

Analyzing the Influential Strategy on Getting out of Trouble after the COVID-19 Epidemic

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Abstract: Burberry encountered challenges within the COVID-19 pandemic, resulting in a substantial decline in company revenue. Burberry launched a range of aggressive actions in response to the outbreak, aiming to swiftly address the crisis. This essay examines the phenomenon of Burberry's swift rebound during the COVID-19 pandemic and explores the factors contributing to its speedy comeback. Burberry was able to swiftly overcome its difficulties by implementing a logo transformation strategy. This article provides recommendations for luxury firms to modify their logos in order to cater to the preferences of affluent consumers. An effective social media strategy led to Burberry's swift recovery. Therefore, it is suggested that luxury firms should offer customized online services. Burberry's effective digital strategy is a primary factor in its successful resolution of difficulties. Given this rationale, the paper proposes that luxury brands should create a digital platform. This article explores strategies for luxury brands to overcome challenges and increase their commercial worth.

Keywords: Burberry, Logo Design, Social Media Strategy, Digital Strategy

1. Introduction

The COVID-19 outbreak has caused a global economic downturn, squeezing consumer purchasing power and weakening their willingness to purchase luxury goods. COVID-19 forced consumers to reconsider their consumption habits and needs and shift their focus to the purchase of the most important necessities, which had an impact on luxury purchases [1]. In order to quickly overcome this impact, more and more luxury brands have begun to make their own strategic policy adjustments. Due to COVID-19, online shopping has become more and more common. Electronic shopping has become more popular among consumers. Through intelligent data analysis, businesses are eager to push their favorite products to them. The global luxury goods industry is showing a focus on digital transformation, sustainable development, and global cooperation [2].

The COVID-19 has a negative impact on Burberry, a well-known luxury brand. In 2020, Burberry's annual operating profit plummeted by 57%, and sales decreased by 3% due to the severe impact of COVID-19 [3]. Burberry has taken several steps, including rebranding, appointing a new leadership team, and upgrading their digital retail system. After a year, compared to 2022, Burberry's revenue increased by 10% at the reported exchange rate in 2023 [3]. Due to the unexpected speed of Burberry's recovery, not only are more and more luxury market consumers paying attention, but scholars are also conducting extensive research on it. For instance, Lyppert employed qualitative case

studies to delve into the subject of Burberry's brand rebranding [4]. Ceil chose Burberry and applied case study methods to analyze consumer behavior [5]. Su's research focuses on Burberry and uses case study methods to examine the sustainability of luxury goods [6].

Research on burberry has a long tradition, with most studies focusing on consumer and environmental development. However, direct studies of Burberry's post-pandemic state have been rare. This has created a study gap. In order to fill the research gap in this area, this study will explore how Burberry managed to overcome the crisis following COVID-19. The aim is to investigate the marketing strategies that can effectively handle the negative impact of COVID-19 on the luxury goods market. This paper's significance lies in its study of marketing strategies that can help luxury brands overcome difficulties. Luxury brands can benefit from this paper's effective suggestions for their future development.

This paper aims to address the previously mentioned research gap. This paper will first provide a general introduction to Burberry and Burberry's strategic policies from 2022 to 2023, as well as Burberry's situation, and analyze which factors have led Burberry to emerge from its sluggish state during COVID-19. Finally, the paper's analysis will propose ways for Burberry to improve its future prospects.

2. Case Description

Burberry's expansion into the outdoor clothing industry began in 1856. Many explorers and pilots wear Burberry for activities. By 2000, Burberry had established itself as an iconic global luxury brand when it opened its first store on Bond Street in London, which became the blueprint for its global store network. At the same time, Burberry continuously expands its global business [3]. Burberry's sales were in a leading position until COVID-19 in 2019 due to its strong position in the luxury market. There was a significant decrease of 57% in operating profit to £189 million for the year ending March 28th, 2020. The sales decreased by three percentage points to £2.6 billion [7].

COVID-19 had a negative impact on the market, resulting in store impairments of £157 million and a write-down of the unsold stock value to £68 million. As of May, stores with over half of Burberry around the world remain closed, although they remain in mainland China. Burberry's guidance for the year ahead was not given, but they mentioned that store closures at 'near peak' will severely impact the quarter ending in June 2020 [7].

In 2022, Burberry began implementing a series of brand revitalization strategies to tackle the significant impact of COVID-19. Burberry's logo has undergone a transition, choosing to return to their more regal-looking aesthetic and selecting a modernized version of the 1901 horse-riding knight, now in royal blue. The font change also reflects a modernized version of its royal origins. Burberry embraced a more playful aesthetic in their promotional photos, departing from their previous conservatism. To inject new ideas into the brand, Burberry has hired a series of new leadership teams.

In order to cater to the rapid development of digitalization, Burberry has upgraded its new store network system and developed a new digital-driven experience to stimulate global customer excitement. At the same time, it also enhances the user experience of Burberry's website and mobile applications, so that customers can better connect with the brand and easily discover the products they like.

Burberry has a more comprehensive strategy for social and environmental responsibility. For society, they have updated their community strategy, focusing on empowering youth, cultivating creativity, fostering creativity, and protecting communities. Burberry donates at least 1% of its adjusted pretax profit to charitable organizations every year. Burberry demonstrates its commitment to new biodiversity initiatives that aim to protect nature and support zero deforestation [3].

After strategic adjustments, revenue reached £3.1 billion in 2023, with a 5% increase based on fixed exchange rates and a 10% increase based on reported exchange rates [3]. The adjusted operating

profit was 634 million pounds, representing an 8% CER increase [3]. The reported operating profit was £657 million, an increase of 21% [3]. The adjusted diluted earnings per share (EPSA) is 122.5 pence, with a 16% increase in CER and a 30% increase in earnings per share at the reported rate [3]. The diluted earnings per share reported was 126.3 pence, an increase of 29% [3].

3. Analysis

3.1. Reasons on Logo Design

Burberry was able to successfully break away from the negative impact of COVID-19, mainly because it quickly implemented a strategy to change the brand logo.

Burberry has redesigned a brand logo with a completely new style. Burberry's new logo returns to the traditional British elements of the warhorse logo, but adopts a slender font design and curved letter strokes, making the overall feeling more curved. Figure 1 illustrates how the "Equestrian Knight" in the new logo maintains the knight element while undergoing optimization and improvement in details, with the shield in the knight's hand symbolizing protection and Burberry's courage to progress. The font of the new logo has been changed to a simple San's serif font design while removing the symbolic knight element, which symbolizes the brand's bravery, nobility, and strength. The new logo has been further optimized and improved in terms of graphic details and font recognition, adding a bright and aristocratic blue color that may indicate becoming a new representative color of the brand.

The change in the Burberry logo has caused a huge uproar on social media platforms. Many consumers believe that his new logo is more in line with modern aesthetics. This increases consumers' willingness to purchase Burberry, thereby increasing the company's sales volume.

The significance of brand logos in product sales has been proven by studies in various cases, not just Burberry's. For instance, Whan employed a qualitative analytic approach to examine the impact of brand logos on firm performance. The results showed that effective brand logos are more adept at communicating brand benefits and have a higher likelihood of appealing to consumers [8]. Septianto and his colleagues employed experimental research techniques to illustrate that adorable brand logos can augment customers' favorable perceptions of brands while examining the mechanisms via which charming brand logos boost positive brand attitudes [9].



Figure 1: Burberry's old and new logo [10].
(Source: <https://theimpression.com>)

3.2. Reasons on Social Media Strategy

Burberry's successful social media campaign was the primary reason it was able to withstand the threat of COVID-19. As a luxury company, Burberry has collaborated with various fashion industry influencers to wear Burberry and take images and videos to draw consumer attention to the brand.

Burberry uses the social media power of internet superstars to reach a larger audience, increasing brand knowledge and visibility. At the same time, Burberry has officially entered social media platforms. Burberry maintains an official homepage on Facebook, Twitter, and even Chinese social media, showcasing its dedication to these niche social networking sites. Burberry joined Instagram before it became famous, realizing the value of considering new customer groups. Real-time social media updates, brand stories, product releases, trench coat art spreading, and celebrity and fan interaction all contribute to increasing Burberry's visibility in the audience's field of vision. Consumers' engagement in discussions centered on mutual interests can help Burberry's brand communication.

Multiple studies have demonstrated that implementing brand strategies on social media platforms may effectively increase brand visibility and fortify the bond between consumers and brands. Barreda employed survey methodologies to examine the production of brand awareness in online networks, demonstrating that online social networks had exceptional communication and interaction capabilities [11]. It can help organizations boost brand recognition and, consequently, improve word-of-mouth [11].

3.3. Reasons on Digital Strategy

Develop a comprehensive data-driven digital strategy that combines consumer data and marketing plans to help Burberry achieve exceptional results and quickly overcome the negative impact of COVID-19. Burberry collects customer data through both traditional physical stores and internet channels such as Facebook, Twitter, Instagram, and YouTube. Using this data, Burberry may provide consumers with 360-degree tailored or customized solutions depending on their tastes, as well as more personalized services.

The Burberry store uses a zero-cash register, and each employee has an iPad. The store employee's iPad collects all information as consumers visit, allowing them to provide individualized services based on the customer's preferences. Burberry launched a global digital interactive campaign in early 2022, making use of cutting-edge technology. Participants can learn more about the product by clicking on the icon in the advertisement. The dynamic video shifts to a 180-degree perspective, allowing viewers to study garments from all angles. Burberry can create high-quality, individualized digital customer experiences because of big data. Burberry sees a new possibility for growth by using big data to provide individualized services to customers.

Many researchers have also demonstrated that using digital strategies is beneficial for enhancing the competitiveness of enterprises. For instance, Zakharchenko et al. utilized the comparative analysis method to examine the requirements for establishing a competitive edge through enterprise digital strategies [12]. Their findings demonstrated that a specific digital strategy can generate significant potential for enterprise Informalization, thereby enhancing the enterprise's competitiveness and economic benefits [12]. To look into the growth strategy of business information and innovation activities in a digital world, Buhaichuk and Oksana used system analysis and synthesis, synergetic, and complexity methodology [13]. They proved that in the context of the digital and technological revolution, digital strategies can enhance a company's innovation capabilities and give it greater development space in the future [13].

4. Suggestion

4.1. Suggestion on Logo Design

Due to the current market environment being mainly dominated by the new generation of young consumers, The new generation of consumers is more inclined towards more fashionable and avant-garde designs. Based on the rationale behind brand logos, this paper proposes that Burberry should

incorporate more innovative designs into their logos to better align with consumer lifestyles, leave a lasting impression on consumers, and enhance their marketing efforts.

BYD's logo design is a very successful case in this area. Batteries originally founded BYD in 1995. When it entered the automotive market in 2003, BYD adopted a blue and white logo. In 2007, the BYD letter symbol took its place. BYD, which began planning its high-end product line in 2015, began designing the "Dynasty" series logo, gradually registered 18 Dynasty trademarks, and began upgrading the Dynasty logo to the corresponding vehicle logo in 2017. The product line currently utilizes only "Tang, Song, Qin, and Yuan." Following the second logo change, BYD's sales have been steadily increasing year over year. In 2018, the total sales exceeded 500,000 vehicles for the first time, with a year-on-year growth rate of 27%. Because BYD has achieved rapid development by changing its logo, Burberry can also imitate his model to adjust its logo changes.

4.2. Suggestion on Social Media Strategy

Currently, most consumers prefer to browse the brands and designs they want on social media. Consumers are more inclined toward online shopping. Based on the reasons for social media strategy, this paper suggests that Burberry can provide better one-on-one consulting services on official platforms in the field of social media in the future. Consumers can inquire with customer service on the platform about the characteristics of each style and size issue so that they can better buy their desired products and feel that Burberry's service is personalized.

Despite the scarcity of real-world examples of social media strategy, academics have verified its effectiveness. Hausman and Angela V applied survey research methods to demonstrate that there are significant differences between one-on-one services and other types of services when studying professional service relationships, which can serve as a means to improve service experience satisfaction [14]. Thus, one-on-one online services can increase consumers' desire to purchase Burberry, thereby increasing its sales volume.

4.3. Suggestion on Digital Strategy

In the current luxury goods industry, most luxury brands have innovated their digital strategies. Current consumers are also in favor of digital shopping. Based on the rationale behind Burberry's digital strategy, this paper recommends the establishment of a digital platform as part of its future strategy. Consumers can express their opinions and experiences about shopping on this platform, and they can also communicate and provide feedback on their shopping experiences on Burberry's official platform. This can help consumers gain a better understanding of Burberry's products, allowing them to purchase the products they prefer. At the same time, Burberry can also have a better understanding of consumer ideas, which helps Burberry improve and enables better development in the future market.

Scholarly research substantiates this perspective. Hamilton and his colleagues utilized a combination of different research approaches to show that creating a digital platform for consumer engagement helps overcome obstacles between consumers and brands and enhance brand development when examining consumer motivation in brand-consumer interaction [15].

5. Conclusion

This paper is based on the background that although COVID-19 has ended, the negative impact of COVID-19 on the luxury market has not ended. This paper makes a commercial analysis of Burberry and explores how Burberry after COVID-19 gets out of the predicament. The purpose of this article is to state and describe Burberry's status during COVID-19, as well as its adjusted status as a solution

to this problem. Combined with the phenomenon of Burberry's rapid recovery after COVID-19, this paper analyzes three reasons for Burberry's rapid recovery and draws relevant conclusions.

Burberry's iconic change strategy, social media strategy, and digital strategy helped them overcome difficulties after the pandemic, which is the basis for this paper's study findings.

This article's exploration involved conducting a careful analysis of Burberry's case and combining Burberry's measures with her current situation to determine the reasons for her escape from difficulties. The research results indicate that luxury goods can effectively overcome difficulties and enhance their commercial value by changing their logo, providing one-on-one online services, and establishing a digital platform. The disadvantage of this article is that the background is too simple. The article solely focuses on the challenges confronting the luxury market in the aftermath of COVID-19. And the exploration methods used also have a single problem: only using case analysis methods may have some deviation from the actual results. In future research, the analysis of the background should be considered more comprehensively, taking into account possible issues that may arise in various situations. Multiple analysis methods should be used to make research results more accurate and reliable.

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