McKinsey&Company

The British luxury market:

Growing sales from £5 million to £500 million

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The Great British Luxury Paradox

Imagine a sector of the British economy that is seldom discussed, and yet employs more people than the film, TV and music industries combined, that accounts for 8% of total exports, that contributes more in taxes than horse racing and the Premier League[1] – and is growing faster than 10% every year. That's the Luxury Goods sector. By any reasonable metric, it has, over the last five years, performed beyond expectations. New stars have emerged, including Victoria Beckham, Orlebar Brown, and Emilia Wickstead. Existing brands continue to make impressive sales domestically and abroad – even through a period of slow GDP growth.

In many ways Britain is a natural, structural hub for luxury, thanks to its established customer base, its pool of creative talent, and the heritage of many British brands. In particular, London is a fashion capital, home to one of the four major fashion weeks and with a diversified university system across arts, fashion and design. The financial flows in and out of London make it also one of the global capitals of finance, with many wealthy consumers and visitors.

But the sector also embodies a significant paradox. Luxury purveyors in France, Italy and Germany manage to punch through various revenue thresholds where UK firms tend to plateau. We analysed the financial performance of more than 200 British luxury brands to get a granular understanding of the landscape, and performed a similar exercise for French, Italian and German brands.

Our findings were striking: across all company sizes, the British luxury industry lags behind in number of brands. In fact, when we compare the number of brands who have managed to make it over the £100 million revenue mark – France has 55, Italy has 47, Germany 30, but Britain has only 16.

So why aren't more British companies becoming global powerhouses? While Britain appears to be a structural hub for luxury, why do other nations have more success? Is it the lack of a large British luxury conglomerate – the likes of LVMH, Kering and Richemont – to fund, nurture and grow young brands? Perhaps other countries have a deeper tradition of family-owned luxury businesses, such as Hermès and Versace? Could it be that the manufacturing heritage that exists in, for example, the Italian leather and silk trades has been lost in Britain? Is it a lack of ambition? Do Britain's future entrepreneurs sell out too early? Is it something investors, industry bodies or other stakeholders can change? And most importantly, what can British luxury brands of all sizes do to move up the league tables?

We identified three phases of growth for luxury goods companies, and different hurdles in each phase. Phase One companies, with sales under £20 million, are typically scrappy entrepreneurial start-ups led by charismatic founders. Phase Two companies (up to £100 million) need to build their core and nurture their iconic brands while professionalising their operations. Phase Three companies (over £100 million) are scaling up for the global runway.

We found five secrets of success for brands. First, start by getting things right in the UK. Anything short of stellar home performance cannot be a platform for foreign expansion – and when foreign expansion comes, the US and Middle East are often the first ports of call.

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1 Frontier Economics, HMRC

Exhibit 1

British luxury companies struggle to achieve scale and the landscape here is much more fragmented in comparison with France, Italy and Germany

	Phase 1: Establish your brand £0.5-20m	Phase 2: Build the core £20-100m	Phase 3: Expand and sell £100-500m	Phase 4: Deepen consumer engagement £500m+
British Examples	Christopher Kane, Asprey London	Boodles 1798, Smythson of Bond Street, Charlotte Olympia	Jimmy Choo, Mulberry, Paul Smith, Hackett London	Burberry, Graff, William Grant & Sons
Number of companies[1]	~200-250	35-45	12	4
	~300-400	80-90	38	17
	~500	35-50	32	15
	~200-250	40	22	8

1 Includes fashion, accessories, beauty, home and food and beverage companies; partly estimated
Source: Walpole, Meisterkreis, Altagamma, McKinsey

Second, nurture an iconic product: for many successful companies, a majority of sales come from a single product that encapsulates the brand. Third, take advantage of the UK's leading position in e-commerce. Fourth, find managerial and business talent to complement the creative talent that is at the heart of most luxury companies. And fifth, use outside investment at the right time to clear obstacles.

Brands need to take wise decisions. But at every level of the ladder of success other stakeholders – investors and industry associations– can also improve the chances of success for luxury players.

> "When we compare the number of brands who have managed to make it over the £100 million revenue mark – France has 55, Italy has 47, Germany 30, but Britain has only 16. So why aren't more British companies becoming global powerhouses?"

Overall, the outlook for British luxury brands is bright, and the opportunity to grow additional businesses into global powerhouses is too tempting to resist. Every luxury business should approach it strategically and with spirit and energy. The overall opportunity to grow more Great British luxury companies is huge, and if all stakeholders play their part it lies clearly within reach.

Our approach

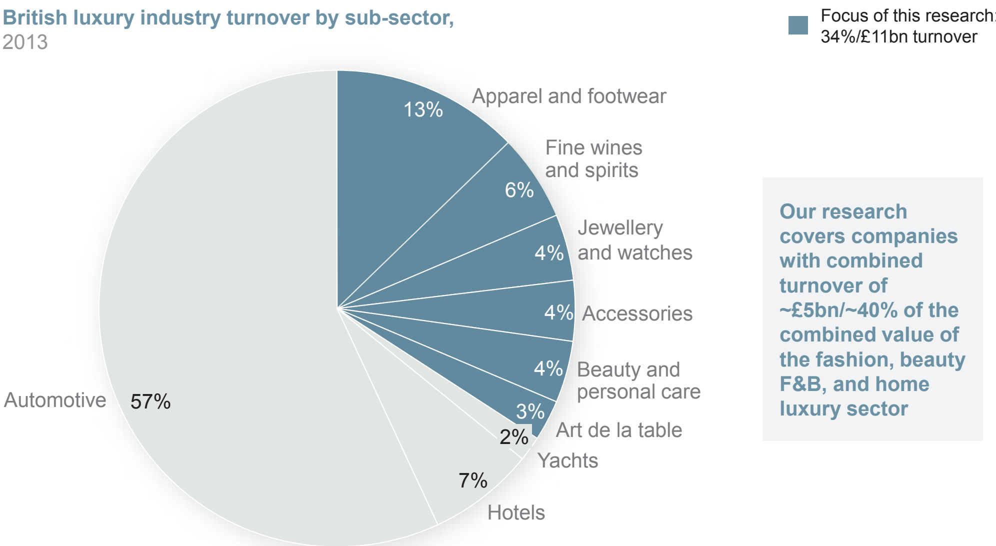
To answer these questions, we analysed the financial revenues of luxury companies to establish whether specific hurdles exist and then, where we might be able to make the hurdles visible. We also interviewed senior executives and founders of leading British luxury brands about their personal experience in growing their companies. With the help of Walpole, the association of 170 British luxury brands, we conducted a survey to understand key drivers of past growth and brands' expectations for the future. By combining these approaches, as well as McKinsey's deep experience serving global and British luxury companies, we were able to dig beneath the numbers to tease out the lessons that can be learned from existing British luxury success stories.

The scope of our work encompassed specific subsets of the luxury business, including apparel, beauty, travel, home luxury and other retail industries. We excluded the automotive, yacht and hotel industries, despite their strong luxury components: these subsectors face completely different industry dynamics and use different go-to-market models, and therefore neither respond to the same factors that our core luxury companies do, nor fit the same competitive patterns as apparel, beauty and home goods. In our quantitative survey of British luxury players, we covered companies with combined turnover of £5 billion, comprising 40% of the British fashion, beauty, F&B and home sector today.

Exhibit 2

This report is focused on the fashion, beauty, F&B, and home luxury sector with £11 billion of turnover; we surveyed companies representing ~40% of the value of this sector

British luxury industry turnover by sub-sector, 2013



Source: McKinsey survey of Walpole members, conducted between Oct-Dec 2015, Frontier Economics

Shining a light on growth engines

By analysing the survey data, the expert interviews, the founders' perspectives and the underlying quantitative data, we were able to isolate a number of growth drivers and a set of themes most relevant for British luxury companies of any size. Some of these are aligned with common sense, but others are counterintuitive.

> "Our respondents told us the key growth factors had been international expansion closely followed by investments in marketing and PR, an expansion into retail networks and strong sales in their home markets."

First, from our survey data we were able to identify the key drivers of growth across the industry *over the last five years*. Our respondents told us the key growth factors had been international expansion, investments in marketing and PR, an expansion into retail networks, and strong sales in their home markets (Exhibit 3).

Exhibit 3

International expansion is the most important driver of growth, followed by investing into marketing & PR and expansion into retail and in home market

Most important drivers of growth over the past 5 years,
% respondents answering "important" or "very important"

Source: McKinsey survey of Walpole members, conducted between Oct-Dec 2015

More importantly, the survey also gave us clues on what could drive future growth of British luxury brands – and what would help overcome the hurdles they currently face.

Five ways to leap over those hurdles

To overcome growth hurdles, we identified five key lessons that seemed to resonate across brands. Of course these lessons will apply differently at different stages of growth – which we discuss in the next section of report. In addition, with the diversity of luxury players and emergence of disruptive business models today, there are always exceptions to the rule.

1. There's no place like home

Despite all of the emphasis on international growth in recent years, our data indicate that international will never blossom if the brand's home market performance falls anywhere short of strong. As one of our interviewees told us "the home market is the foundation for everything – without it the entire house falls down". This is particularly true when considering the dynamic of overseas shoppers in London in recent years. According to research McKinsey conducted on Chinese consumers in 2015, more than 40% said they buy overseas because of the authenticity and experience of buying something "British from Britain" – and this in turn increases the popularity of the brand abroad. Indeed several luxury brands are facing the situation now where they are having to refocus on generating domestic demand – as having reaped the benefits of overseas tourists in recent years, brands that are no longer popular with domestic clients are starting to lose their lustre in the eyes of emerging market consumers too. That said, the pace of international growth is still extremely important, and a peculiarity about luxury businesses is that companies can go international even when they are small. A good example here is Monica Vinader, which despite its relatively small size is in five international markets: "it is already quite a challenge to do properly" says Guy Salter, an investor in the brand, "but it has been key to the valuation we achieved."

> "British brands we surveyed believe they will find most international growth opportunities in Europe, the Middle East and the US. Interestingly, although large British luxury brands have seen pull from China, it can be a challenge for smaller and mid-sized companies."

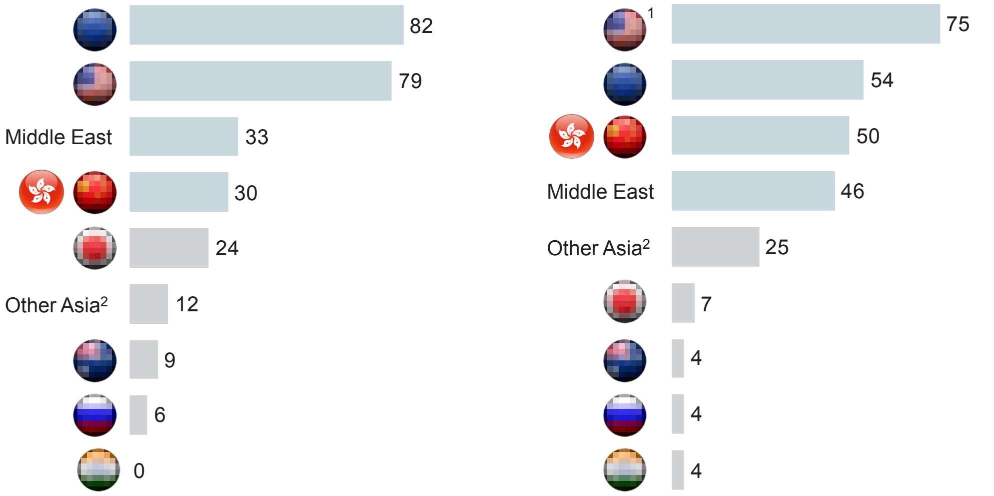
British brands we surveyed believe they will find most international growth opportunities in Europe, the Middle East and the US. Interestingly, although large British luxury brands have seen pull from China, it can be a challenge for smaller and mid-sized companies. That said, Hong Kong remains a good starter market in Greater China, and sooner or later any luxury brand will have to face mainland China. For most British brands, the largest international markets were actually the US, the UK and the Middle East. When asked about future growth, respondents in particular for affordable luxury said the US would be the market where they would place most emphasis, followed by Europe and China, with the Middle East just behind. However it is interesting to note US appears more fertile ground for affordable rather than high-end luxury brands (Exhibit 4).

Exhibit 4

America is the first port of call for most brands, and UK specifically is gateway to the Middle East

Top current international markets
% respondents who selected option as 1 of top 3 international markets by revenue

Top future international markets
% respondents who selected option as 1 of top 3 international markets by revenue



1 Includes responses for North America 2 Includes ASEAN, South East Asia, and "Asia as a whole"
Source: McKinsey survey of Walpole members, conducted between Oct-Dec 2015

It is also key to maintain focus and expand at a measured pace. A fifth of our survey sample regretted not focusing enough on their entry into foreign markets, and an identical share admitted their company had moved into international markets too quickly. A similar share said their brand expanded too widely, moving into too many overseas markets at once. It is critical to prioritise where to play and understanding the importance of city-level entry strategies. According to McKinsey's FashionScope research[2], by 2025 two-thirds of the world's growth will come from 600 cities; and this is even more pronounced in luxury – where the same 600 cities will account for 85% of luxury growth (Exhibit 5).

> "A fifth of our survey population regretted not focusing enough on their entry into foreign markets, and an identical share admitted their company had moved into international markets too quickly."

2 "Unleashing fashion growth by city," McKinsey & Company, 2013

Exhibit 5

Underinvesting in e-commerce and marketing and PR and lack of managerial talent are the most perceived hurdles to faster growth

Common pitfalls luxury brands have suffered from in the past 5 years

% respondents having suffered from each option

Source: McKinsey survey of Walpole members, conducted between Oct-Dec 2015

2. Iconic products are key

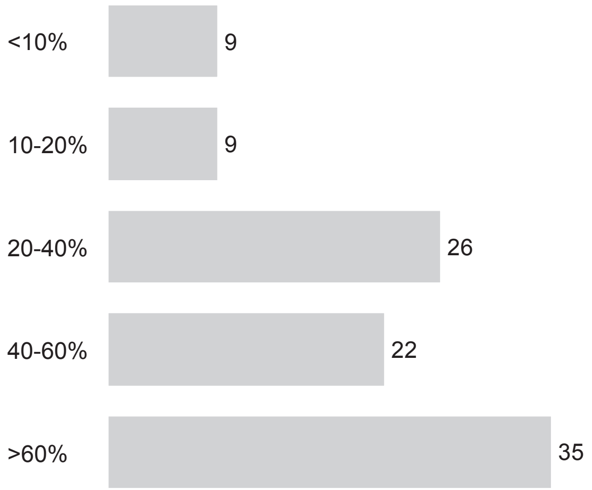
Another key observation from our survey is that for many luxury companies the key engine of growth is iconic products i.e., core product lines that are continued or refreshed across seasons. Of course, you may say. But we were surprised to find that in 35% of cases the iconic products accounted for more than 60% of revenues (Exhibit 6). So, the first pillar of successful luxury companies is maintaining a focus on that iconic product, be it a raincoat, a bottle of peaty Scotch or a famous handbag. Brands must nurture and emphasise the importance of these items, as they are more than just a product; they tell people what the brand stands for. Once a product has achieved iconic status, the brand needs to develop marketing that reinforces that status. At the high end of the category, these iconic products even allow luxury companies to diversify away from fashion risk, especially in cases where the product itself attains timeless status. On the other hand, high dependence on iconic products may also indicate that a brand is shying away from fashion and interviewees told us that British brands were particularly prone to such conservatism. In addition, over-reliance on iconic products can eventually hinder growth and runs the risk of market saturation.

> "We were surprised to find that in 35% of cases the iconic products accounted for more than 60% of revenues."

Exhibit 6

Iconic products are the most important sources of revenue, accounting for more than 40% of sales for ~60% of British luxury brands

Revenue percentage contribution by iconic products
% respondents



Source: McKinsey survey of Walpole members, conducted between Oct-Dec 2015

3. The British e-commerce advantage

E-commerce is the term on everyone's lips, and its growth rates are strong. But despite the buzz it still accounts for only a small share of UK luxury revenues. For the majority of surveyed brands, it accounts for somewhere between 5-10% of overall revenue. However, this is not only an issue for British brands and in fact the UK finds itself well-positioned for the upturn in online luxury sales in the years ahead. For example, as of last year, the UK already had the highest penetration of online luxury sales in the world. At 11%, Britain equals the online reach of France and Italy combined, and there is a lot of room to grow that share in the years ahead (Exhibit 7).[3]

> "At 11%, Britain equals the online reach of France and Italy combined, and there is a lot of room to grow that share in the years ahead."

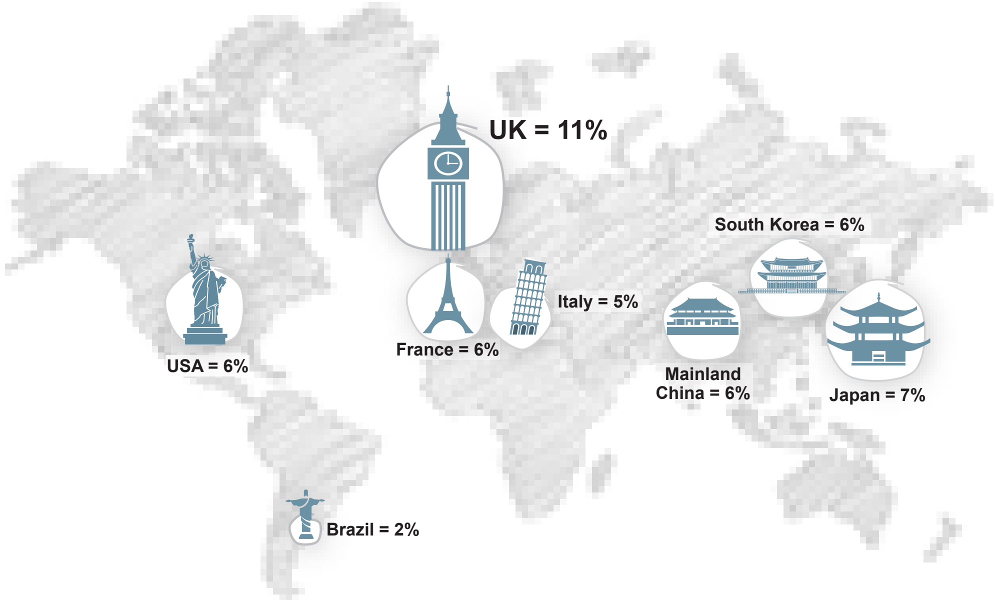
Going forward, e-commerce is seen by many as one of the most important ways to build a brand in modern times, especially given the challenges of selective distribution and "brand control". The real future however lies with omnichannel – posing the challenge of finding the right balance between online and wholesale.

3 "Digital Luxury Experience," McKinsey & Company, 2015

Exhibit 7

The UK has the highest penetration of online luxury sales globally with 11%

2014 online luxury sales penetration, Percent of total Personal luxury market



Source: McKinsey and Altagamma Digital Luxury Experience Report 2015

We must also note that for smaller brands, the e-commerce channel is vitally important as in many prime British shopping districts rents are becoming prohibitively high for younger brands and start-ups.

4. You need a good head for business

Managerial and business talent, from marketing to merchandising, from accounting to real estate expertise and beyond – all of these non-creative talents are in demand, yet frequently hard to find thanks to competitive pressures and the undeclared war in luxury retailing for talent of this sort. Interviewees tell us that until a business has grown beyond a certain size, these sorts of experts are elusive, expensive and especially difficult to attract and retain for smaller players. This is especially true in a market such as London, where many survey respondents told us: “We don’t know where we will find such talent.”
To source talent successfully, brand leaders need to leverage both headhunters and their own entrepreneurial networks in a balanced way. In addition, there is the perennial challenge of managing creative talent, which is critical to luxury brands of all sizes.

> “The one piece of advice I have for growing brands is: find and create strong incentives for a strong team.”

5. Funding can be a magic bullet, if the timing is right

In a number of recent cases where a British luxury brand has been able to leap over early hurdles in the growth challenge, the key difference-maker has been private equity or other funding. But each instance is different, and the precise moment the finding arrives is a crucial factor in determining the outcome. We will explore this phenomenon in more depth later.

Funding has been less of an issue in the last few years due to increased investor interest (Exhibit 8). For investors, the main challenges have been around allocating investment to the right growth initiatives, and staying the course over the long time horizon needed to build a brand. For brands, the challenge has always been in finding the right partner for each stage of growth and avoiding dilution of strategic purpose, brand equity and control. For small brands, one executive advised building some scale before seeking investment: “after £20 million, you get a very enhanced valuation.”

Exhibit 8

There has been a surge in PE investment in luxury brands, which can help Phase 2 brands to support the growth necessary to cross the £100 million mark

Top 10 luxury brands revenue and ownership overview

Brand	Revenue £m	Ownership
Burberry	2,523	Listed
William Grant & Sons	933	Private
[illegible]	921	Pernod Ricard
Graff	567	Private
Jimmy Choo	300	Listed
Paul Smith	203	Private
Whyte & Mackay	181	Alliance Global Group
Barbour	167	Private
Mulberry	149	Listed
Waterford Wedgwood	109	PE

There are 31 listed British luxury fashion, beauty, and food and beverage brands, and home brands

Top luxury and premium fashion PE deals in the UK in the past 5 years

Target	Acquirer	Deal size $m
Kurt Geiger	Cinven	~345
Hunter	Searchlight Capital	~130
Jaeger	Better Capital	31
Amanda Wakeley	AGC Equity	N/A
Hobbs	3i	N/A
[redacted]	Pembroke, Venrex and Oakley	N/A
Orlebar Brown	Piper PE	N/A

There has been significant PE investment in luxury on pan-EU level, including
- KKR’s acquisition of SMCP group for $853m in 2013
- Permira’s Acquisition of 30% stake in Valentino for $1,041m and 24% of Hugo Boss for $974m
- Clessidra’s acquisition of Roberto Cavalli for $430m

Source: Company annual reports, Press

Timing matters: the three phases of luxury growth

When conducting our financial analysis, we also asked ourselves: where do British brands get stuck? At what revenue level do they tend to plateau, and why? Why do only a few manage to scale up and achieve next-level growth while the others either stagnate or die?

To answer this we segmented the companies by revenue to see if we could find any patterns and assessed the number of British companies in each revenue category. In doing so, it quickly became apparent that there are clusters in the data (Exhibit 9). While a large number of brands were simply too small to consider in our sample or had no public information, for the 80 or so brands for which we found reliable data, we found that there were two inflection points: around £20 million and £100 million.

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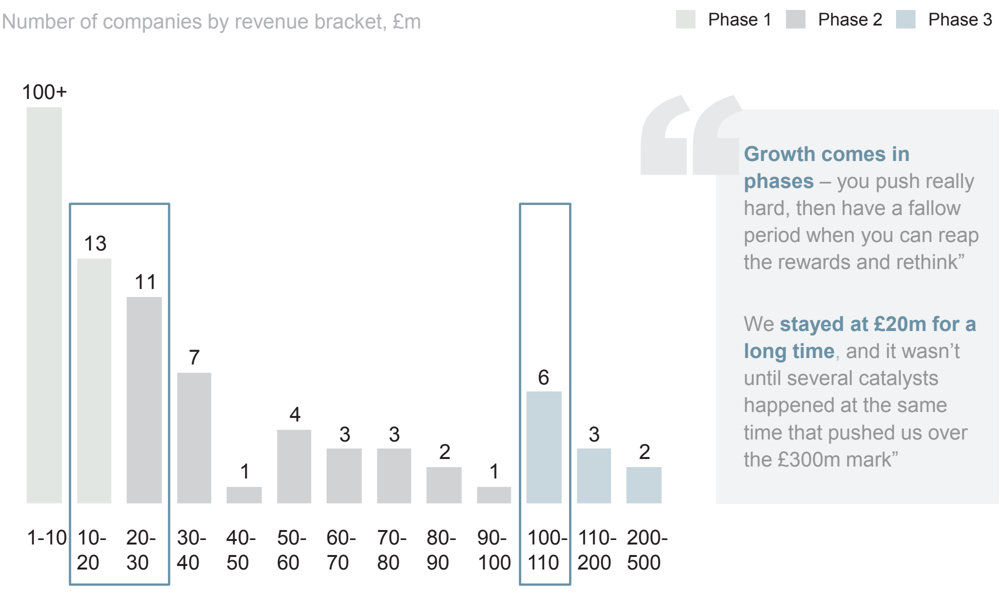
It was at these points that we found brands tended to cluster and plateau, and indeed this was corroborated by several of our interviewees who told us their stories of how their brands got “stuck” at these revenue levels.

Exhibit 9

There seems to be a “glass ceiling” for luxury brands as many appear to stumble around the £20 million and £100 million marks

Number of companies by revenue bracket, £m



Source: Company annual reports, Companies House accounts, press. Only companies with published accounts included here (not full 200 sample)

In this section, we provide more detail on the individual recommendations that apply to each of these revenue brackets, as companies seek to jump over the invisible hurdles that hamper them from progressing to the following stage – as each stage is very different (Exhibit 10).

Exhibit 10

There are distinctive plays to drive growth in each of the phases

		Phase 1: Establish your brand £0.5-20m	Phase 2: Build the core £20-100m	Phase 3: Expand and sell £100-500m
Go-to-market strategy	International expansion	▪ Small contribution (<40% for 60% of brands) ▪ Opportunistic expansion ▪ Focus on familiar markets: USA and EU	▪ Sizable contribution (>40% for 60% of brands) ▪ Expansion into strategically selected markets ▪ Expanding into more remote markets: USA, EU, and Middle East	▪ Main revenue driver (>60% for ~60% of brands) ▪ Consider franchising as capital-light model ▪ Focus on penetration and market share growth ▪ Global footprint: USA, EU, China and rest of Asia
Go-to-market strategy	Channel management	▪ Use retail as a marketing tool, but grow through wholesale ▪ E-commerce may be a small contributor: <10% revenue for 55% brands, but critical for brand building	▪ Focus on growing retail footprint ▪ Have sizable e-commerce business (>20% for 40% of companies) ; starting to build omnichannel capabilities	▪ Have real estate team and grow retail as a main profit contributor ▪ Manage sophisticated omnichannel operations (e.g., Mulberry)
Go-to-market strategy	Category management	▪ Focus on iconic products (>40% revenue for 53% of brands)	▪ Grow within category ▪ Begin expanding into adjacencies (e.g. Church's into bags)	▪ Manage a comprehensive category and license portfolio (e.g. Paul Smith in Japan) ▪ Could consider starting secondary brands
Profitability		▪ Often possible to achieve modest profitability at this stage	▪ Profitability challenges are common in this Phase, but it still important to invest for expansion	▪ In this Phase, companies have enough scale to achieve profitability and should start to streamline the organisation to achieve this
Funding		▪ Self-funded, family and friends ▪ Angels & VC	▪ External funding sources required; critical to find the right partner (e.g., small-cap, specialised PE or family office)	▪ May require multiple sources of funding at this stage (e.g., several PEs) – challenge will be to maintain brand equity and control
Top growth drivers		▪ Home market expansion ▪ Retail expansion	▪ Home market expansion ▪ International expansion	▪ Marketing and PR ▪ Retail expansion
Top common pitfalls		▪ Underinvesting in e-commerce ▪ Not finding capital to grow ▪ Insufficient focus on quality wholesale	▪ Underinvesting in e-commerce ▪ Expanding internationally too quickly ▪ Lack of professional structures and managerial talent	▪ Expanding into categories far from core ▪ Expanding into multiple international markets at once

Source: Interviews, McKinsey survey of Walpole members, conducted between Oct-Dec 2015, McKinsey analysis

Case study: Phase One

We start with Phase One, companies with turnover below £20 million. These are the companies that have established a foothold in the industry, but are still very much in the bootstrap phase. Now they want to expand – but how best to do it? And what stands in their way?

This is a Phase One company, typically an enterprise with a charismatic, scrappy founding entrepreneur at the helm. These are often bootstrap start-ups, perhaps launched from a garage or a family home. Revenue has yet to surpass £20 million, but the business is still vibrant and on the way up.

Robert Emmett

"Shirt-making was my childhood hobby", says Robert Emmett, the founding entrepreneur. "At the age of 14, as a teenager in Australia who didn't play sports, I took apart shirts to see how they worked and rebuilt them using my mother's sewing machine." This fascination with fabric construction drew Emmett into regular visits to material shops. Emmet says even then, he had high standards, and rarely saw anything he liked. He describes himself as obsessive about material and sources largely from Italy—in his words—home to "the best material-making companies in the world".

After secondary education in England, Emmett went to Switzerland for a two-and-a-half year tailoring apprenticeship, followed by a pattern-making course in Paris. He then opened his own shop in a garage in the suburbs of Zurich. "It was", he admits, "a very, very quiet start". To begin with, publicity took the form of printed leaflets posted through letterboxes.

In 1992 he moved to London and opened a shop at World's End (the cheaper, less fashionable end of the King's Road). Friends in the press gave it some publicity and he was eventually able to open a new shop in the City in 2001 and then Jermyn Street in 2007, plus a failed venture in Canary Wharf. He has had an online presence since 2007 – returns (which, in a departure from standard practice, are not free to the customer) are processed at the King's Road shop. He has had a concession in Selfridges since 2010.

Emmett makes 200-300 new lines of shirts each season, typically in runs of 25, though white shirts come in larger runs.

As well as shirts, Emmett offers a small range of accessories – ties, cufflinks, socks, boxer shorts – made-to-measure shirts and a made-to-measure jacket and trouser service.

If he had a magic wand (in the Australian argot of his childhood, "a magic pumpkin") he would wish for financial and marketing know-how – "a partner [he] could bounce things off."

Challenges to growth

The biggest constraint for Emmett has been the lack of business talent and knowing where to find it.

If he had a magic wand (in the Australian argot of his childhood, "a magic pumpkin") he would wish for financial and marketing know-how – "a partner [he] could bounce things off."

He is clear that he could have benefited from better knowledge of working capital management and stockflow optimisation: essential management disciplines with which creative founders often struggle.

If he wanted actively to recruit senior business talent, his first approach would be to "friends of friends", rather than to a headhunter. He contrasts the high fees and low success rates of recruitment firms with his recent experience of recruiting a web staffer via LinkedIn for £125.

How do we operate today

For Robert Emmett, e-commerce is the future. "At home is the new changing room."

Emmett opens new stores opportunistically, debuting a new boutique only once every seven years.

He paces his international expansion, planning store openings in markets where he already has strong online sales. Wholesaling is also a part of Emmett's long-term expansion plan.

Lessons for getting to the next phase

- Build a strong iconic product and wholesale presence underpinned by existing entrepreneurial spirit.
- Be sure to build the core at home, before expanding abroad. Also, build only on opportunities that play to existing competitive advantages.
- On channel management, stick to a limited number of retail flagships that will act as showrooms for the brand. Build wholesale. Invest in high-ROI digital marketing and e-commerce presences.
- Get the core product right, rather than hurrying to expand the product line.
- Maintain the entrepreneurial spirit, as a driving force of the business, and begin to explore opportunities for venture capital, private equity and other sorts of funding to fuel further growth.

The roles other stakeholders can play

While the individual brands have specific to-dos, at every level of the ladder of success there are other stakeholders who have the power to affect the success of luxury players.

Interviewees said industry associations play an important role in supporting the luxury industry by creating a forum for the exchange of ideas, mentorship programmes to secure a future pipeline of brands, and promoting British luxury brands as unique value propositions. These organisations also play an important role as a convenor of the industry, but respondents suggest they could take a more active, entrepreneurial role in helping building luxury business through each of their phases.

Investors can help promising candidates to fund expensive projects such as store openings, or to offer expertise in terms of clarifying sources of competitive advantage and mapping out ways to bring in external talent to help the brand mature and increase sales. However, interviewees call for a greater degree of patience from the investment community – particularly in the early stages of brand building.

> "Brands themselves need to evaluate their own performance against that of their peers at the same stage of growth. They can study the areas where competitors are investing more or less, in order to find additional opportunities for growth."

Finally, the brands themselves need to evaluate their own performance against that of their peers at the same stage of growth. They can study the areas where competitors are investing more or less, in order to find additional opportunities for growth. Lastly, companies need to determine when to seek external hires who can help them move from the entrepreneurial to the professionalised stage.

Conclusion: the path forward

With examples drawn from the three phases of development, luxury brands will be able to find new levels of growth, especially if other stakeholders, such as government, industry associations, investors – and the brands themselves – can work together to encourage and support British luxury firms as they move from level to level. A clear brand identity is key; proper channel and market focus are a second; proper levels of funding are a third, and strong management processes are a fourth ingredient.

“Keep distribution tight in new markets”, one survey respondent advised, “until you have established a good sell-through rate.” Another noted, “Position the brand strongly within your home market. This will allow international development in a more strategic manner.” “Choose your business partners wisely, and do not take on unnecessary external investments before you are ready for growth,” was another sage nugget of advice. “Look to deliver a single global pricing strategy,” another executive noted.

> “The trouble is there aren’t many great examples of large-scale success in British luxury” said another luxury CEO, “but as soon as there are people will get excited and see that they can do it too.”

Tactics aside, there is also an important cultural shift that needs to happen in British luxury. A number of interviewees thought it was the British culture of risk aversion that held some brands back: “Hold on longer, sell later!” one British luxury executive told us. “On the whole we need to show the ambition, the confidence to invest in the future –we need to start our British aversion to risk!” “The trouble is there aren’t many great examples of large-scale success in British luxury, “said another luxury CEO, “but as soon as there are people will get excited and see that they can do it too.”

Overall, the outlook for British luxury brands is bright, and the opportunity to grow additional businesses into global powerhouses is too tempting to resist. Every luxury business should approach it strategically and with spirit and energy. The overall opportunity to grow more Great British luxury companies is huge, and if all stakeholders play their part it lies clearly within reach.

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