Course Objectives

As the core course for the Luxury Marketing specialization at Stern, this class is designed to provide students with an understanding of the fundamentals of luxury. When was the concept of luxury first articulated and what did it mean within its various manifestations? Who were the luxury consumers in pre-modern cultures and what were the events that catapulted luxury into the sociopolitical discourse? How did modernity affect ancient processes associated with the production of luxury products? How did the products, consumer tastes, material exchanges, and producer strategies evolve through history? How has the luxury industry evolved through time and what is at its core?

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 (decorative objects, accessories, jewelry, beauty products, hospitality, automotive—fashion will be discussed as well but the discussion will be limited to the true luxury fashion houses)
b. Observation skills that will allow them to distinguish what constitutes luxury in a product (regardless of industry)
c. 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
d. The critical skills to identify potential new luxury products and how they relate to a variety of markets, including emerging markets.

Course administration

The course consists of case discussions and lectures. The cases and lectures will complement the text.

USE OF SMARTPHONES AND LAPTOPS IN THE CLASSROOM IS FORBIDDEN.
IF YOU HAVE A LEARNING DISABILITY AND MUST USE THE COMPUTER, PLEASE BRING ME A STATEMENT FROM THE MOSES CENTER.

Course Grading

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reading assignments</td>
<td>25% (Check NYU Classes for guidelines)</td>
</tr>
<tr>
<td>Class participation</td>
<td>15%</td>
</tr>
<tr>
<td>In-class quiz</td>
<td>35%</td>
</tr>
<tr>
<td>Final paper</td>
<td>25%</td>
</tr>
</tbody>
</table>

Instructions under: Assignments
Course Materials

Texts:

There is also a reader containing Harvard Business Cases. Articles and book excerpts used for the course will be posted on NYU Classes. Supplementary readings may be distributed in class or posted on NYU Classes.

Detailed Course Outline

Class #1  
Course introduction  
Definition of the following terms: brand, luxury, luxury brand  
Methodological approaches to understanding luxury

Read:  
Come prepared to discuss your favorite luxury brands  
Kapferer, Chapters. 1-3


Questions:  
1. What are some of the approaches that have been used to define the concept of luxury? Do you find them all equally valid and why? Are they applicable today? Explain.  
2. Why do you think we are still paying attention to the 18th and 19th century debates as outlined in Jennings's article?  
3. Which one of the “anti-laws” of marketing was novel to you? Or which do you find most objectionable? Why?

Class #2  
Industry segmentation: products and product categories  
Craftsmanship: How are things made and why it matters

Read  
Kapferer, Chapters 4-5

Questions: Read Koehn’s study on Wedgwood carefully and apply to it the theory elaborated in chapters 4 and 5 of the book. In other words, which points of our textbook can you illustrate with examples from the Wedgwood case?

Class #3: Customer segmentation: Masculine v. Feminine. An emphasis will be given to the cosmetics industry but cars and yachts will be discussed as well.

Read: Kapferer, Chapters 6-10
Harvard Business Case: Estée Lauder, 801362-PDF-ENG

Questions: Read the case carefully and draw parallels between the theory elaborated in chapters 6 to 10 of your textbook and Estée Lauder’s growth. Elaborate on your points with concrete examples.

Class #4: East vs. West: What does Culture have to do with luxury. Aesthetics and Ephemerality: A new theory on luxury.

IN CLASS QUIZ: DETAILS CLOSER TO THE DATE. NO MAKE-UPS.

Read: Kapferer, Chapters 11-14
Berthon, P. et al. “Aesthetics and Ephemerality: Observing and Preserving the luxury brand”

Questions: 1. Find the parallels between the historical account of how the brand of LVMH developed and Kapferer’s theory in chapter 11 to 14. What is LVMH? Is it a brand today? Is it a luxury brand? Why? Which rules of “luxury marketing” does the company’s strategy follow and which does it break? Explain your answer with concrete examples.
2. Read the article “Aesthetics and Ephemerality” carefully and bring in writing anything you don’t understand. Articulate your question/s clearly.

Class #5: Jewelry & luxury watches: (and Guest speaker, TBA)
Books, Art, Accessories

Read: Harvard Business Case: “Vertu: Nokia’s Luxury Mobile Phone for the Urban Rich” W11208-PDF-ENG

2. In which sector is Vertu competing? How does the sector affect the company’s strategy? Explain.
Class #6  Fashion: Is it luxury or not? Is it French or not?

Read  Nicky Ryan, “Prada and the Art of Patronage,” in Fashion Theory, Vol. 11, no. 1, March 2007, pp. 7-23

Harvard Business Case: “Oscar de la Renta” 704490-PDF-ENG

Questions  Fashion is one of the most familiar industries to both men and women. Having read the Oscar de la Renta case and the article on Prada’s strategic initiatives how has your own perception of luxury fashion changed? List a few of the fashion brands that at the close of our course you consider luxury and explain why.

FINAL PAPERS ARE DUE A WEEK AFTER THE END OF THE COURSE.