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Executive summary

The following report will be focusing on the fundamentals of the marketing of Burberry. Burberry is basically a fashion retail brand. Moving ahead the main stages of the marketing process has been more focused on evaluating many analyses. A PESTLE analysis has been done in order to determine external impacts. Moreover, the various strategies that Burberry uses have been added. 4ps of marketing along with SWOT analysis of Burberry has been more focused on in the following essay.

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Introduction

Marketing is defined as the method of making people or customers interested in their product.

Here, this report will discuss the various factors of the company Burberry. Burberry is a British fashion company and the headquarter of the company is in London. The company produces and delivers clothes, footwear, eyewear and cosmetics. This report will evaluate a proper description of the Marketing concept and process for the organisation. Moreover, important stages of the marketing process such as objectives, control, situational analysis and implementation will also be highlighted in this report. It will also elucidate the PESTLE analysis of the company Burberry. Apart from that, the STP analysis of the mentioned company will be mentioned in this specific report. 4ps and 7ps of marketing mix of the company Burberry will be introduced in this report. Moreover, this specific report will highlight Porter's 5 forces model and SWOT analysis of the company.

Main stages of the marketing process

There are various important stages of the marketing process of the company Burberry such as objectives, situational analysis, control and implementation and strategy that are discussed below.

Definition of marketing

Marketing is the operation of enhancing consideration, awareness, preference, purchase and repurchase for any service and product. It is occurring through advertising, placement, Customer-driven benefits, pricing, packaging and promotion. Moreover, it is the method of getting customers interested in the product or service of the organisation.

Situational analysis

This is the important stage of the marketing process that helps the company Burberry to determine the external and internal factors that impact their market and business activities. The situational analysis gives a clear and clean objective view of the activities, current and future customers, position and current trends of the company (Daniels, 2021). Apart from that, this analysis includes various processes of critical analysis such as Competitors, customers, collaborators, company and climate. These processes help the company Burberry to analyse their business activities.

Control and implementation

The control and implementation is the marketing process which should make sure the achievement of the strategic business activities that are adopted by the company Burberry. The important role in this business process plays an important function of directing and organising people. Moreover, in this process of marketing the manager of the company Burberry must ensure sufficient use of capital, marketing and human resources of the company (Madara, 2020). There are various important factors in the implementation of a marketing plan such as attitudes, skills, and behaviour of the employees that help the company to determine the activities of the company.

On the other hand, the process of control includes different phases such as setting the usefulness of indicators, examining the liberality ranges, and measuring the usefulness of indicators.

Objectives

The marketing objective is the main target that is planned to provide overall actions, specific and clear actions. It is an important factor in marketing plans. There are various marketing objectives of the company Burberry. The mentioned company have to examine their goal towards success.

Moreover, it is important for the company to make sure that its objectives are always SMART (Matovic, 2020, p.96). There is various marketing objective of the company such as enhancing brand awareness, developing market share, introducing a new product, improving their ROI, enhancing the business profits, attracting customers, retain their costumes. These objectives help the company Burberry to fulfil and achieve its business objective.

Strategy

The strategic marketing process is developing, implementing and planning marketing activities and it gives guidelines for the marketing process and targets the right customers by examining the goal and objective of the business (Janakova, 2022, pp.161-170). The company Burberry has various marketing strategies such as mission, objective, SWOT analysis, and recognising of the target customers. There are three phases of this type of marketing processes such as planning phase, the implementation phase and the evaluation phase. The company Burberry has to plan their marketing

activities effectively so that it can implement its plan in the market and achieve success or fulfil its goals.

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PESTLE analysis of the company Burberry

Political factor

Due to Covid -19, the fashion company of the UK Burberry was badly affected. The business of Burberry was impacted by various political factors. The government of the UK introduced various policies such as lockdown and high taxes. As a result, the customers of the company Burberry did not visit their stores, so the company faced a huge loss due to the pandemic. Apart from that, the import and export taxes were completely down in the year 2021 at 28.6 % and 14.4 % compared to the year 2019. From the above statement, it is stated that political factor of the UK was unfavorable for the company Burberry.

Economic factor

Due to the pandemic outbreak, the respective company is unable to deliver products within the offline market as the British government has restricted all operations. During this time of the pandemic, the demand for fashion items such as personal accessories, clothes and footwear was not at its peak. Customers of their company did not visit their stores so their sales completely decreased. The inflation rate of the fashion industry was reduced by 14.3 %. As a result, the company has to reduce their product price to retain its customer base. It can be stated that economic factor of the company is unfavorable for the respective company.

Social factor

The company Burberry has to change their trend on the product by satisfying the needs of the customer. There are different areas that the mentioned company operates with different kinds of people of various needs. The company monitored the necessity of the change in fashion of their customers. Moreover, the company engages their customers through CSR activities that help them to increase its brand value and retain their customer that enhances the revenue of the company. It should be stated that, this factor is favorable for the respective company.

Technological factor

With the change in technology, the fashion company Burberry also changes their technology. The company utilises various social media platforms for advertising and marketing its brand as the trend of online shopping among people is increased due to the pandemic. Moreover, the company Burberry has used CRM software that helps them to examine their customers. As the respective company uses various digital technology it will help the company to enhance their productivity and it is favorable for the company.

Legal factor

The fashion company Burberry operates in different countries in the world and they need to obey various rules and regulations to run their business smoothly. The company have to follow employment law, labour law and discrimination law. Moreover, if the company follows these rules and regulations, that helps the company to run its business very smoothly around the world (Casañ et al., 2021, p.8756).

Environmental factor

The company Burberry has executed to reduce greenhouse emissions and carbon emissions from the different manufacturing processes. Moreover, the company has targeted a 94 % reduction in the year 2022 through its direct operation and a 29% reduction in their supply chain in the year 2030 (Weller, 2017). From the above statement, it can be stated that this factor will favorable for the company.

Describing the role of marketing

Porter's 5 Forces

Competitive industry

This is normally considered the first force from Porter's 5 Forces model. In this force, the total number of competitors along with their ability to defeat the company can be determined. Therefore, there are many competitive companies available such as Prada, Hermes, Armani, Gucci and many more that creates higher forces for Burberry. Hence, it can create a higher level of force for Burberry (Daradkeh et al., 2018, pp.88-105).

Threats of newcomers

A company's business also gets affected by the force of newcomers into the market. The less money and time the entry of a new company costs the more it will increase the competitiveness in the market. However, Burberry is already a well-established and reputed fashion brand which is an advantage for the company. Therefore, the company is able to set a strong barrier for the new competitors which set the level of force comparatively low.

The ability of the suppliers

This factor basically indicates the supplier's ability in raising the price of the products and decreasing the quality of the products. Hence, the suppliers can have the power to drive up various costs and seek other advantages. Therefore, Burberry company is capable to purchase high quality of raw materials for a reasonable rate from its suppliers which makes Porter's force comparatively low. Therefore, also it has the option to change its suppliers more frequently (Chen et al., 2021, pp. 248-254).

The ability of the customers

The ability of the company's customers in order to decrease the price of the product refers to this force. However, the company may face difficulties in order to attract customers who have a recent increment in their wealth as the company mostly targets old money. In addition to that, it will also create a higher level of force for the company as the company's products might subject to outdated for some people who follow trends (marketlinks, 2022).

Threats regarding substitutes

Substitute products can be the biggest threat for a company as they can slow down or even totally decrease the sales of the company's product. Therefore, Burberry tried to make a portfolio of its products which includes various styles of clothing with a different range of accessories. Hence, it dropped the value of the brand as the company lost their exclusivity which makes the company to face higher force of marketing. Therefore, for this, a large number of customers who wanted to be different from society shifted their interest and seek for other branded options.

Evaluation

From the above statements, it can be seen that the company can face some advantages with disadvantages under Porter's 5 Forces model. This model can help Burberry company to figure out its number of potential suppliers, the uniqueness of its products along with current state of customer services. However, Porter's 5 Forces basically focuses on many domestic countries and it does not specify the main role of multinational companies (Madsen and Grønseth, 2022).

SWOT Analysis

Strength 1. Burberry has more than 500 branches in 50 countries. Therefore, it is increasing the brand value of the company. 2. The company has also received the Royal warrant which indicates that Burberry is the supplier of the Royal family (swotanalysisistemplate, 2022).	Opportunities 1. The increasing demand for premium products will help the company to increase its sales and make more profits. 2. Apparently, by expanding the product line the company will be able to get more opportunities.
Weakness 1. One of the greatest weaknesses of Burberry is that it has a limited line of products. 2. The high range of the products limits its range of buyers. Only a few customers with good health can buy its products.	Threats 1. The company may face issues with further growth and opportunities due to its limited products and customers. 2. In the present time constant change in the lifestyle of the people may bring threats to Burberry. For example, Gucci, and Prada.

The advantages and disadvantages of SWOT.

Advantages

- 1.The company can increase their brand value hugely by knowing their strength that will help them to enhance their revenue.
2. The main advantage of SWOT analysis is that it has no or a little cost to conduct.

Disadvantages

- 1.SWOT analysis of the respective company does not give any specific solutions or alternative decisions.
2. It assist the company to generate various ideas but not assist them to choose which idea is the best.

Strategies of Burberry

Segmentation

Though Burberry's main target audience includes wealthy women, it diversified its business by expanding its product range which includes childrenswear, costumes for old age people as well as youths. Therefore, targeting is a significant factor as its implementation must be executed carefully by identifying the demographics of the customer who are more likely to buy Burberry's valuable products. Burberry's customers are mostly classy and wealthy individuals who like high price luxurious and branded products, so it must maintain its brand quality as well as its price range. Decreased prices may lead to customer loss as customers may presume that the quality of the brand may be decreased. Another aspect is that it should advertise its products in wealthy cities, as rich people live mostly in metropolitan areas which would be easier for Burberry to reach its targeted audience.

Targeting

Burberry is one of the popular retail sector fashion brands which delivers fashion accessories, leather goods as well as fragrances, and cosmetic products. This company is always able to reach its targeted group by identifying its valuable consumer base which is a requirement for the success of a company. Previously its products were mainly delivered to the elders, soldiers, and royal members (burberryplc, 2022). However, it diversified its target group by expanding its product range from old groups to the youth as well which was instrumental in extending its targeted consumer. It has also increased its brand value by using Emma Watson as the brand face which helped reach its target audience easily.

Positioning

Burberry has been able to maintain its position by distinguishing its products from its competitors which helps in creating a valuable brand identity. This company serves a wide range of products to its customers with a unique brand value that enables it to resonate with its customer base (Barkah and Raharja, 2018 pp.87-97). It also started attracting youth customers besides retaining its old customer base which ultimately filled up the gap in the market increasing its competition in the market as well. Its stylish and innovative way of market positioning also enhances the growth of the company by impressing its customers as well as convincing them to buy its unique branded products.

Marketing mix elements

Marketing mix elements refer to the tactics or actions set by a company that is instrumental in promoting its product or brand in this competitive market in the world (bbc.co, 2021). There are four marketing mix elements such as product, price, place, and promotion known as 4ps of marketing which is useful to reach the target audience and will be described as follows.

4ps of Burberry: Product, Price, Place, Promotion

Product: As one of the most popular luxury brands of fashion in the world Burberry has been successful in keeping its distinct position. It delivers a range of quality products to its customers which include clothes, fashion accessories, footwear, leather goods, sunglasses beauty products, and perfumes. Its customer base includes old age people, women, youths, and kids as well. These offerings are a good product strategy for its marketing team which enabled it to occupy a significant market share (nibusinessinfo.co, 2021). It also started producing scarfs as well as trench coats which became the signature products to capture a significant portion of the market share which enhances its growth. The respective company invests more money in their website to improve the look and creativity of their website that helps them to increase their brand.

Price: Price influences the buying decision of the customers, especially for the high-quality product business of Burberry. It emphasises its branded quality products at reasonable prices which must be maintained to retain its customer base. It delivers high-quality premium products to its diversified customers for a reasonable as well as a low-cost range which is a well-planned pricing strategy of Burberry (FURUKAWA et al, 2019). As a luxury fashion brand, it is not keen on competing with its competitor's pricing, its main focus is on product design and durability. As a result, the pricing strategy for the respective company is more or less the same. However, it sets its product pricing by evaluating the demand of the customers as well as the willingness to purchase the high-quality products of the company. Its pricing strategy enables it to have a clear perception of the need and purchasing power of the customer before designing a product.

Place: Location and displaying are important factors in reaching the target customers and catching the eyes of the customers respectively. Being a luxury brand, the retail stores of Burberry must be spread across the populated metropolitan areas which facilitates reaching the targeted audience who mostly reside in these areas. It will enhance the growth of its business and achieve a high revenue. Apart from the retail stores, Burberry also has its website through which people can buy the products of their own choice from anywhere. Through this fast as well efficient offline as well as online distribution channel, it became able to deliver to the customers directly by fulfilling their demands accordingly (gopromotional.co, 2019).

Promotion: Promotion and advertising play a crucial role in achieving success to reach the target audience. As an apparel industry, Burberry focuses on advertising its products in popular magazines to target specific customers. Promotion includes online ads, TV ads, billboards and so on besides its social media marketing strategy. Digital marketing enhanced the growth as well as the success of the respective company to a large extent. This digital marketing strategy also helped in spreading the brand message to the customers in an easier way.

Ansoff matrix

There are two strategies of Ansoff matrix which help the Burberry to determine their future strategies.

Market presentation

This is one of the safest strategies that concentrates on the expanding their sales of their existing products. It will help the company to determine their future marketing strategies.

Product development

The respective company have to develop their product according to the customer preferences or the customer trends. They have to extend their product by creating different variant or repackaging their existing product and also have to improve the customer service. It will help them to determine their future strategies.

Conclusion

Thus, this report clearly evaluated the internal and external analysis of Burberry and the impact of the COVID-19 pandemic on the business of the company has been illustrated as well. Besides the description of marketing, the main stages of the marketing process have been analysed as well. The impact of the PESTLE factors on Burberry has also been elaborated in the report. Apart from these, the STP has also been described which is an important part of marketing. In addition to these, the 4ps of marketing have also been explained which plays an important role in the growth of Burberry. The SWOT analysis has also been elaborated from the perspective of this luxurious product-making company which reflects the strengths and weaknesses of the company. The macro-environment consisting of the external forces outside of Burberry which can create opportunities as well as threats has been elaborated as well.

Recommendations

Some recommendations may help enhance the growth of the company in this fast-paced world. It can be recommended to the company by increasing its retail stores in diverse areas that helps them to increase their customer base. It may help increase its revenue which will be helpful in the growth of the organisation. It should be recommended to the respective company to increase its number of employees which can manage its expanded business more efficiently.

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