

Luxury Brand Management¹
MARK 7397, Summer II, 2015 (June 1-July 7, 2015)
Paris trip dates: May 25-31, 2015

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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.

Recommended Text

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.

Recommended Historical Fiction Novel

Paris: The Novel by Edward Rutherford. (For a fictional account of the history of Paris based on fact. Excellent read!).

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

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*)

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*)

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*)

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 & 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.feciik.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>

Economist Luxury Industry special report (2014):

<http://www.economist.com/news/special-report/21635761-modern-luxury-industry-rests-paradoxbut-thriving-nonetheless-says-brooke>

Videos online:

- 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>
- Yves Saint Laurent 5, Avenue Marceau: Here is the link to part 1 of 9 and the rest are in the sidebar:
<https://www.youtube.com/watch?v=cOfg9HmHNqM&list=PL2150B60C841213FE>

COURSE EVALUATION

Assignment	Points
Participation on trip to Paris	40
Case Study Discussions	30
Book Review	20
Key Insights Assignment	10
Total	100 points

Class participation grade:

The trip to Paris (May 25- 31, 2015) 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.

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 and present a group analysis on Blackboard. 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 on 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 slide 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 20% of the grade and is due **Monday June 22rd, 2015** (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 raised from both reading the book and going on the trip.

Your report (about 10 pages long) should comprise the following elements: a 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)
- 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

Key Insights Assignment

An *insight* is the distillation of facts and observations into profound understanding. In this assignment, I would like a bullet-point list of all luxury brand and consumer insights you gleaned during the Paris Study Abroad organized by visit or by general theme. Taking notes during the various visits and meetings will help immensely with this assignment. The assignment can be as long or short as you wish - the goal is for you to distill your observations and factual information into acquired knowledge.

This analysis accounts for 10% of the grade and is due **Monday June 22rd, 2015**

COURSE SCHEDULE

Mandatory Orientation: Saturday May 9th, 2015 from 9 am- 12 noon.

Trip to Paris: May 25-31st 2015.

Blackboard-based Case analysis:

June 8th - June 11th 2015: Case 1 (Oscar de la Renta) discussion

June 15th - June 18th 2015: Case 2 (Kate Spade) discussion

Book Review: June 22nd 2015.

Key Insights Assignment: June 22nd 2015.

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.