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 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.

Classroom Contributions

You need to be fully acquainted with the readings and cases for a given session. Positive participation includes attendance, active involvement in all in-class exercises and discussions, and maintenance of a classroom demeanor that
encourages the participation of others. You will be evaluated on the quantity as well as the quality of your contribution and insights. Quality comments possess one or more of the following attributes: (a) Contribute to moving the discussion forward; (b) Offer a different, unique and relevant perspective on the issue; (c) Build on other comments of others; and (d) Include some evidence or analysis of inherent tradeoffs, i.e., demonstrate reflective thinking.

**Attendance Policy**

Attendance at all sessions is expected. Absences will significantly impact the class participation grade.

**Electronic Devices Policy**

Cell phones and other electronic devices may not be used during class.

**Honor Code**

Students must adhere to the MBA Honor Code. All students are obligated to report to the instructor any suspected violations of the Code (see [http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797](http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797)).

**Student With Disabilities**

If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) and provide me with a letter from them verifying your registration and outlining the accommodations they recommend. Keep in mind there is no exam for this class.

**Course Grading**

- Class participation: 35%
- In-class quiz: 25%
- Final project: 40%
Course Materials

Texts:


There is also content on the Harvard Business Cases website. Find the link under “Resources” on NYU Classes.
https://cb.hbsp.harvard.edu/cbmp/access/35040949

Articles and book excerpts used for the course will be posted on NYU Classes under the tab “Bibliography.” Supplementary readings may be distributed in class or posted on NYU Classes.
**Instructor**

Thomaï Serdari, Ph.D. is a strategist in luxury marketing and branding. She helps clients launch, grow, and successfully manage luxury brands. She is an expert on luxury and actively studies, values, and reports on companies or funds that operate and invest within the luxury goods market.

Prof. Serdari has been teaching at New York University since 2004. She has developed a variety of courses at NYU, among which: “Cultures of Excess: Product and Fashion Design through Modernity” and “Entrepreneurship in the Business of Art.” She also developed the core courses for the Luxury Marketing specialization at the Leonard N. Stern School of Business, MBA level: “The Core of Luxury: Processes, Products, and Strategies through History,” “Luxury Branding: Brand Thinking and Experience,” and “Luxury Launch.”

Originally trained as an architect at the National Technical University of Athens, Prof. Serdari received her doctorate in Art History & Archaeology from the Institute of Fine Arts, New York University in 2005. She also holds an MBA from the Leonard N. Stern School of Business, New York University, with a specialization in corporate and quantitative finance (2009).


Prof. Serdari is one of the main contributors to the *LVMH Fundamentals in Luxury Retail: A CPC/Parsons Collaboration*, an education program designed to train and provide a wide range of retail skills to Chinese-Americans.
Detailed Course Outline
*Mandatory readings in bold

August 10
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, Chapter 3

OPTIONAL:

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 (such as the ones 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?

August 12
Class #2  Industry segmentation: products and product categories
Craftsmanship: How are things made and why it matters

Read  Kapferer, Chapters 7


Questions  Read Koehn’s study on Wedgwood carefully and apply to it the theory elaborated in the assigned chapters. Which points of the theory can you illustrate with examples from the Wedgwood case?
August 15
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 5, 13 & 14

Harvard Business Case: “Estée Lauder” 801362-PDF-ENG 44 p

August 15
Class #4
East vs. West: What does Culture have to do with luxury
Aesthetics and Ephemerality: A new theory on luxury

Read
Berthon, P. et al. “Aesthetics and Ephemerality: Observing and Preserving the luxury brand” (Under: Bibliography)

Harvard Business Case: “Louis Vuitton” W13009-PDF-ENG

Questions
1. How has LVMH been performing? How does its performance compare to that of its competitors?
2. How has the leather and fashion group, of which LV is the anchor business, been performing? Why has LV been so successful?
3. What are the challenges facing LV?
4. What are the options available to LV? As a senior manager at LV, what option would you recommend LV adopt?
5. Bring your questions about the Berthon article to class.

August 17
Class #5
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 (Under: Bibliography)

Harvard Business Case: “Moda Operandi: A New Style of Fashion Retail” 812040-PDF-ENG 8 p

Questions
1. Fashion is one of the most familiar industries to both men and women. Having read the Chanel case and the article on Prada’s strategic initiatives how has your own perception of luxury fashion changed?
2. List a few of the fashion brands that at this point of our course you consider luxury and explain why.
3. Who are the key players in the industry and what roles do each play? How does each of these players create and claim value?

August 19
Class #6 Jewelry & luxury watches:
Books, Art, Accessories

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

Questions 1. Is Vertu offering a luxury product? Explain.
2. In which sector is Vertu competing? How does the sector affect the company’s strategy? Explain.

FINAL PROJECTS ARE DUE ON AUGUST 26, 2015