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**BA BUSINESS MANAGEMENT**

**Assignment**

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## **Blogging to Communicate**

## Table of Contents

|                                            |    |
|--------------------------------------------|----|
| Background of the Burberry company.....    | 4  |
| STP analysis of the company Burberry ..... | 5  |
| The 4p's marketing of Burberry .....       | 8  |
| Product mix of Burberry .....              | 8  |
| Price mix of Burberry .....                | 10 |
| Place Mix of Burberry .....                | 11 |
| Promotional mix of Burberry.....           | 12 |
| References.....                            | 13 |



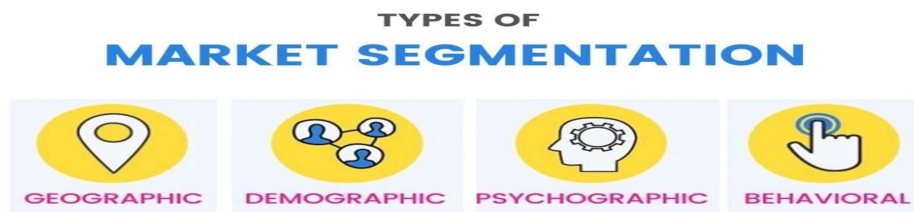
## **Background of the Burberry company**

Burberry is a British fashion company and the headquarter of the company is in London, England. The company currently produces and distributes clothes, trench coats, fashion accessories, leather goods, fragrances, footwear and cosmetics. The company was established in the year of 1856 by Thomas Burberry. The company was focusing on the improvement of outdoor clothes and developing gabardine. Jonathan Akeroyd is the current CEO of the company and Ricardo Tisci is the current CCO of the company (Burberry, 2022). There are approximately 9,500 employees in the company and the current revenue of the company is £2,343.9 million which was introduced in the year 2021. The first shop opened in 1891 in the Haymarket in London. Moreover, this company has various stores in 59 countries. Apart from that, the company Burberry sold first online in the US and then in the UK in 2006. Christopher Bailey joined as director of the company in the year of 2001 and he has been the CEO since 2014. It was reported that Burberry had an enhancement in their profits with 77 % sales which comes from their store. In the year 2018, the company reported that they had destroyed goods and products worth £ 28.5m, and an enhancement in the year 2017 by £26.9m (Ing et al., 2020, pp.129-143).



## STP analysis of the company Burberry

There are various ways to use STP analysis to improve the marketing strategies of the company Burberry which are discussed below.



### Market segmentation

The method of segmentation is about identifying the common and distinctive traits between people in the market of the organisation. It helps the company Burberry to develop more and engage the marketing process (Kuang, 2022, pp. 2128-2133). Moreover, the mentioned company uses their audience to find out a specific need in a group of people in the market which helps the company to give an idea of market and customer trends. Moreover, in a mature and saturated market, the company discovers new scopes and opportunities, highlighting specific advantages to a segment. There are various types of segmentation such as demographic, behavioural, psychographic and geographic segmentation.

### Demographic segmentation

In this type of segmentation, the company Burberry targets the market on the basis of demographic such as gender, education, age and income. It assists the organisation to understand their customer needs and the company can deliver their needs effectively. Apart from that, the company can utilise this type of segmentation to concentrate their resources and time on those customers who are more likely to purchase their product (Hanlon, 2022).

### Psychographic segmentation

This type of segmentation is the method of research which is used for analysing the customers and dividing the customers into various groups by using personality, lifestyle, interests, opinions, social status and attitudes. It enables the company Burberry to engage with their target audience. This segmentation saves money and time which makes it so easier for the company to care about their audience. Moreover, the company uses this segmentation to help them to find out more opportunities for their future activities (Venckus, 2021).

### **Targeting**

Targeting the audience refers to the set of targets in multisegmented targeting. It involves indicating the specific market area for specific content. Companies use targeting-based marketing that enhances the possibility to increase the demand for the products in the market. This assisted to illustrate the need and demands of the consumers and prepare products according to it. It helps the interact with the target audience to get maximum response from the consumers. The Burberry company focuses on the adult people and makes products according to the taste of the people. Recently the company focuses on children's products, fragrances and other aspects.

This increases the business revenue of the company at a certain point in time (BBC, 2022).

Moreover, this assists Burberry in connecting directly with the specific audience for getting

exponential sales. It also attracts high-quality targeted leads for maximizing the consumer reach.

This interprets the company to be unique from other competitors brands.

### **Positioning**

Positioning refers to the place that the brand is used in the minds of the targeted audience and indicates the way it is distinguished from the other business organisation. It defines the products where it differentiated from similar product in the market. The positioning help Burberry company to present itself as different from others (Charter, 2022). It considers the products are creating distinct benefits to the employees. A well evaluated positioning technique creates a unique selling proposition technique in order to generate more sales from that. The marketplace offers the same type of product of a variety company to the targeted audience although a good positioning technique makes the product of the brand. A good position in the market allows a product and its company to ignore the bad times easily. This positioning allows flexibility to the product distribution and advertising techniques.



### **The 4p's marketing of Burberry**

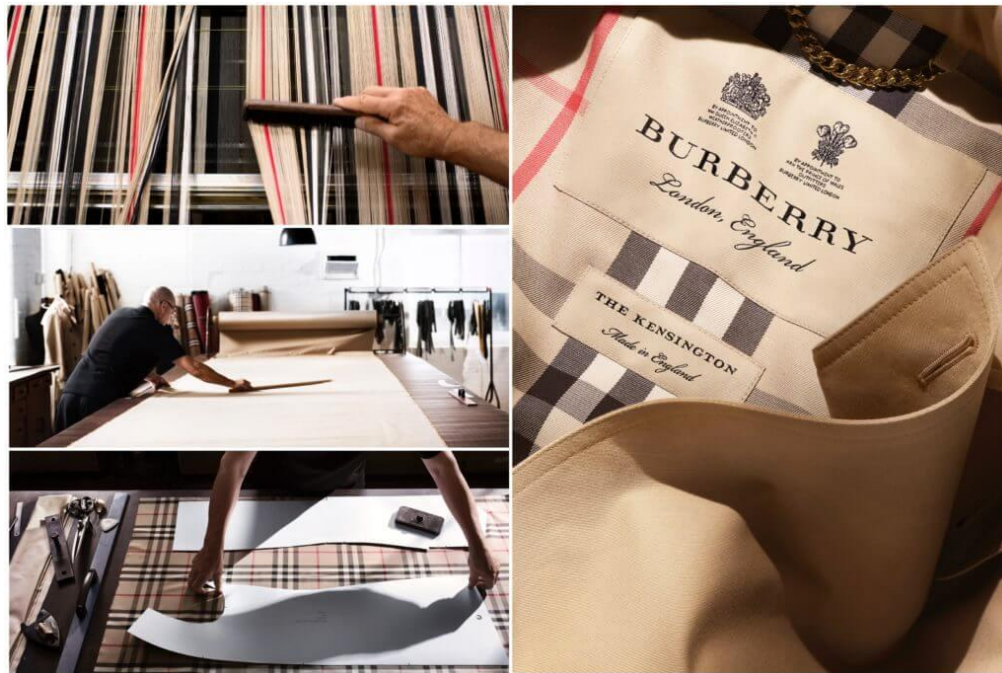
The 4 p's of marketing include the marketing concepts that summarise the four pillars of the marketing strategy of Burberry. The 4p's indicate the product, price, place and promotion that are the four important pillars of any marketing mix strategy. The 4p's are described here clearly,



### **Product mix of Burberry**

The first p of the marketing strategy is the product that the company sells. Burberry is one of the leading fashion brands in the United Kingdom that offer fashionable items to the consumers. The marketing mix of Burberry reflects its product like trench coats, footwear, and eyewear and other aspects. The product is related to the things that the company provide to the consumer. Accessories of the company is an entry level product and also have a shelf-life of less time as the trend is changing continuously. The other fashion accessories are easy to sell in the market. Moreover, this company was also licensed with the Fossil Group which has a negative impact on the market share. In the sector of fashion items, the product is a very differentiating factor. This

product strategy means to understand the offers of the company that are according to the needs and demands of the market. The Burberry company was introduced in 1880 that is a breathable fabric. The identification of the right product for its consumers helps Burberry to stand apart from the other business competitors and gain a competitive advantage. The company also has a fragrance range of products like Burberry touch, Burberry weekend and other aspects. This company start to focus on the kids wear and also planning to reduce carbon emissions by 2040 (Rust, 2020, pp.15-26).

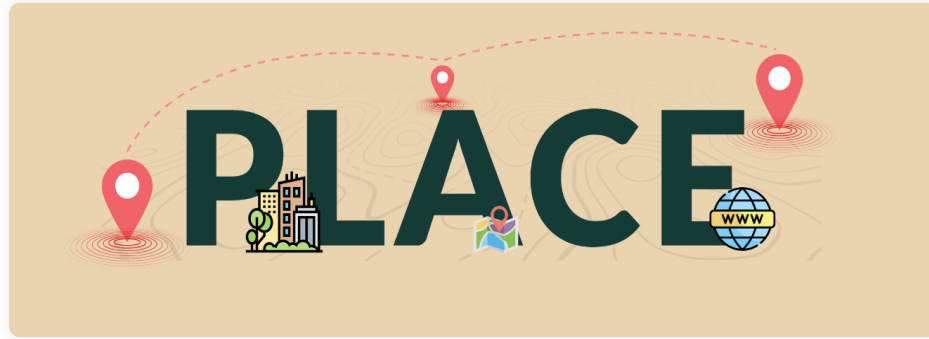


Source: (Camilleri, 2018, pp. 69-83)



### **Price mix of Burberry**

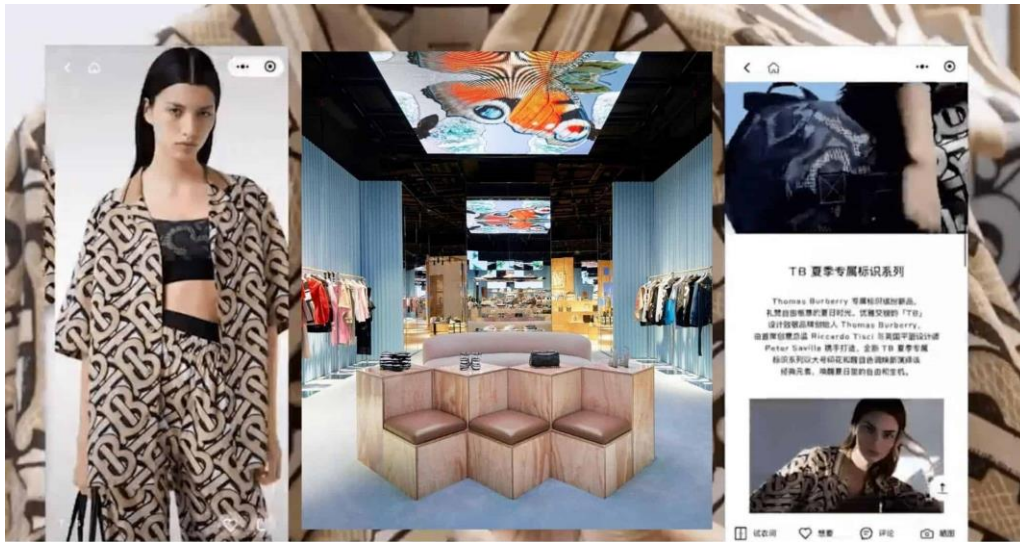
The marketing mix price refers to the amount that the company charge its consumers. This is simple but has a great impact on the turnover of the company. This is the main pillar that are not only derives the sales but also generates profit. The company offers luxury fashion products to the customers and follows the price penetration strategy to increase its consumer base and creates a brand image for its products. The company need to make research to evaluate the way the consumers are sensitive to the price. This indicates the company follow the discounting price method like buy one get one free and other aspects. The focus of Burberry is to provide premium fashion products in a low-cost range. The pricing is done by proper evaluation of demand and supply. Due to the implication of this pricing strategy the annual revenue is more than 2 billion dollars (Camilleri, 2018, pp. 69-83).



### **Place Mix of Burberry**

The presence of Burberry company is in more than 50 countries. All of the stores are situated in a crowded place that has a huge footfall of consumers. The target audience is huge and it is located near the store. The acceleration of business growth through sales can be promoted with a 7.5% increase in sales. Moreover, the company also used digital and innovative systems to increase customer satisfaction levels within a target market. The company also start to focus on enhancing the number of boutiques to support the supply chain. It will also focus on its eCommerce portal to generate online sales for the company (Chen, 2018). It can be analysed accordingly that the company operates all the business functions on both offline and online platforms.

## Promotional mix of Burberry



Source: (Chen, 2018)

The promotion and advertising strategy are completely focused on the marketing activity of Burberry. The company spend a large amount of investment in online platform. Moreover, it focuses on the high-class magazines, tv ads, online ads, print ads and billboards for getting in touch with the target audience. This also focuses on social media marketing as it has a huge potential to increase in future. It also enhances consumer engagement with the company. This company has heavily dependent on the preferences of the celebrity. This company focuses on the viral marketing method as a promotional approach to engage the target audience with Burberry.

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