

FRAGRANCE AND PERSONAL CARE

Burberry Beauty shifts to licensing structure with Coty

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Burberry's beauty business is being licensed. Image credit: Burberry

By STAFF REPORTS

Beauty group Coty has completed its acquisition of the licensing rights to Burberry Beauty.

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The deal, originally announced in April, moves the strategic oversight of the British label's cosmetic, skincare and fragrance lines from in-house to Coty. While some luxury companies prioritize the control afforded by producing everything in-house, licensing remains a popular option, as it allows brands to be active in more categories with less business risk ([see story](#)).

Beauty business

In 2012, Burberry opted to end its licensing deal with Inter Parfums, moving its beauty production and distribution in-house. This deal with Coty represents another reversal of its beauty strategy ([see story](#)).

"Following months of hard work to ensure a smooth transition, we are pleased that this strategic partnership, which brings together tremendous beauty experience and expertise, has begun," said Marco Gobbetti, CEO of Burberry, in a statement. "Burberry is incredibly proud of what has been achieved in the last four years and we look forward, with the support of Coty, to further building on these foundations."

This licensing relationship will lean on Coty's expertise in beauty innovation, go-to-market strategy and supply chain management. Meanwhile, Burberry will contribute creatively to the portfolio.



Mr. Burberry fragrance. Image credit: Burberry

Burberry Beauty will be sold in beauty retailers as well as Burberry stores and the brand's ecommerce platforms.

"As an iconic luxury brand, Burberry fits perfectly with Coty Luxury's portfolio, which includes contemporary and globally relevant luxury beauty brands," said Edgar Huber, president of Coty Luxury. "We are uniquely positioned to develop Burberry Beauty to the next level. This is another significant step in building Coty's Luxury division."

Recent moves have made Coty a larger player, particularly in the fragrance space.

Last fall, Procter & Gamble completed the transfer of its specialty beauty business, including 10 of its fragrance licenses, to beauty group Coty.

The \$12.5 billion deal brokered last July has made Coty the number three beauty company, with \$9 billion in annual revenue ([see story](#)).

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