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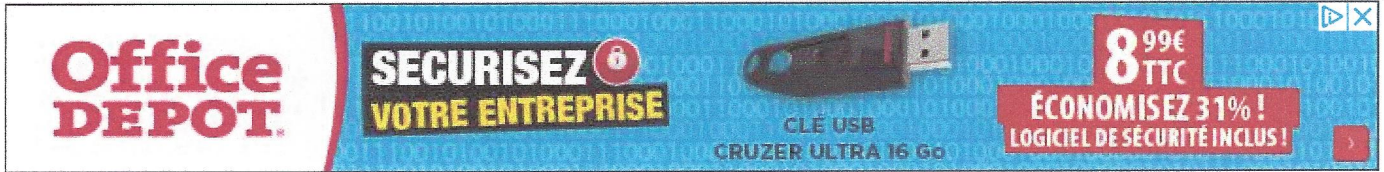
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## Luxury brand Burberry not luxury enough for new CEO

Paul Sandle, Sarah White



LONDON/PARIS, Nov 9 (Reuters) - A \$190 polo shirt might seem expensive to most shoppers, but for Burberry's new Chief Executive Marco Gobbetti it is too close to the fashion industry's endangered mid-market for comfort.

So his strategy to revitalise the 161-year-old British brand is to distance it from the likes of Polo Ralph Lauren and move it firmly onto the ground staked out by Louis Vuitton and Gucci, which he says charge 50 percent more for the same type of shirt.

Gobbetti, who was previously at French house Celine, says fashion is polarising between the mass market, home to Spain's Inditex and Sweden's H&M, and top-end luxury brands.

"Consumers prefer either luxury items or mass-market brands, mixing them together to create a look," he said on Thursday.

"The mid-market offering no longer has a place with these consumers."

Burberry, one of the fashion industry's most successful turnaround stories in the early 2000s, needs a new creative overhaul to help fire up growth again.



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But it's a tough makeover to get right, bringing in change without alienating the fans of its classic trenchcoats and trademark check, and Gobbetti is searching for a new designer to replace long-time creative chief Christopher Bailey.

At Gucci, part of France's Kering, a complete shift from the label's sleek, sexy style to a rococo, colourful aesthetic under a new CEO-designer pairing over the past two years has helped the brand outperform all peers.

"You want someone crazy to come in and break the mould," said Michel Phan, professor of luxury marketing at the Emlyon Business School in France.

"Young people in the fashion world don't want to buy the same trenchcoat that their parents had."

Gucci resuscitated logos and some of its buckles and clasps, pairing them with sequins and embroidered insects on new bag lines to produce novelty items Burberry could learn from as it reimagines how to use its red, black and camel check, he said.

Millennials, born between the early 1980s and mid-90s, already make up a third of the worldwide luxury goods market.

Gobbetti promises Burberry will not ditch the coats and check prints that are part of its DNA, but also says it will strive to meet buyers' craving for the eye-catching and new.

## FUN FASHION

"Today's customers are ... looking for casual, fun fashion," he said. "Their wardrobes are already full of iconic staples."

Recent sales trends back up efforts in this direction. Burberry's DK88 handbag - at around \$1,450 for the smaller version - is selling well this year, executives have said.



Polishing the brand’s appeal will not rest solely on design, and Gobbetti has already made other changes.

The label hired a new merchandising chief, Judy Collinson, from Christian Dior in May.

The new artistic director, however, will set the tone, and some analysts say Burberry should look outside obvious choices such as Phoebe Philo, who worked with Gobbetti at Celine and whose understated designs have attracted a following.

Young French designer Simon Porte Jacquemus, who has an eponymous label, or Alexandre Mattiussi of French house Ami, are designers who could bring lightness or humour to the brand, said Mathias Ohrel of Paris-based luxury recruiters m-O Conseil.

\$1 = 0.7628 pounds Editing by Mark Potter

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