

APPAREL AND ACCESSORIES

Burberry's Q1 growth was driven by digital, Asia and drops

July 11, 2018



Burberry's exploration in new markets has led to success. Image credit: Burberry

By STAFF REPORTS

British fashion house Burberry saw growth in the first quarter of this year supported by an improved retail performance and increased sales around the world.

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The British brand cites pop-up shops in Beijing and Dubai as well as partnerships with Farfetch as key to its success for the quarter that ended June 30. Burberry's highly diversified offerings and digital savvy should serve as an example for luxury brands looking for similar growth.

"We are pleased with our progress in the quarter," said Marco Gobbetti, CEO of Burberry, in a statement. "The team has embraced Riccardo [Tisci]'s creative vision and is working well together as we prepare for his debut collection in September, the next step in our journey.

"While we know it will take time to achieve our ambitions, our progress to-date and the energy in and around the company give me confidence for the future."

Digital growth

Sales were up 3 percent for Burberry the first quarter of 2018, according to the brand's results.

Burberry attributes this to its efforts to expand into developing markets particularly in Asia and the Middle East. Dubai in particular has been an incredibly lucrative new market, driving much of the brand's growth this quarter.

China has also been a valuable new market, seeing major growth while also helping to drive increases in other Asian countries such as Japan and Korea.



Burberry has had success in China and the Middle East. Image credit: Burberry

Burberry also cited digital as one of the key drivers of sales, led by Asia. Mobile is the brand's new target area for more direct-to-consumer efforts.

Finally, the brand says that its new business model of using unexpected product launches, or "drops," has been very successful.

Burberry's strategy is continuing to evolve with a new product cycle, thanks to its new chief creative officer.

Riccardo Tisci is introducing a new capsule drop schedule, that will see a series of instant drops throughout the year, according to a report from Women's Wear Daily. Specifics of the new strategy are not yet clear, but are part of a larger strategic plan for Burberry that caters to a see-now buy-now mindset that was introduced by its CEO earlier this year ([see story](#)).

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