

COMMERCE

Burberry digital outperformed in light of slowing H2 growth

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Personalized Burberry scarf for James Bay

By STAFF REPORTS

British fashion house Burberry's retail revenue of \$1.503 million has gone unchanged year-on-year, with its total revenue of \$1.993 million only down 1 percent.

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In the six month period ending March 31, Burberry's comparable sales decreased by 2 percent, with no change recorded for the third quarter and a 5 percent decrease for the fourth quarter. Market growth was a mixed bag, with total growth up 1 percent, with the exception of Hong Kong and Macau, for the half.

Burberry's buzzkill

Burberry noted continued growth in Mainland China, South Korea and Japan, but saw slowed sales from traveling luxury consumers in Continental Europe, likely due to the Paris attacks on Nov 13. The United States and Middle Eastern market demand remained mostly unchanged.

Hong Kong sales declined by more than 20 percent for the third successive quarter.

"In an external environment that remains challenging for luxury, we continue to focus on reducing discretionary costs and are making good progress with developing enhanced future productivity and efficiency plans," said Christopher Bailey, chief creative and CEO of Burberry, in a statement.

"Meanwhile, brand momentum is strong, digital continued to outperform in the half and innovation in new products is resonating well with our customers," he said.

Going forward into fiscal year 2017, Burberry's net new space will contribute to low percentage growth to total retail revenue. The brand plans to open 15 mainline stores and will close a number of others.

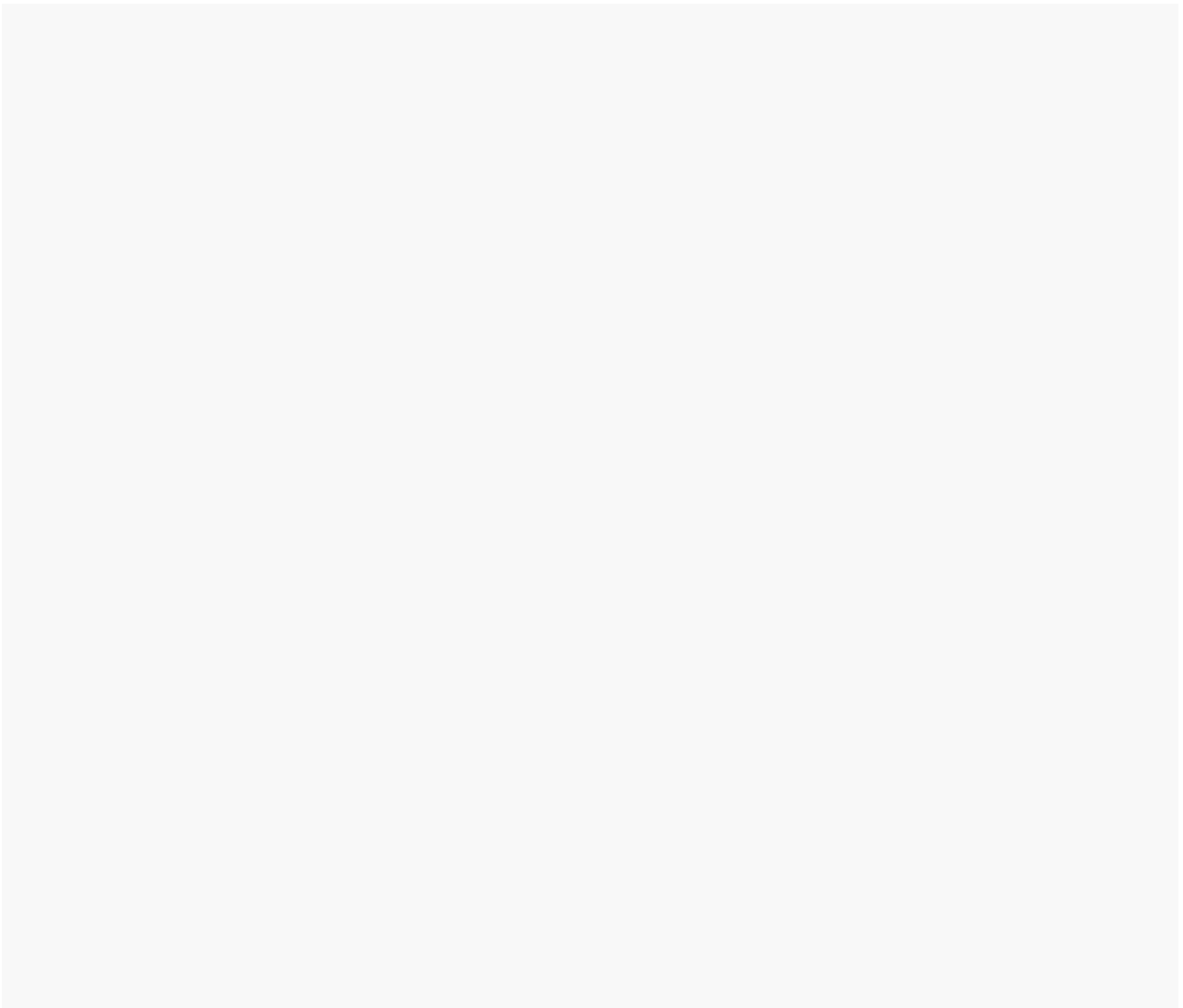


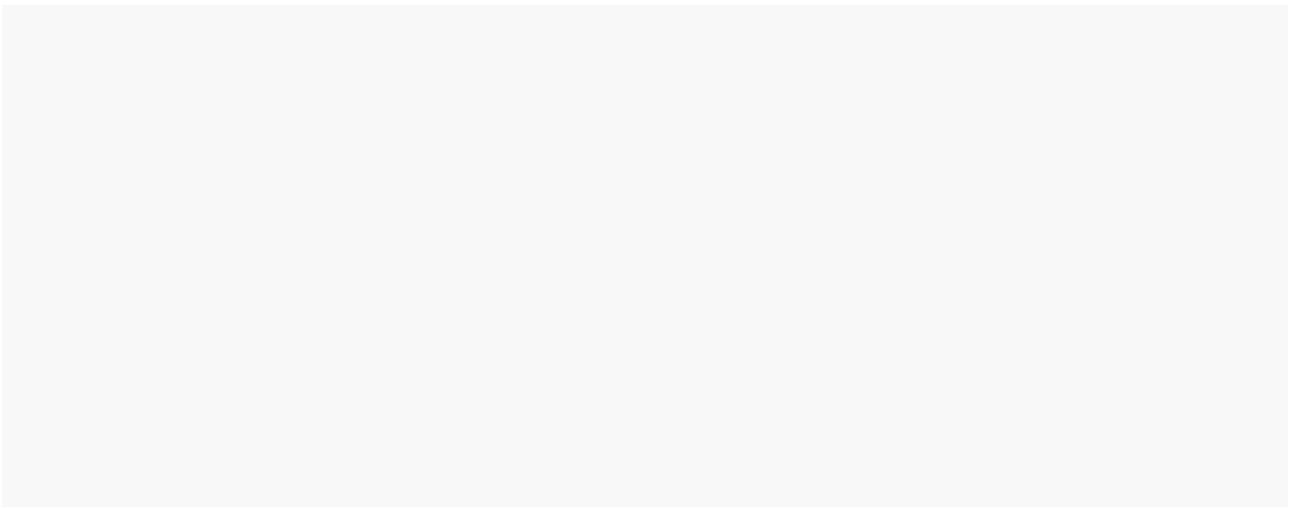
Burberry SoHo New York boutique

The brand's licensing revenue was down \$22 million, or 50 percent. The drop off is reflective of the expiration of its Japanese licenses. Burberry also plans to discontinue its watch license in Dec. 2017 to focus more on its core categories.

Burberry Beauty marked an 11 percent increase for the second half. This increase was driven by the positive response for its new male fragrance Mr Burberry ([see story](#)), a line that the brand will further product extensions around.

As for digital, Burberry grew in all regions during the half with mobile behind much of that growth. For example, Burberry took its "Art of the Trench" social campaign to Dubai, United Arab Emirates to show its signature jacket's global appeal.





Butheina H Kazim wearing a burgundy #Burberry trench coat, photographed for #ArtoftheTrench in Dubai #AOTT

A photo posted by Burberry (@burberry) on Mar 29, 2016 at 7:03am PDT

Housed on the brand's Instagram account and later on Snapchat, Burberry's trip to Dubai features local influencers wearing its trench coat to symbolize "Made in England, worn the world over" ([see story](#)).

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