

Luxury Brand Management¹
MARK 7397/MARK 4397, Summer II, 2013 (June 3-July 1, 2013)

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Course Objectives

The course is designed to help students develop a deeper and more nuanced understanding of the multi-billion dollar market for luxury goods and services. This course will provide students with an understanding of the fundamentals of the luxury industry and will help students gain an understanding of the essential ingredients of effective marketing of luxury brands and services. The course will help students understand the demands and challenges faced by those seeking to become marketers in this sector and will provide them with a unique ability to understand and analyze luxury markets.

According to a common dictum, a luxury brand is a bridge between the past and the future. By the end of this course students will have developed:

- a. An understanding of the luxury segment of the market as it applies to a variety of industries
- b. An ability to identify and understand the basic elements of effective luxury marketing. Particularly, they will have developed observation skills that will allow them to distinguish what constitutes luxury in a product (regardless of industry).
- c. The ability to identify and understand the basic elements of effective luxury marketing.
- d. The necessary vocabulary to articulate the nuances that differentiate these products and the ability to do so with clarity and precision in terms of technique, design, and materials
- e. The critical skills to identify and understand the basic elements of effective luxury marketing, to identify potential new luxury products and how they relate to a variety of markets, including emerging markets.

Textbook

One textbook is suggested for this course. It is not a required text, but it is recommended. Kapferer, Jean-Noel and V. Bastien. *The Luxury Strategy*, London: Kogan Press, 2008.

Book Review Assignment: Only the following books can be used for the book review assignment.

Dana Thomas: *Deluxe: How Luxury Lost Its Luster* (*very good overview of the luxury industry, well-researched*)

¹ This syllabus is subject to change at the discretion of the instructor.

Chandler Burr: *The Perfect Scent: A Year Inside the Perfume Industry in Paris and New York* (*outstanding book about the perfume industry and the marketing of perfume*)

Christopher J. Berry: *The Idea of Luxury: A Conceptual and Historical Investigation* (*historical viewpoint on luxury and very detailed in terms of conceptualizing luxury*)

David Silverstein: *Trading Up: Why Consumers Want New Luxury Goods--and How Companies Create Them* (*for the more mainstream marketer, the concept of new luxury and a focus on the US market primarily*)

Pamela Danzinger: *Let Them Eat Cake: Marketing Luxury to the Masses* (*similar to the above*)

Joan DeJean: *The Essence of Style: How the French Invented High Fashion, Fine Food, Chic Cafes, Style, Sophistication, and Glamour* (*more focused on old luxury and French culture*)

ADDITIONAL RESOURCES:

Facebook Closed Group: By invitation only.

Luxury Society: By invitation only.

Uche Okonkwo: *Luxury Online: Styles, Systems, Strategies* (*about the recent digitization of the luxury market, if you are interested in ecommerce specifically*)

http://www.fccihk.com/files/dpt_image/5_committees/Luxury%20Committee/Luxury_Online_Styles_Systems_Strategies.pdf

Luxury Shopping survey:

<http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-Luxury-Shopping-Survey-Key-Findings.pdf>

Videos:

BBC Perfume documentary

Something old something new: <http://www.youtube.com/watch?v=annRzLYrRwM>

Bottling the memory: http://www.youtube.com/watch?v=Cz3_tY6Ld5I

The smell of the future: <http://www.youtube.com/watch?>

BBC Haute Couture documentary: <http://www.youtube.com/watch?v=Wqkgo6fV8q8>

The Perfect Suit: <https://www.youtube.com/watch?v=TdTD0K66f8o>

COURSE EVALUATION

Assignment	Points
Participation on trip to Paris	40
Case Study Discussions	30
Book Review	30
Total	100 points

Class participation grade:

The trip to Paris is an important part of this course. While in Paris, students are expected to represent the University of Houston in a positive and professional manner, and to participate in all required events. Your attendance, behavior, and involvement on the trip will comprise your participation grade.

This means, but is not limited to:

- Being prompt (on time!) for all meetings
 - Being on the bus/in the lobby at the scheduled time of departure
 - Being respectful of our host organizations and companies
 - Not wandering in and out of meeting rooms during a meeting
 - Not talking among yourselves while our hosts are presenting
 - Being properly attired for each event (no denim allowed)
 - Attending all scheduled events, meetings, and site visits
 - Adhering to the dress code
 - Active involvement throughout the trip (you cannot be a "silent participant" in all activities) – asking meaningful, intelligent questions.
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- Participation with the group:
 - Professional behavior at all times when with the group
 - Following instructions at host sites
 - Staying with the group – not wandering off on your own at host sites
 - Unprofessional behavior in Paris can cause your grade deduction to increase at the discretion of the professor. Violation of the Student Code of Conduct can result in a grade of F for the course. This includes falling asleep, dozing, or being inattentive at host site briefings because of late night activities that are not a part of our official program.

Case Analysis

Each group will analyze two case studies. At the end of each case study there is a decision that needs to be made. In addition, specific case study questions will be available in Blackboard. Group members need to place themselves into the situation of the case, decide what they would do in the circumstance, respond to the questions posted, and explain their proposed course of action. Groups will prepare 12-15 page PowerPoint presentations describing and justifying their decision. In preparing group presentations, it is not necessary for students to call the company described in the case, go on the Internet, or otherwise attempt to find out ‘what happened’ in the case situation. Naturally, there are multiple reasonable courses of action for a company; the key aspect of the case analysis is the internal consistency of the decision and the action plan. Due dates are indicated in the schedule at the end of the syllabus. An excellent presentation will: 1) follow the above requirements, 2) respond to all questions about the case, 3) clearly describe the reasons behind the decision; 4) provide an action plan; 5) provide consistent argumentation across slides, 6) be free of typos, grammar, and punctuation errors, 7) be well-referenced (sources of the material should be specified in the presentation), and 8) be well-organized (with agenda and summary slides).

This case analysis is 30% of your course grade.

HBR Case Studies

Oscar de la Renta (case number 9-704-490).

Kate Spade (case number 9-800-002)

Book Review Assignment

Each student will read one of the books listed above. This review and analysis accounts for 30% of the grade and is due **June 24, 2013** (see protocols, below, in “Evaluation” section). Please note this is an individual assignment.

Learning Agenda and Contents of the Book Review:

(1) To understand and internalize the specific aspect of the luxury industry that forms the focus of the book.

(2) To identify a list of issues/questions that were raised from both reading the book and going on the trip.

(2) An application and synthesis of your knowledge from both the book and the trip to develop insights to the marketing of Houston as a luxury market. Houston is a global gateway city, the fourth largest city in the United States, and one of the premier business centers in the world. Using your experience travelling to Paris – a luxury destination, your reading of the text and the book review – coupled with your experience of living in Houston, your task will be to analyze the feasibility of marketing Houston as a luxury destination. Your analysis will involve conducting a SWOT analysis of Houston as a city in terms of offerings and potential. An analysis of the different sectors for which Houston

might be best known and branded: Luxury Services, Luxury Retail, Beauty and Well-being, Food and Beverage, Arts and Aesthetics, Luxurious lifestyle and quality of life. As you read the book note your ideas, insights and look for data to discuss the potential and drawbacks of Houston as a luxury market/destination.

Your report should comprise the following elements:

- a very short summary describing the thesis of the book (no more than a paragraph)
 - what was the author attempting to achieve?
 - what is/are the primary message(s)?
- a detailed critique of the book (usually no more than a single spaced page)
 - what was useful about the book?
 - what insights did you acquire?
- the learning agenda as a result of reading the book (your interpretation/take on the learning agenda above)
 - it is expected that your learning agenda will have a core focus on luxury marketing principles, making use of the Kapferer text as a resource
 - Please write an **essay** that satisfies your learning agenda (do NOT write a Q&A based on the questions you generated in the previous section/learning agenda, but cover those issues in the essay) – you will need to provide citations for your sources. They must be credible sources; no encyclopedias, unauthoritative websites, news stories, etc. [Provide subheadings within this section of your paper.]
 - identify resources for future learning (provide specific citations, not general genres)
 - **Please note: this is the primary body of your paper and should comprise the majority of your work**
- Summarize insights from this assignment
 - these should be general in nature
 - these should be a measure of what you have gained from this learning experience
 - these should be recommendations for a marketing plan to develop Houston into a luxury market

COURSE SCHEDULE

Mandatory Orientation: May 10th, 5 pm- 6 pm.

Trip to Paris: June 9-15th 2013.

Blackboard-based Case analysis:

June 19th - June 21st: Case 1 discussion

June 24th - June 26th: Case 2 discussion

Book Review: June 24, 2013.

GRADE DISTRIBUTION

Grades for this class will be determined by the total number of points that you earn during the semester based on the following scale:

A	100-93	C+	79-77
A-	92-90	C	76-73
B+	89-87	C-	72-70
B	86-83	D	69-60
B-	82-80	F	59- 0

ACADEMIC HONESTY

The University of Houston Academic Honesty Policy is strictly enforced by the C.T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook which can be found at <http://www.uh.edu/dos/hdbk/acad/achonpol.html>. Students are expected to be familiar with this policy.

ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES

The C.T. Bauer College Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

INSTRUCTOR EVALUATIONS

The Bauer College of Business has a policy that requires all of its instructors to be evaluated by their students. The results of these evaluations are important to provide feedback to instructors on how their performance can be improved. In addition, these evaluations are carefully considered in promotion, salary adjustment, and other important decisions. We openly encourage students to provide feedback to the instructors and to the Bauer College of Business through the evaluation process.