



CM/MK 340 LUXURY BUSINESS STRATEGIES AND COMMUNICATION

IES Abroad Paris BIA

DESCRIPTION:

The goal of this class is to familiarize the students with luxury codes (specificities) and communication, and to emphasize that luxury marketing is different from the “classic” marketing used for the mass market. After a brief review of fundamental marketing concepts, such as brand, identity and image, we will study the specificities of luxury (the do's and don'ts, the different perceptions, the influence of cultures, the different types of clients) and we will analyze how brands communicate using various tools (celebrities, product placement, events, digital marketing) in order to share their values and educate their clients on their brands' codes.

CREDITS: 3 credits

CONTACT HOURS: 45

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: none

ADDITIONAL COST: none

METHOD OF PRESENTATION:

- Lectures to provide students with an opportunity to gain an overview of the course content, discuss the readings and to clarify issues.
- Business cases to provide students with an opportunity to apply concepts discussed during lecture to practical case studies.
- Group workshops to provide students with an opportunity to collaborate and find solutions to more complex business case studies.

REQUIRED WORK AND FORM OF ASSESSMENT:

- Course participation - 10%
- Midterm Exam - 30%
- Final Exam - 30%
- Group workshop - 30%

Course Participation

Students are expected to have a positive attitude in class, actively participate in class discussions, contribute interesting comments, and demonstrate teamwork

Midterm Exam

The midterm exam will include four written open-ended questions (both theoretical and practical) on the class topics.

Final Exam

The final exam will include written open-ended questions on the class topics and analysis of a case study.

Group Workshops

Questions based on cases (“homemade” or from Harvard) to be read classes. During the class, groups of 3-4 students will prepare the questions and will present them in front of the class, each member being in charge of one or more issues. Assessment will be based on the contents (rightness and creativity of the answers), the layout (slides design) and on the teamwork.

LEARNING OUTCOMES:

By the end of the course students will be able to:

- Identify the key differences in approach between mass market and luxury branding.

- Develop insights into the needs of luxury clientele.
- Communicate effectively within the context of luxury (with clients, media, influencers)
- Make informed business decisions about marketing and sales issues, knowing the main challenges of the luxury industry (sales channels, communication, massification)

ATTENDANCE POLICY:

Since IES Abroad courses are designed to take advantage of the unique contribution of the instructor and the lecture/discussion format is regarded as the primary mode of instruction, regular class attendance is mandatory. Absences for documented medical problems or family emergencies will be excused. Absences for any other reason will not be excused. If you are absent due to illness, you may be asked to present a medical certificate. Unexcused absences may result in your grade being lowered by a fraction of a grade in the course (i.e. A becomes A-). If a student shows a pattern of absences, in violation of this policy, students may be subject to an Academic Review including but not limited to a letter sent to their school and a probationary period or exclusion from the program.

CONTENT:

Week	Content	Assignments
Week 1	<ul style="list-style-type: none"> • Introduction and icebreaker • Presentation of assessments • Some definitions: brand, identity, image • Group workshop on identity and image 	<ul style="list-style-type: none"> • Read Kapferer & Bastien, Chap. 1 & 2 (pp. 1 to 63) • Read Corbellini & Saviolo, Chap. 13 & 14 (pp. 223 to 257)
Week 2	<ul style="list-style-type: none"> • Characteristics of luxury • Differences between luxury and fashion, luxury and prestige • The anti-laws of marketing: specifics marketing and sales rules to be applied to luxury brands and services 	<ul style="list-style-type: none"> • Read Kapferer & Bastien, Chap. 3 & 4 (pp. 65 to 109)
Week 3	<ul style="list-style-type: none"> • Brand extension in luxury • Group workshop: from shoes to beauty 	<ul style="list-style-type: none"> • Read Kapferer & Bastien, Chap. 7 (pp. 171 to 196) • Prepare a PowerPoint Presentation in groups and present it to the class
Week 4	<ul style="list-style-type: none"> • Influence of culture on luxury (based on Morand and Dubois) • Some theories applied to luxury: Veblen (price, status), Bourdieu (distinction), Karpik (desingularization) 	<ul style="list-style-type: none"> • Read Veblen effects in a theory of conspicuous consumption, Bagwell, Laurie Simon; Bernheim, B Douglas, The American Economic Review; Jun 1996; 86, 3; ABI/INFORM Global pg. 349 (25 pages)
Week 5	<ul style="list-style-type: none"> • The clients of luxury: who, where and why. Focus on HNWI (High Net Worth Individuals) and UHNWI (Ultra High Net Worth Individuals) • Luxury or luxuries: Heritage Luxury vs Lifestyle luxury 	<ul style="list-style-type: none"> • Read Kapferer & Bastien, Chap. 5 & 6 (pp.113 to 169)

Week 6	<ul style="list-style-type: none"> • Brand rejuvenation • Group workshop: Chaumet case 	<ul style="list-style-type: none"> • Read Bourdieu's Theory of Cultural Change: Explication, Application, Critique, David Gartman, Sociological Theory, Vol. 20, No. 2 (Jul., 2002), pp. 255-277
Week 7	<ul style="list-style-type: none"> • Communication in luxury: product placement and the use of celebrities 	<ul style="list-style-type: none"> • Read Kapferer & Bastien, Chap. 11 (pp. 255 to 275)
Week 8	<ul style="list-style-type: none"> • Communication in luxury: media and events 	<ul style="list-style-type: none"> • Read “the Blonde Salad” case (26 pages to be found on Moodle)
Week 9	<ul style="list-style-type: none"> • Monetization and adaptation to change in digital luxury • Group workshop: The Blonde Salad 	<ul style="list-style-type: none"> • Prepare a PowerPoint Presentation in groups and present it to the class • Read the “Kering” case (21 pages)
Week 10	<ul style="list-style-type: none"> • Luxury digital strategies (1): Workshop on YouTube • Group workshop: The Kering case 	<ul style="list-style-type: none"> • Prepare a PowerPoint Presentation in groups and present it to the class • Read the “Vogue” case (26 pages)
Week 11	<ul style="list-style-type: none"> • Luxury digital strategies (2): digital life, ecommerce, digital communication, from ROPO to O2O • Group workshop: The Vogue case 	<ul style="list-style-type: none"> • Prepare a PowerPoint Presentation in groups and present it to the class
Week 12	<ul style="list-style-type: none"> • Wrap-up / Video: the price of happiness (source: TED Talks) • Q&A 	<ul style="list-style-type: none"> • Discuss the video

COURSE-RELATED TRIPS: Champagne Trip: This trip will be offered on a Friday during the semester. Students are required to attend.

REQUIRED READINGS:

- The Luxury Strategy: Breaking The Rules of Marketing to Build Luxury Brands (dissecting the luxury concept and defining the counter-intuitive rules for luxury marketing).
Author: Jean-Noel Kapferer and Vincent Bastien.
Published: Sept. 2012 (second edition) | ISBN-13: 978-0749454777
- Managing fashion and luxury companies.
Author: Erica Corbellini & Stefania Saviolo
Published: Feb. 2009 (second edition) | ISBN-13: 978-0470830260
- Eckhardt, G. M., Belk, R. W., et Wilson, J. A. J., The rise of inconspicuous consumption. Journal of Marketing Management, 31(7–8), 807–826, 2014
- Kapferer, J.-N, The artification of luxury: From artisans to artists. Business Horizons, Vol. 57(3), 371–380, 2014
- The Blonde Salad, Harvard Business Publishing, 2015
- Kering: Luxury in the digital world?, Harvard Business Publishing, 2014
- Vogue, defining the culture of fashion, Harvard Business Publishing, 2013

RECOMMENDED READINGS:

- Luxury Brand Management (A world of Privilege)
Author: Michel Chevalier & Gérald Mazzalovo.
Published: May 2012 (second edition) | ISBN-13: 978-1118171769
- The Theory of the Leisure Class
Author: Thorstein Veblen
Published: CreateSpace Independent Publishing Platform (2017) | ISBN-13: 978-1979980623
- Berger, J., et Ward, M., Subtle Signals of Inconspicuous Consumption. Journal of Consumer Research, 37(4), 555–569, 2010
- Holt D., Does Cultural Capital Structure American Consumption, Journal of Consumer Research, Vol. 25, June 1998
- Kastanakis, M. N., et Balabanis, G., Explaining variation in conspicuous luxury consumption: An individual differences' perspective. Journal of Business Research, 67(10), 2147–2154, 2014