

OIBUSY04 - Marketing of the Luxury Sector

Professor: Sebastien SANTOS

Contact information:

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Department: International affairs

Semester: 2

Course level: L3 Undergraduate

Domain: Business

Teaching language: English

Number of in-class hours: 33

Number of course sessions: 10 + Exam

ECTS: 6

Course description and objectives

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 should communicate using various tools (celebrities, products placement, events, digital) in order to share their values and educate their clients on their brands codes.

Course Objectives

To learn, understand and be able to apply the necessary theory and tools to support strategic decision-making and the strategic management process within organizations.

This course gives you a perspective on the financial and organizational techniques required for the effective execution of strategic decisions, and the critical role that managerial leadership plays in the viability and growth of a business.

The course covers management control and systems used in management control. The starting point for the use of management control systems are that organizations need to plan, implement, monitor, evaluate and adapt organizations with the aim to achieve specified goals. Within the context of the course there will be insights into control methods and control philosophies, responsibilities, production financial and logistical concepts, production processes, forecasts, and the elaboration of balanced scorecards.

Prerequisites

Interest for luxury goods and services

Learning outcomes

After completion of the course the student should be able to:

- Understand the main challenges of luxury retail: boutiques, travel retail and e-commerce
- Describe luxury clients and identify their needs
- Be aware of the main evolutions in luxury
- Identify main luxury players, strategies and issues: towards a “retailization” of luxury

Assignments and grading

Grading Criteria

Case studies	30%
Participation	20%
Final Exam	50%

The numerical grade distribution will dictate the final grade. The passing grade for a course is 10/20.

Class participation: Active class participation – this is what makes classes lively and instructive. Come on time and prepared. Class participation is based on quality of comments, not quantity.

Exam policy: In the exam, students will not be allowed to bring any document (except if allowed by the lecturer). Unexcused absences from exams or failure to submit cases will result in zero grades in the calculation of numerical averages. Exams are collected at the end of examination periods.

Course structure

Session	Topic
1	Introduction and icebreaker
2	Presentation of assessments
3	Some definitions: brand, identity, image
4	Group workshop on identity and image
5	Characteristics of luxury
6	Differences between luxury and fashion, luxury and prestige
7	The anti-laws of marketing: specifics marketing and sales rules to be applied to luxury brands and services / Group workshop: from shoes to beauty (brand extension in luxury)
8	Influence of culture on luxury (based on Morand and Dubois)
9	Some theories applied to luxury: Veblen (price, status), Bourdieu (distinction), Karpik (desingularization)
10	The clients of luxury: who, where and why. Focus on HNWI and UHNWI
11	Final Exam

Bibliography

- 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), Jean-Noel Kapferer and Vincent Bastien, Sept. 2012 (second edition), ISBN-13: 978-0749454777
- Managing fashion and luxury companies, Erica Corbellini & Stefania Saviolo, 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
- Luxury Brand Management (A world of Privilege), Michel Chevalier & Gérald Mazzalovo, May 2012 (second edition), ISBN-13: 978-1118171769
- The Theory of the Leisure Class, Thorstein Veblen, 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

Lecturer's biography

Sébastien Santos is an expert in luxury marketing and branding, specializing in “true luxury” brands and High Net Worth Individuals. He has worked as the Director of Marketing/Director of Sales for renown luxury brands (Bulgari, Jaquet Droz, Parfums Givenchy) and divides his time between helping luxury companies to enhance their global strategies as a consultant, and sharing his expertise with students in business schools.

His specialties are luxury strategy, cobranding and cross-cultural negotiation/management.

Sébastien Santos holds an Executive MBA from HEC Paris (Thesis supervisor: Pr. Jean-Noël KAPFERER), a Master of Research from Paris Sorbonne (Thesis supervisor: Dr. Delphine DION) and doctoral studies at Paris Dauphine, researching about the acculturation of UHNWI from emerging countries to the codes of Western luxury.

Moodle

This course is on Moodle: **Yes**

Academic integrity

Be aware of the rules in Université Paris Dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contributed to the output produced by that group.