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“Balancing Heritage and Relevance: A Case Study on The Brand Identity of Burberry”

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Abstract

This paper focuses on Burberry, one of the most iconic English fashion brands. Once known for its strong market positioning, in the last 18 months the company has lost 75% of its market capitalization. Currently, Burberry is struggling in reaching new audience and is being perceived as inconsistent in its brand identity¹.

In the luxury fashion industry, where brand reputation and consumer loyalty are critical, heritage plays an important role in shaping long-term customer relationships. For iconic brands like Burberry, their story is key to their brand identity, which, from design to marketing, informs every aspect of the operations. Over the last decades, Burberry has leveraged on its rich legacy to build emotional and long-lasting connections with consumers.

Brand heritage refers to a brand's history, traditions, and enduring values that create a sense of authenticity and credibility. In the luxury segment, maintaining a strong connection to heritage can be a significant competitive advantage. However, in an industry that is also driven by trends and constant innovation, brands must establish a delicate balance between honoring their past and adapting to the evolving demands of modern consumers and new generations.

This paper explores how Burberry has used its brand heritage as a strategic tool to cultivate long-term customer loyalty and outline some challenges the brand is currently going through. I will examine how this iconic fashion house has used and misused its history, symbols, and narratives to create emotional bonds with consumers. By investigating the intersection of brand heritage and long-term loyalty, this paper aims to highlight the strategies Burberry incorporated to build lasting consumer relationships in a highly competitive and ever-changing industry.

Introduction to the concept of brand heritage

Brand heritage is a critical factor in luxury fashion because it establishes a sense of authenticity, legacy, and trust, which are key elements of the luxury market. Consumers often associate luxury brands with superior craftsmanship, long-standing expertise, and cultural significance that have been developed over time. Heritage creates a narrative that ties the brand to a rich history, differentiating it from competitors in a crowded market. Brand heritage involves attributes like longevity, core values, and use of symbols, all of which foster a deeper connection between the brand and its customers. This connection enhances brand equity, making consumers more willing to pay a premium, as they perceive the brand to be more than just a product, but a symbol of enduring quality and tradition².

¹ Anderson, R., & Anderson, R. (2023, September 25). The problem with Burberry. The Spectator World. <https://thespectator.com/life/the-problem-with-burberry/>

² Halwani, L. (2019). Making sense of heritage luxury brands: consumer perceptions across different age groups. *Qualitative Market Research an International Journal*, 22(3), 301–324. <https://doi.org/10.1108/qmr-08-2017-0118>

Brand heritage in luxury fashion also contributes to creating a sense of exclusivity and rarity, both key drivers of highly desirable products. Many luxury brands, such as Chanel or Louis Vuitton, draw upon their glorious past to maintain a timeless appeal over generations and ensure that their products are viewed as long-lasting investments rather than being the outcome of fleeting trends. Kapferer and Bastien³ argue that heritage strengthens a brand's positioning by providing historical legitimacy, which justifies premium prices and ensures resilience in the face of changing market dynamics. The continuity of tradition in design, values, and aesthetics reinforces the brand's identity and ensures long-term customer loyalty, making brand heritage a cornerstone of success in the luxury fashion industry.

Story of Burberry

One of the most iconic English brands, Burberry was founded in Basingstoke, England in 1856 and began its operations by selling men's clothing with a focus on durable and weatherproof outdoor wear. The creation of "gabardine" fabric by Thomas Burberry in 1870's represents a milestone in the history of the brand. "Gabardine" - a waterproof, tearing-resistant, tightly woven fabric - became well-known for its durability, which incidentally made it suitable for military needs. During World War I, Burberry began designing raincoats of the army officers and later on it continued to further improve military clothing by adding straps and D-rings to its collection. This innovative fabric led to the creation of the renowned Burberry Trench Coat.

Thanks to its strong materials and its practical design, explorers and travelers became the first ambassadors of the brand. One of the most known ambassadors of the brand was Sir Ernest Shackleton, an Anglo-Irish Antarctic explorer who led three British expeditions to the Antarctic, and chose Burberry during his camps on the Antarctic Ocean. Later, Roald Amundsen, a Norwegian explorer, used the gear and the branded tent for his expedition to the South Pole.⁴

By 1910 the first international store was opened in Paris and in 1920 Burberry closed a wholesale agreement for the Japanese market.⁵ Burberry's real mass expansion began in 1955 after the company was acquired by the Great Universal Stores (GUS)⁶. In addition to the expansion of the product range, licenses of patterns, including the iconic Burberry Check, were granted to a large variety of third partners to increase the brand's global market presence.

If until the 1990's Burberry was expanding and continuously gaining its popularity, by 1997 the vulnerability of this strategy became too evident. The annual profits of the company

³ Kapferer, J., & Bastien, V. (2013). The luxury strategy: break the rules of marketing to build luxury brands. *Choice Reviews Online*, 50(07), 50–3944. <https://doi.org/10.5860/choice.50-3944>

⁴ Gross, R. E. (2024, January 18). Shackleton would have died in Antarctica if he wasn't wearing Burberry. *Forbes*. <https://www.forbes.com/sites/rachelelspethgross/2024/01/17/shackleton-would-have-died-in-antarctica-if-he-wasnt-wearing-burberry/>

⁵ Moore, C.M. and Birtwistle, G. (2004). The Burberry business model: creating an international luxury fashion brand. *International Journal of Retail & Distribution Management*, 32(8), pp.412–422.

⁶ GUS plc was a FTSE 100 retailing, manufacturing and financial conglomerate based in the United Kingdom.

dropped from £62 to £25m leading some analysts to describe the brand as “an outdated business with a fashion cachet of almost zero”⁷. After appointing Rose Marie Bravo in the same year as new chief executive, the brand presented the new strategy to become “a distinctive luxury brand with clear design, which would be appealing to new, younger, fashion-forward customers.” Under her the careful management, in 2000 the plaid coats became the new hottest trend worn by celebrities such as Kate Moss, Meg Matthews and Prince William, boosting the sales by 30%⁸. In those years, Burberry elevated its presence as a high fashion luxury brand, taking more control of the sourcing and distribution, launching many new products and hundreds of campaigns with celebrities, which led to higher revenue and global brand awareness. In 2002 Victor Barnett, a British-American businessman and Burberry’s executive chairman, successfully led the company to an IPO.

Challenges

Despite its rich history as a fashion brand, Burberry faced multiple identity challenges. In 1999 it was seen as a brand worn by “middle class Home Counties ladies and middle-aged City gents”⁹. In 2004 the brand image escaped the control of the company again, when it became used by hooligans in order to “avoid police attention”¹⁰. Additionally, Burberry, like many other luxury brands, faces significant challenges from counterfeit products that undermine its brand integrity and exclusivity. To combat this, the brand employs legal actions, including winning trademark infringement cases in markets like China and India.

The company experienced stagnant revenues from 2017 to 2020, followed by a significant drop in 2021. The appointment of Daniel Lee, former creative director of Bottega Veneta, as new creative director in 2022 was seen as an effort to reach a younger audience, which did in fact increase and stabilize the sales. Despite such an improvement, Burberry’s growth continues to be behind its competitors. Between February 2023 and August 2024, the market capitalization of Burberry Group plc had decreased by 75%, returning to its March 2010 valuation¹¹.

In July 2024, Joshua Schulman - brand president and chief executive of Coach from 2017 to 2020 - had been announced as a chief executive while in the meantime Burberry had confirmed that they will be laying off employees in the next quarter. During this rapid switch,

⁷ Finch, J. and May, T. (1998). Reputations: putting a zip in a Burberry. The Guardian. 27 Jun.

⁸ Finch, J. (2000, October 13). Burberry gives GUS a bumper check. The Guardian.
<https://www.theguardian.com/business/2000/oct/13/6>

⁹ Finch, J. (2000, October 13). Burberry gives GUS a bumper check. The Guardian.
<https://www.theguardian.com/business/2000/oct/13/6>

¹⁰ Weston, S. (2016). Branding Burberry: Britishness, Heritage, Labour and Consumption. Goldsmiths, University of London.

¹¹“ Burberry Group Plc (Lon: BRBY) Stock Price & Overview.” Stock Analysis, stockanalysis.com/quote/lon/BRBY/. Accessed 16 Dec. 2024.

Gerry Murphy, Burberry's chairman, rejected the notion that Schulman's appointment signaled the reposition of Burberry as a more affordable brand¹².

In spite of its glorious history, the brand's main challenge is clear: Burberry has been maintaining its traditional British luxury narrative while simultaneously trying to appeal to a younger and more diverse audience. Balancing its product offerings and marketing campaigns has resulted in mixed reactions from the consumers, which view such innovations as either too far from the brand essence or not innovative enough to compete with more experimental brands¹³.

The Importance of country of origin

The Country of Origin (COO) effect in luxury branding is often tied to the symbolic value of the product's origin, as consumers associate specific countries with particular qualities. COO serves as a heuristic that informs consumers about the perceived quality, authenticity, and prestige of luxury products, making it a vital factor in shaping brand equity and consumer trust¹⁴.

After the appointment of Daniel Lee, British heritage is deeply embedded in Burberry's marketing narrative, from the trench coat's military origins to its portrayal of quintessential British landscapes in marketing campaigns. According to Moore and Birtwistle (2004), leveraging COO is essential for luxury brands like Burberry, as it helps maintain an aura of exclusivity and aligns with the historical expectations of luxury consumers¹⁵. This alignment strengthens the emotional connection between the brand and its customers, who value the symbolic prestige attached to its British origins. In September 2024, Burberry announced its "Made in the UK" series, a strategic initiative designed to support British manufacturing while strengthening its brand identity. This series celebrates British craftsmanship by spotlighting iconic pieces such as Burberry's Heritage Trench and Car Coats, meticulously crafted in Castleford, West Yorkshire¹⁶. This move underscores the brand's deep connection to its heritage, leveraging the symbolic value of British manufacturing to reinforce authenticity and exclusivity.

However, the COO effect is not without challenges. Studies suggest that deviations from the expected COO narrative—such as outsourcing production—can erode authenticity and

¹² [www.ft.com](https://www.ft.com/content/80f096c2-ebb7-41fd-8122-24c874f6ea8c). (n.d.). Joshua Schulman, fashion obsessive tasked with turning around Burberry. [online] Available at: <https://www.ft.com/content/80f096c2-ebb7-41fd-8122-24c874f6ea8c>

¹³ M, A. (2024, July 11). Burberry's ongoing struggle: brand identity and market positioning. <https://www.linkedin.com/pulse/burberrys-ongoing-struggle-brand-identity-market-positioning-m--8fc0f/>

¹⁴ Pharr, Julie M. "Synthesizing country-of-origin research from the last decade: Is the concept still salient in an era of global brands?" *Journal of Marketing Theory and Practice*, vol. 13, no. 4, Oct. 2005, pp. 34–45, <https://doi.org/10.1080/10696679.2005.11658557>.

¹⁵ Moore, C.M. and Birtwistle, G. (2004), "The Burberry business model: creating an international luxury fashion brand", *International Journal of Retail & Distribution Management*, Vol. 32 No. 8, pp. 412-422. <https://doi.org/10.1108/09590550410546232>

¹⁶ "Burberry Launches 'made in the UK' Series." Burberry Plc Corporate, www.burberryplc.com/news/brand/2024/burberry-launches-made-in-the-uk-series. Accessed 6 Dec. 2024.

trust. For example, Wang and He (2014) noted that luxury consumers may perceive a loss of quality and authenticity if products labeled as “British” are manufactured elsewhere¹⁷. The brand has mitigated this effect by emphasizing design and innovation in the UK while maintaining strong associations with British culture in its storytelling.

Reasoning

While it would not be appropriate to single out particular events which led to Burberry’s current situation, it may be worth discussing several factors that might have played a role in it.

1. Heritage

Burberry has a history of almost 150 years, which can definitely be a powerful tool for storytelling in marketing. According to Margolis and Hansen, brands can become more sustainable through implementing tradition and family atmosphere as brand values¹⁸. Heritage and craftsmanship which build the narrative of the brand emphasizing the role of explorations and durability (“protect people from the weather”) are assets that many other luxury fashion brands do not possess. Over time the brand became recognizable for the trench coat and its check patterns, which quickly became synonyms of the brand itself. Unfortunately, what once seemed to be a logical outcome of story into product, feels now over-commercialized and outdated.

Currently, Burberry iconic assets (trench coat and patterns) became too familiar and ubiquitous. Overexposure of core symbols diminishes the aspirational appeal of the overall brand¹⁹. In the case of Burberry this led to a general perception of being more outdated than innovative and what was once seen as a strong asset became a symbol of the passed era, pushing Burberry to prove its relevance in today’s world.

The luxury fashion industry is intensely competitive, with brands striving to capture attention and enhance visibility through creative and innovative strategies. Experiential marketing has become a pivotal tool for storytelling and engagement. For instance, Hermès utilized this approach with its “HermèsFit” campaign, a dynamic sports-themed initiative that not only promoted its activewear line but also reinforced the brand's heritage and identity, enhancing awareness and purchase intention²⁰. A similar example is Gucci, which demonstrated the power of cultural relevance and media synergy when the release of the House of Gucci movie in 2021 led to a staggering

¹⁷ Wang, Tao, et al. “Study of country-of-origin image from legitimacy theory perspective: Evidence from the USA and India.” *Industrial Marketing Management*, vol. 43, no. 5, July 2014, pp. 769–776, <https://doi.org/10.1016/j.indmarman.2014.04.003>.

¹⁸ Margolis, Sheila L., and Carol D. Hansen. “A model for organizational identity: Exploring the path to sustainability during change.” *Human Resource Development Review*, vol. 1, no. 3, Sept. 2002, pp. 277–303, <https://doi.org/10.1177/1534484302013002>.

¹⁹ Okonkwo, U. (2008). *Luxury fashion branding: trends, tactics, techniques*. *Choice Reviews Online*, 45(06), 45–3290. <https://doi.org/10.5860/choice.45-3290>

²⁰ Hasan, Sultan, and Widya Natassha Rachim. “The effectiveness of experiential marketing event ‘Hermesfit Indonesia 2023’ on purchase intention of Hermes Products.” *Daengku: Journal of Humanities and Social Sciences Innovation*, vol. 4, no. 2, 30 Mar. 2024, pp. 314–321, <https://doi.org/10.35877/454ri.daengku2481>

250% surge in online searches for the brand, highlighting the impact of strategic storytelling and publicity in the digital age²¹.

2. Instability in Creative Direction

Christopher Bailey, a British fashion designer, was the design director and later on Chief Creative Officer of Burberry for almost two decades (2001 - 2018). He introduced digital innovations making the company available through all existing digital channels in order to reach younger audience. In 2018 the departure of Bailey marked a sharp shift as Riccardo Tisci, former Creative Director of Givenchy, stepped in the role of Chief Creative Officer. Tisci brought the street wear on the shelves of Burberry, moving away from the core values of the brand (widely known as “the britishness”) to the fashion-forward modernized aesthetics. While his collections were bold and often regarded as statements, they frequently lacked a clear alignment with Burberry’s established brand image. Critics argue that the transition was executed too quickly and poorly communicated, leaving the new vision neglected and misaligned with consumer expectations²². Following the departure of Tisci, Daniel Lee, former creative director of Bottega Veneta, was appointed in the same position in 2022. As Lee’s focus lays on the craftsmanship together with innovative designs underlying the Britishness of the brand, the move was seen as an attempt to bring the brand back to its more recognizable narrative,

Each of the director brought a different vision to Burberry - ranging from Bailey’s digital-forward approach to Tisci’s to streetwear edge and Lee’s emphasis on British identity. Understanding and adapting to the conflictual visions expressed by the last three creative directors definitely proved to be challenging for the audience.

Instability in Creative Direction and drafting shifts can damage the exclusivity and the prestige of the luxury brand²³. Consistent creative direction is crucial for luxury fashion brands as it ensures brand coherence and strengthens its identity.

3. Young Audience Appeal

Almost every fashion brand tries to appeal to younger consumer group, as it gives higher chances of building emotional connections with them, leading to a higher degree of customer loyalty over time. Burberry has found it challenging to address to younger digital-savvy audiences.

A comparable competitor such as Gucci effectively presents itself on social media through relatable marketing strategies. This approach features real people,

²¹“ House of Gucci Sends Searches for Luxury Label Soaring.” The Independent, Independent Digital News and Media, 30 Nov. 2021, www.independent.co.uk/life-style/fashion/house-of-gucci-lady-gaga-search-b1965521.html.

²² Zhu, Yuling. “Exploring Burberry’s consumer boycott: A Cross Cultural Comparison of the UK and China.” *Academic Journal of Business & Management*, vol. 5, no. 4, 2023, <https://doi.org/10.25236/ajbm.2023.050406>.

²³ Kapferer, Jean-Noël. “The end of luxury as we knew it?” *Advances in Luxury Brand Management*, 2017, pp. 25–41, https://doi.org/10.1007/978-3-319-51127-6_2.

showcasing imperfections, something that resonates more with a modern audience.²⁴ In contrast, Burberry relies on polished, studio-produced visuals with an emphasis on aesthetics and perfection. Such strategy might create a wider gap between the brand and its customers as lately consumers seek reflection of real-life experience and relatable narratives rather than a highly idealized imagery²⁵.

Conclusion

Luxury sector is extremely competitive with brands focusing on delivering additional value to the customers. Consumers of the luxury segment seek not just for the functionality of a product but rather emotional and self-expressive benefits.

In this paper we have covered some factors which seem to be challenging for Burberry - such as balance between heritage and innovations, brand vision, product messaging and connecting with the audience. One example of a mismatch of the Burberry's strategy was the change of the logo in 2018, which was most likely triggered by similar decisions carried out by other competitors in luxury fashion brands such as Balenciaga and Yves Saint Laurent. This appeared to be rather unnecessary and was seen as an act emulating the visuals of the majority rather than emphasizing its own heritage. Such an act alienated loyal existing customers who in fact valued the brand story and confused new potential customers who struggled to find uniqueness in an act that had been already adopted by many other competitors.

However, the present landscape also present Burberry with lots of opportunities to rewrite its marketing strategy. The brand's history provides a strong foundation to craft a narrative of the brand, but it will only become successful once the brand story and purpose tie all elements of the brand together. A clearly articulated strategy - describing not only what Burberry stands for, but also what it chooses not to be - will be crucial for the future of the brand.

Defining a clear focus is essential for a brand. When a brand attempts to appeal to everyone, it risks losing its distinct identity. For Burberry, it is entirely reasonable to prioritize specific target groups rather than broadly aiming at all individuals with above-average incomes. To reclaim its identity and market relevance, Burberry must make such strategic choices thoughtfully and coherently.

²⁴ Edwards, K. (2024, January 15). Gucci Marketing Strategy: Luxury Fashion with a Global Reach - Keegan Edwards. Keegan Edwards. <https://keeganedwards.com/gucci-marketing-strategy-luxury-fashion-with-a-global-reach/>

²⁵ Roberta, V. (2021, August 11). Gucci Marketing Strategy: Lessons From Instagram's Favorite Luxury Brand. The Strategy Story. https://thestrategystory.com/2021/08/11/gucci-marketing-strategy/#google_vignette