

The two faces of Burberry

Seven years ago Selfridges did not bother to stock Burberry. Since then it has been transformed from a fusty, fading brand into one of the world's most successful fashion labels, beloved by both football hooligans and aristocrats. As the company reports a fresh rise in profits, Laura Barton and Nils Pratley examine an improbable success story

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There was a time, a few years back, when the country seemed to be coated in a perpetual layer of Burberry check. It surfaced on everything - on coats and purses and scarves; on suitcases, handbags and skirts. When it rained, the streets erupted in a flurry of Burberry umbrellas. But, there is one image in the history of Burberry that sticks in the mind, with the same lingering cloy as a half-sucked toffee: a picture of the actress Danniella Westbrook clad top to toe in Burberry check: the hat, the skirt, the scarf, her baby dressed up to match, as if she had gorged herself upon it, rolled about in it like a pig in muck. It looked like the end of the much heralded Burberry revival: the Burberry check had become the ultimate symbol of nouveau rich naff.

Yesterday, however, Burberry announced some striking news. The company's sales around the world in the six months to March were 13% higher than a year ago, or 15% ignoring currency movements. Though the figure may not sound huge, it is about as good as it gets in retailing these days: Marks & Spencer, for example, yesterday reported a 2.5% fall in clothing sales. The numbers tell the story of Burberry's extraordinary turnaround: when Rose Marie Bravo was recruited from Saks Fifth Avenue, the New York department store, to become chief executive in 1997, Burberry had sales of about £250m and made profits of around £25m. After yesterday's results, City analysts predict the label will this year report turnover of £670m, and profits of £134m.

When Bravo arrived, things were so bad that major department stores Harvey Nichols and Selfridges did not even stock Burberry ranges, and Harrods only carried the traditional raincoats. It was a neglected brand facing what looked like a slow but inevitable demise. By contrast, Burberry's stock market value is now £1.8bn. That makes it more valuable than Canary Wharf, owner of Europe's largest office development, or worth about the same as Corus, the successor to the old British Steel. All of which prompts the question: just how has it emerged from obscurity, through mass-market tackiness to become a powerful global brand again?

The story of the Burberry revival is a story of paradoxes. Bravo was recruited by then-owner Great Universal Stores, whose other businesses - property and mail-order shopping were a million miles from the catwalk. It is hard to escape the irony that the company which now owns Argos and Homebase also owns the lion's share of one of the world's most prestigious luxury brands. And the same contradictions apply to Burberry's appeal: the famous check that seems the essence of sophisticated Britishness to many foreign customers is also the favourite badge of a rather less refined breed of football supporter.

"Show me the clothes of a country and I can write its history," proclaimed Anatole France, and indeed it seems the red, camel, black and white of the Burberry check is intimately entwined with the red, white and blue of Britishness. In 1856, in the humble environs of Basingstoke, a former apprentice draper named Thomas Burberry opened an outfitters' shop specialising in outdoorwear. Some 14 years later, Burberry invented gabardine, a breathable fabric, the yarn waterproofed before weaving, which was largely to prove the making of him.

In 1901, having designed the gabardine Tielocken coat, the forerunner of the trench coat, Burberry was commissioned by the war office to design a new uniform for the British officers, hence the name "trench coat". The coat's iconic status was further bolstered when it was worn by Humphrey Bogart and Ingrid Bergman in *Casablanca*, Audrey Hepburn in *Breakfast at Tiffany's*, and Peter Sellers in the *Pink Panther* films. Westbrook's favourite Burberry check was first introduced as a lining in 1924, but it wasn't until 1967 that it surfaced on luggage and accessories.

Over the years, however, the stylish Burberry brand faded into something of a fusty Bond Street label - it spoke of tradition and conservatism, of a Britain preserved in aspic. When it was hauled out of this rarefied state in the mid-90s, it was to act as something of a performing monkey to Cool Britannia. Having been adopted en masse by the nation's footballers, soap actors, and wannabe pop stars, it soon filtered down to the high street as a conspicuous emblem of wealth. Before long, it acquired associations of thuggishness, a reputation as the hooligan's label of choice, the sort of logo that spelled trouble to the nation's nightclub bouncers.

"We had this issue of logoism that was rampant across the industry," admits Bravo. "But we knew that these things run in cycles, you can have too much of a good thing. We moved on, and we got into a mode of being more discreet with the logo." At the height of logo-mania, the check appeared on 20% of Burberry clothing. Today, however, it has been pruned back to just 5% (though it has remained a constant presence on 70% of handbags).

Instead, Burberry has focused its attention on its role as cutting-edge fashion label, bringing in Christopher Bailey as its creative director in 2001, to dream up "classics with a twist" (recasting the classic trench in hot pink, for example).

Bravo had already given the brand an adrenaline shot by enlisting the services of Mario Testino to shoot its advertising campaign, and enrolling Kate Moss as the face of the brand. "The bit that we tried to work on was the image of heritage and classic, but young and modern, hip and fashionable," explains Bravo. "It's a thin line between being commercial and aesthetic, saleable yet refined. You are always walking that line between accessibility and inspiration." What she feels they have now achieved is a label that is "not so avant-garde, not so snooty" as many of the European fashion houses, but one that prides itself on being "sensible, but that has got class".

The old guard of Bond Street are oblivious to the changes that have gone on in their favourite mackintosh company. "They don't see Kate Moss in a bikini. They go straight to the [Burberry] department and that's it," says Bravo, while keen to point out that Burberry has maintained strong links with its ancestry - raincoats, she points out, are still the number one item on the runway, though they have evolved this masculine heritage, she says, "in a very feminine way".

"They've trodden the clever line between being very smart and Footballers' Wives," observes Alexandra Schulman, editor of British Vogue. "There is a tradition, a heritage that they've kept, a lot of which is about posh advertising - posh as in Stella Tennant, rather than Posh."

Bravo's achievements have allowed her to rewrite the rule book on pay. Ahead of the company's stock market flotation two years ago, she negotiated a remuneration package of a size that has rarely been seen at a British public company. She was given 1% of the entire company, a slice that is now worth a cool £18m; she also has share options worth about £2.75m; her basic salary is £838,000 a year, with the potential to earn the same again in bonuses every year; on top, she gets perks worth £250,000, including a rent-free flat in London, a chauffeur-driven car and a clothing allowance.

Bravo, by a considerable distance, is the best-paid woman executive of a British public company. The scale of her pay has outraged some - "extremely generous by UK standards," said the National Association of Pension Funds last year - but there is very little any outsider can do given that Great Universal Stores still owns 66% of Burberry and regards Bravo as excellent value for money. Next year, when Bravo's current three-year contract expires, the numbers may get even bigger. Her negotiating position was strong in 2002; now it is exceptional.

Despite its quintessential Britishness (Live from London, announces the company website, and the brand's latest fragrance was named Burberry Brit), just 15% of Burberry's sales come from Britain itself. Europe as a whole accounts for just over 50% of sales, with Asia notching up 25% and North America 24%. "There is an admiration [for Burberry] in Asia and America and even Spain," says Bravo. "They like the British lifestyle and what they think it stands for - whether it's reality or not."

Indeed, at the Burberry factory outlet store in an insalubrious corner of Hackney, east London, tourists flock to buy their favourite label at cut-price, queuing down the street at Christmas time. Yesterday afternoon, inside the dreary, grey-clad building, Londoners rubbed shoulders with Israelis, students browsed alongside City analysts, all seeking to buy into their favourite label.

"They're very stylish, very cool, and very English," says Amy Wong, 19, a student from Hong Kong, explaining her love of the Burberry brand. Wong and her friend Theresa Lu, 26, are only in the country for 10 days. "We're staying quite far away. In Bournemouth," says Lu. "We travelled three hours to get here. But it was worth it - I got a jacket, a scarf and a raincoat ..." It seems, in Hong Kong at least, the Westbrook look is the height of fashion.