers the brand live streamed its latest catwalk looks with a live concert from the British musician Benjamin Clementine on the channel. Burberry was the first label to launch on Apple Music in the previous year. (Drapers, 2016 H; WGSN,2016 K ) The catwalk was also streamed live on snapchat and on the massive screen provided by Apple located in the Regent’s street store.

As stated before Burberry invests 60% of its marketing budget on digital media, the brand has a really strong presence on social media. Social media are considered to be one of the easiest and rapidest way to get to know your customers and more importantly to communicate with them and this is the reason why Burberry invests such a huge amount of money on it. The brand gives relevance to the concept of always coming up with innovative digital marketing strategies, usually promoted on social media to keep customers engaged to the brand. The more interesting and exciting a brand is the more people, especially belonging to the generation Y, want to know about it. (Burberry Case Study C)

The power that Burberry managed to create throughout technology constitutes one of the brand leading reason of success as it creates awareness and excitement. But essentially the technological aspect can affect the social aspect as it makes customers feel a sentimental attach to the brand and this normally led to brand loyalty.
POLITICAL
- BREXIT: according to the newspaper “The Telegraph” UK might be leaving the European Union. (The Telegraph, 2016 E)
- During last year there have been several attacks from the terroristic group ISIS, this led to a common feeling of fear and anxiety especially among citizen of metropolitan cities (these cities are more likeable to be attacked from terrorists because they are considered to be the centre of the economical power of the specific country that they belong to).
- The growth of the number of refugees crossing the boarders might psychologically discourage general shopping behaviour.
- US elections, each parties have a different approach regarding economics strategies.

ECONOMICAL
- Due to the economical crisis most consumers have less disposable income available, therefore they shop for primary needs rather than unnecessary goods.
- BREXIT might cause transformations in the trade policies. Companies might have to reconsider their trade relations regarding both importations and exportations with the rest of the countries belonging to the European Union. Furthermore importing and exporting might become more difficult and expensive due to higher interest rates.
- Likewise the currency exchange will change, the value of the pound is expected to drop down of 20% and this may increase tourism as it would be more convenient to shop in the UK.

SOCIAL
- Tourism bring economical wealth to the country
- Transparency is becoming an important value especially among generation X, customers are now less interested in the aesthetics of the products and more interested in knowing how the product is made and which values are associated with it and the brand/company who produced it.

TECNOLOGICAL
- Year after year the number of discoveries and developments in technology sector increases. There is a massive innovation in various field such as new or developed: material, production techniques (ex. 3D printing), machines...
- Smartphones, tablet, m-commerce, computers etc... are the contemporary easy, fast and accessible way to shop and connect.
- Social media are always more common, nowadays they are considered to be one of the easiest and rapidest way to get to know your customers and to communicate with them.
LEGAL
- The living wage is based on the amount of money that an individual needs to earn to cover the general costs of living. According to the Living Wage foundation the living wage in 2016 is set at £9.40 per hour in London and £8.25 per hour in the rest of the UK. (Living Wage Foundation, 2016 M) Not to mention that according to The Guardian the national living wage from 1 April 2016 will rise from £6.70 to £7.26 as a minimum rate per hour for 25+ workers. (The Guardian, 2016 L)
- Reviewing of the copyright amendment bill.

ENVIRONMENTAL
- Rising of ethical trade policies (created in order to respect the environment) among different brands and companies.
- There have been several issues related to the climate change such as global warming, pollution, polar icecap melting etc... Some of the records according to NASA stated that 9 of the 10 years with higher record of heat have occurred since 2000, in 2012 Arctic summer sea ice shrank reached its lowest extent and the sea level is rising dramatically year after year. (Climate.nasa.gov, 2016 F)
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