

APPAREL AND ACCESSORIES

Burberry continues on path to returned growth in H2 2017

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Burberry is confident for fiscal 2018 ahead; Image courtesy of Burberry

By STAFF REPORTS

British fashion and accessories brand Burberry saw retail revenues increase by 3 percent for second half of 2017.

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The six-month period ended March 31 with Burberry recording revenues of 1,268 million British pounds, or \$1.6 billion at current exchange rates. Burberry performed especially well in Mainland China and EMEA, but saw a decline in the Americas due to the challenging environment.

Returning to growth

Burberry's strong performance in Mainland China drove growth for its brand in the Asia Pacific region as a whole.

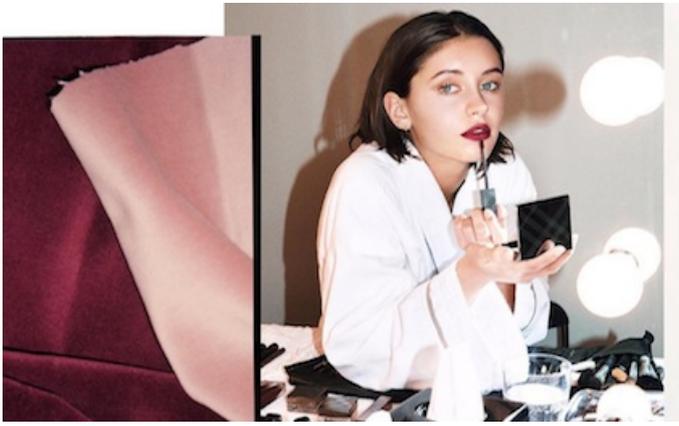
The brand also saw double-digit growth in Europe, the Middle East and Africa, all of which was led by an exceptional United Kingdom performance for the second half of 2017. The Americas' domestic market continues to be a challenge for Burberry, but the strong U.S. dollar drove sales for the brand abroad.

Burberry continues to lead in ecommerce with digital sales continuing to outperform, led by mobile purchasing.

By category, Burberry accessories outperformed for the six-month period. Burberry saw its leather goods with mid-teens percentage growth.

Burberry Beauty wholesale saw a revenue decline of approximately 20 percent, but its fragrance pillars, such as My Burberry and Mr Burberry, continue to gain share in key markets.

During the half it was announced that Burberry has inked a strategic partnership for beauty with Coty. Burberry's Coty partnership aims to improve the positioning of its beauty, skincare and fragrance offerings ([see story](#)).



Iris Law is the face of Burberry Beauty, now under license with Coty

"In an uncertain environment, we continue to take action to strengthen the brand and reposition Burberry for growth," said Christopher Bailey, chief creative and executive officer of Burberry in a statement. "The outperformance of fashion and the strong customer response to new products underline out renewed creative momentum.

"I am delighted that Marco and Julie have now joined the business ([see story](#))," he said. "While we have more to do, as we build on our progress so far, we remain confident about Burberry's prospects in the longer term."

For fiscal year 2018, Burberry plans to focus on productivity and expects to see adjustments to its beauty wholesale business once the model changes over to a licensing agreement under Coty, which is subject to regulatory approvals.

Burberry summarized saying, "In what remains a rapidly changing environment, Burberry will continue to take actions to elevate and strengthen its brand positioning, maintain tight discipline on costs and execute on its strategic agenda, including the transition of its beauty business to a license agreement.

"Our focus is on our brand, our products and the execution of our five strategic pillars to return Burberry to growth."

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