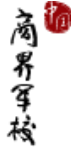




# PHBS

北京大学汇丰商学院



## Course Code

# Luxury Marketing and Communications Module 3, 2020-2021

### Course Information

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**Instructor: Shubin Yu**

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Office Hour: 14:00-16:00, Mon & Thu

**Teaching Assistant:**

Phone:

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**Classes:**

Lectures: 10:30-12:20, Mon & Thu

Venue: PHBS Building, Room

**Course Website:**

If any.

## 1. Course Description

### 1.1 Context

Course overview: Today, the term "luxury" is ubiquitous. However, the concept of a luxury brand is quite confusing. Many brands like to call themselves a luxury brand while real luxury brands such as Louis Vuitton rarely use "the L-word" (i.e., luxury) to address themselves. To better differentiate luxury and non-luxury brands, scholars develop some instruments, such as the Brand Luxury Index (BLI). According to the BLI, the luxuriousness of a brand consists of five dimensions: Conspicuousness, Uniqueness, Quality, Hedonism, and Extended Self. The different dimensions of luxury brands correspond to different motives of luxury consumption. The distinctive motive of luxury consumption determines that luxury brands need to adopt a different set of marketing strategies. In this course, we will discuss the history of luxury, relevant definitions, motives of luxury consumption, luxury brand equity, the 4Ps in luxury marketing, digital marketing strategies for luxury brands, and luxury business models. The course is designed to provide students with an understanding of the fundamentals of luxury and a deeper understanding of the luxury sector and the forces reshaping the industry. This course allows students to develop the perspective and skills necessary to manage and communicate a luxury brand. This course consists of 18 sessions (2 hours/session). In each session, we will discuss a topic related to luxury marketing and communications. The course includes three parts: introduction to luxury, the four Ps in luxury marketing, strategic perspectives. In the first part, we will first show students a brief history of luxury and the evolution. The concept of luxury will be explored using multiple approaches. Additionally, the famous anti-law luxury marketing principles will be discussed. In the second part, we focus on the 4 Ps in luxury marketing, namely product, price, place, and promotion. Students will learn the difference between luxury and generic brands/ products. In the third part, we will elaborate more in the strategic perspectives. Some important issues will be discussed in the class, such as the internet dilemma, the business model, the luxury strategy, the sustainable development

of luxury brands, etc. At the end of the course, each group need to present their group project and receive feedback from experts from the luxury sector.

Prerequisites: n/a

## 1.2 Textbooks and Reading Materials

### Reading materials:

- Kapferer, J.-N. (2012). *The luxury strategy: break the rules of marketing to build luxury brands*. London; Philadelphia: Kogan Page.
- Yu, Shubin. (2017). *Luxury brands in the digital age: an empirical analysis of the effectiveness of digital marketing strategies*. Ghent University Press, Ghent, Belgium.
- Hudders, Liselot (2011). *The Luxury Trap: A Multifaceted Study on the Rewarding Nature of Luxury Consumption*. Ghent University Press, Ghent, Belgium.
- Kapferer, J.-N. (2015). *Kapferer on luxury: how luxury brands can grow yet remain rare*. London, United Kingdom; Philadelphia: Kogan Page.
- Wiedmann, K. P., & Hennigs, N. (Eds.). (2013). *Luxury Marketing: A Challenge for Theory and Practice*. Springer Fachmedien Wiesbaden.
- Reddy, Srinivas K. and Han, Jin K. (2017). *The essence of luxury: An Asian perspective*. Research Collection Lee Kong Chian School of Business. Available at: [http://ink.library.smu.edu.sg/lkcsb\\_research/5453](http://ink.library.smu.edu.sg/lkcsb_research/5453)

## 2. Learning Outcomes

### 2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	Yes
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Yes
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Yes
	2.2. Students will be able to apply leadership theories and related skills.	Yes
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	Yes
	3.2. Our students will practice ethics in the duration of the program.	Yes
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Yes
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes
	5.3. Our students will demonstrate competency in critical thinking.	Yes

## 2.2 Course specific objectives

This course aims to introduce the luxury world, where traditional marketing strategies sometimes do not work and anti-law marketing principles exist. Students will learn fundamental concepts of luxury marketing, luxury consumption motives, anti-law marketing principles, the four P's of luxury marketing, and luxury strategies. Upon completion of this course, students should be able to understand the unique attribute of luxury brands, manage and communicate a luxury brand to the consumer, apply anti-law marketing principles, and adopt different luxury strategies.

## 2.3 Assessment/Grading Details

10% Attendance and participation  
20% Presentation of a case (group)  
20% Social media content production (group)  
50% Research report (individual)

## 2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

## 3. Topics, Teaching and Assessment Schedule

Session	Topic	Content
<b>Part 1</b>	<b>Introduction to luxury</b>	
Session 1	The beginning of luxury	A brief history of luxury The drivers of change The stages of change Luxury, the individual and society Luxury and social stratification Positioning of luxury in our present-day society
Session 2	The mystique of luxury brands	The multiple approaches to the concept of luxury The definition of luxury Measuring luxuriousness Luxury brands

		Premium brands Fashion brands Case study: BMW
Session 3	The anti-law marketing principles	Forget about 'positioning', luxury is not comparative Don't pander to your customers' wishes Keep non-enthusiasts out Don't respond to rising demand Dominate the client Make it difficult for clients to buy Protect clients from non-clients, the big from the small The role of advertising is not to sell
Session 4	Facets of luxury today	On the importance of the 'label' Luxury: the product and the brand The ingredients of the luxury product Superlative, never comparative Luxury and cultural mediation Real or virtual rarity?
Session 5	Customer attitudes vis-à-vis luxury	The luxury goods market Heavy users and day trippers The four luxury clienteles Luxury by country
Session 6	Developing brand equity	No luxury without brands No life cycle for the luxury brand Legitimacy, authority class and creation Building coherence: central and peripheral identity traits Managing the dream through communication
<b>Part 2</b>	<b>The four Ps in luxury marketing</b>	
Session 7	Luxury brands stretching	The origins of stretching Luxury stretching Two models for extension: vertical or horizontal Typology of brand stretchings Brand coherence
Session 8	Luxury products	No product without service The luxury product and the dream Functionality and dreams Luxury product and competitive universe Luxury product and time
Session 9	Pricing Strategies	The price elasticity Increase the price to increase demand and recreate the distance Price premium Fixing the price in luxury Managing the price over time No sales in luxury

Session 10	Distribution channels	Luxury is in the distribution The sales personnel Distribution and the management of rarity Luxury and mode of distribution Luxury and internet distribution
Session 11	Luxury brand communications	No price information No personalities in the advertising The role of 'brand ambassadors' Tightening the social driver of desire Permanently encourage word of mouth
<b>Part 3</b>	<b>Strategic perspective</b>	
Session 12	Luxury brands in the digital age	E-commerce Personalization Targeting and retargeting New technologies
Session 13	Luxury business models	Luxury SKU management The 'pyramid' business model The 'galaxy' business model The perfume business model The 'high-tech' business model
Session 14	The luxury strategy	Why envisage a luxury strategy? Acquiring an existing brand Departing from luxury The premium and 'mass premium' strategy Learning from luxury
Session 15	Luxury and sustainability	The conflict between luxury and sustainability Luxury and ethics Luxury and sustainable development
Session 16	Luxury consumption and psychology	
Session 17	Guest lecture	
Session 18	Presentation	

#### 4. Miscellaneous