

APPAREL AND ACCESSORIES

Burberry makes solid strategic progress amid pandemic challenges

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Burberry sees a positive future based on most recent interim report. Image courtesy of Burberry

By LUXURY DAILY NEWS SERVICE

British fashion house Burberry has released its HY 2020/2021 interim report, showing positive growth in a year riddled by obstacles.

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The report breaks down the brand's financial recovery, strategies for moving forward and overall highlights from this year. Burberry is confident that it is well positioned to continue to drive performance and deliver growth in the medium term.

"Though the momentum we had built was disrupted by COVID-19 at the start of the year, we were quick to adapt, while making further progress against our strategy," said Marco Gobbetti, CEO of Burberry, in a statement. "While the virus continues to impact sales in EMEA, Japan and South Asia Pacific, we are encouraged by our overall recovery and the strong response to our brand and product, particularly among new and younger customers.

"In an environment which remains uncertain, we will continue to deliver exceptional products, localize plans and shift resources, while leveraging the strength of our digital platform to inspire customers," he said.

A positive look for Burberry

Despite the challenges brought on by the pandemic, Burberry proved good strategic progress, especially in four main areas. It had a strong response to product with marked increase in the weight of full-price channels year-over-year, showed growth in leather goods, attracted new and younger consumers and proved growth on digital.

Burberry drove momentum through brand activations designed to inspire consumers across all touch-points through initiatives such as the Summer Monograph campaign.

On the digital front, the spring/summer 2021 show was available for all to experience virtually through Twitch and Tmall, generating 118 million views.



Scanning QR code on Burberry's classic trench coat in the Shenzhen, China social retail store. Image courtesy of Burberry

The brand adapted its business to take advantage of opportunities in rebounding markets, localizing plans and shifting resources. Burberry's first retail store in Shenzhen, China ([see story](#)) is outperforming its expectations.

In terms of responsibility, Burberry issued the first sustainability bond with proceeds going towards the financing of sustainable projects. Additionally, its retail operations in Hong Kong, Macau, Malaysia, Singapore and Thailand are now carbon neutral.

The brand is encouraged by the recovery in Q2 of fiscal year 2021 but remains conscious of the uncertainty caused by COVID-19 and has more than 10 percent of its stores closed globally following recent lockdowns in EMEA.

As the brand has resonated and attracted new and younger consumers, it has reduced markdowns with the idea that it will be a revenue headwind in the second half of FY 2021, but will serve the long term interest of the brand.

Recently, the British fashion label teamed up with English professional soccer player Marcus Rashford MBE for a philanthropic initiative to nurture the next generation. Together, they have pledged to support youth organizations and connect the community to those who are working to create a better future ([see story](#)).

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