**B8655: "The Luxury Approach" – Block Week Program January 2021**

1. **BASIC COURSE INFORMATION**

**Course Dates:** January 4th-8th, 2021

**Time**: 8:45 AM – 5:45 PM

**Location:**Hosted virtually on Zoom

**Instructor Information:**

Ketty Pucci-Sisti Maisonrouge

Adjunct Professor, Marketing Division

E-mail: km@kmandcoinc.com

Office Hours: by Zoom appointment

**Teaching Assistants:**

Anna Coffey

2021 MBA Candidate

E-mail: ACoffey21@gsb.columbia.edu

Malika Flanagan

2021 MBA Candidate

E-mail: MFlanagan21@gsb.columbia.edu

1. **COURSE DESCRIPTION**

The class "The Luxury Approach" addresses the unique properties, opportunities, and challenges of the luxury industry by studying issues relevant to the field in the various aspects of the business, from production and management to distribution and promotion. The course structure includes presentations (by faculty and industry executives), discussions, and the team project.

In this intense block week program, Columbia Business School MBA students will work in 5 teams of 4 to solve an actual project created exclusively for this class by **Van Cleef & Arpels**. Each of the teams will work on a specific aspect of the project, and the teams will coordinate their research and recommendations to present together to the company's executives at the last session of the program.

1. **CLASS POLICIES**
2. 20 student limit
3. MBA and EMBA students
4. **Attendance at all virtual classes is MANDATORY** (see below for attendance policy and grading policies)
	1. Failure to attend class will impact your final grade. Please also note that unexcused tardiness will also impact your final grade.
	2. Attendance will be conducted promptly at the beginning of the class on zoom. All participating students must have their video turned on at all times. Students who do not turn on their video for prolonged period of times may also be counted as absent.
	3. Constructive participation in team activities and virtual discussions is expected from every student.
	4. Participation in project reviews and the final presentation is mandatory. If you are ill, you must contact faculty prior to class and arrange for delivering your work to your team.
	5. Only one permanent grade will be given at the end of the block week. This grade will take into consideration your individual pre-class research (“pre-research”), your individual participation in the virtual classroom and project reviews, your attendance and personal input in the team’s project, as well as your team’s overall performance throughout the block week (please see details below).
5. **PRE-CLASS ASSIGNMENTS, DELIVERABLES AND TEAM SELECTIONS**
	* 1. Registered students must email the following items to Prof. Maisonrouge and the TA’s Anna Coffey and Malika Flanagan by **SUNDAY, DECEMBER 6th at 10 AM. *If possible, please send them as soon as you are registered for the course***:
			1. **Resume**
			2. **Best email and telephone # to reach you**
			3. **Research Topic Preferences for Team Selection:** each student must list the 5 topics of research, Topics A-E, in their order of preference with relevant notes to explain:
				+ Any relevant past experience
				+ Specific skills relevant to the team assignments
			4. **Signed NDA document** (available on Canvas)
		2. **Team Assignments will be issued by WEDNESDAY, DECEMBER 9th at 6 PM**
			1. Please note that we cannot guarantee that all students will be assigned to their top two choices, but we will do our best to take preferences into consideration.
			2. We encourage students to form their own teams – please notify us if you do.
		3. **Van Cleef & Arpels Kickoff Meeting (IMPORTANT) – FRIDAY,** **DECEMBER 11th from 12:00 – 2PM, hosted virtually on Zoom. Meeting with VCA senior executives and faculty to provide an in-depth brand overview of the company as well as the project objectives.** The executives and faculty will answer any questions about the project to help you with your research. Attendance is strongly encouraged. Since the executives are making themselves available to you and are taking this project very seriously, it is important that you too show the same commitment to the class, project, and executives by attending this meeting.
			1. Students must submit any questions for VCA executives to answer during the Kick-Off Meeting by **WEDNESDAY, DECEMBER 9th at 9AM.**
		4. **Prior to the block week, Each Team must sign up for a 20-30 minute session to review research deliverables during the following Office Hours with Professor Maisonrouge, hosted on Zoom on the below dates**

**Prior to the Block Week, students must conduct research, and therefore should review all deliverables and start their research as soon as possible. The research and work to be done prior to the beginning of the block week represents around 10- 12 hours of work.**

**Each team must sign up for a 20-30 minute check-in session during the following two dates/times below so that Prof Maisonrouge may answer questions on research deliverables.**

**We strongly recommend that each team member attends this quick check-in with faculty, but at least one student must represent his/her team.**

* + - * + **Wednesday, December 16th from 5:00pm – 6:30pm**
				+ **Friday, December 18th from 12noon – 1:30pm**
		1. **During the week of January 4th to 8th, specific time will be blocked for separate team meetings with faculty and TAs**
		2. **ALL STUDENTS must send their Van Cleef myste****ry shopping charts to Team A by MONDAY, DECEMBER 28th at 8AM:**

Team A is responsible for collating the class’s charts and incorporating the results into a cohesive PowerPoint presentation that will be presented to the Van Cleef executives on the first day of the Block Week. It is therefore imperative that **all Van Cleef digital / shopping assessment charts be sent to Team A by MONDAY, DECEMBER 28TH at 8:00 AM.**

The digital / shopping assessment chart is available on Canvas, as well as examples of past teams’ PowerPoint presentations. Each student must fill out the digital assessment chart for VCA so that Team A can analyze each classmate experience with the same parameters and compile to present to the executives on behalf of the entire class. Please note that, **while no student is expected to visit a store, VCA or other brands, each student is expected to call the store and do the equivalent of mystery shopping** on the phone, in addition to going through the e-commerce purchase steps / customer service feedback.

For all other brands, the digital shopping assessment chart is only used to provide you with a sense of the level of thoroughness that is expected for your research Please provide personal feedback/comments in the chart. A CHART THAT ONLY HAS ANSWERS YES/NO/NA WILL RECEIVE A POOR GRADE. Please complete the provided digital assessment template with copious notes and images, again emphasizing PERSONAL FEEDBACK. **Please n****ote that Team A will share with faculty and TAs any delays in receiving the individual charts and that might affect your grade**.

* + 1. **Individual Pre-Research due by SUNDAY, JANUARY 3RD AT 8AM**
			1. Extensive research must be completed and emailed to me and both TA’s, prior to the first day of class. Please refer to the research guidelines and the full research descriptions each student must prepare. This individual research will account for 20% of your grade and it will be each team’s responsibility to organize itself to split the brands amongst each of its members and notify faculty / TAs.
			2. As a team, the entire team’s topic research must be fully covered. This research consists of various mystery shopping observations and experiences, digital assessments and a write-up of your findings. Please refer to the detailed course description (beginning on Page 7 of this doc) for further explanation on pre-research assignments. The write-up should be done in **PowerPoint** to facilitate the compilation of each team’s research**.** Please be sure that it is thorough and use of visuals is encouraged. Again, personal photos are strongly recommended. Several examples of past individual research have been uploaded to Canvas to help guide you. Your research findings should focus on your perception of Van Cleef & Arpel’s general retail / brand experience and any comparisons or differences that you may observe while visiting competitor brands for your respective team assignments.
		2. **Team Research Presentations due MONDAY, JANUARY 4th at 4:00 PM (time will be allocated on the first day to develop this presentation as a team); Teams will give Research Presentations to Van Cleef Executives on TUESDAY, JANUARY 5TH at 9AM.**

Each team will be responsible for gathering all team member’s individual research and for presenting all their findings in a coherent PowerPoint presentation format (which will be formally presented to the executives on the second day of class**,** **TUESDAY, JANUARY 5TH at 9 AM).** Guidelines, templates as well as past student research will be posted on Canvas for clarification on the requirements of the research assignments.

* + - 1. You will have access to past teams’ recommendations to fully understand what is expected for this presentation
			2. Each team will have **30 – 35 minutes** to present their research to the Executives, including Q + A, on **TUESDAY, JANUARY 5th between 8:45AM – 12:15PM.**
			3. On average, 30 minutes represents around 30 slides – but of course that depends on each slide’s content. Please refer to research guidelines available on Canvas.
			4. This team presentation will count towards your in-class presentations to faculty portion of your grade accumulating to 20% of your final grade (please refer to the below Grading Guidelines for more information on the grade breakdown).
		1. **Resources and Readings**
			1. **All readings are required to be completed prior to the first day of classes**. This is to ensure that all students are fully prepared and can focus on the demanding work that the project will require during the week of classes. Please see below for the list of mandatory and suggested readings.
			2. **Mandatory Readings**
* Course Book: articles will be uploaded and can be accessed via the course’s Canvas page
	+ - 1. **Suggested Readings**
* *Future Luxe: What’s ahead for the Business of Luxury; Erwan Rambourg*
* *The Luxury Alchemist*; Ketty Pucci-Sisti Maisonrouge
* *The Luxury Strategy: Break the Rules of Strategy to Build Luxury Brands*; Jean-Noel Kapferer and Vincent Bastien
* *The Bling Dynasty: Why the Reign of Chinese Luxury Shoppers Has Only Just Begun;* Erwan Rambourg
* *Luxury Online: Styles, Systems, Strategies*; Uche Okonkwo
* *Putting the Luxe Back in Luxury: How New Consumer Values are Redefining the Way We Market Luxury*; Pamela Danziger
* *The Cult of the Luxury Brand: Inside Asia’s Love Affair with Luxury*; Radha Chadha and Paul Husband
* *Knockoff: the Deadly Trade in Counterfeit Goods*; Tim Phillips
* *Priceless: Turning Ordinary Products into Extraordinary Experiences*; Diana LaSalle and Terry Britton
* *Why People Buy Things They Don’t Need: Understanding and Predicting Consumer Behavior*; Pamela Danziger
* *Luxury Fever: Why Money Fails to satisfy in an Era of Excess*; Robert Frank
1. **GRADING**

|  |  |  |  |
| --- | --- | --- | --- |
| **% OF FINAL GRADE** | **ASSESSMENT** | **GRADE DESIGNATION** | **ADDITIONAL INFORMATION AND GRADE DROP POLICIES** |
| 25% | Pre-Research | C – Individual | 1. Digital Assessment to be submitted to Team A by **MONDAY, DECEMBER 28th at 8AM**
2. Individual Pre-Research to be completed by **SUNDAY, JANUARY 3RD at 8AM** and send to Prof Maisonrouge, Malika & Anna
 |
| 30% | Class Participation and Attendance | C – Individual  | Each student is expected to attend and actively participate during all zoom sessions, whether faculty presentations, guest speakers and online study sessions. If a student misses two (2) sessions, the student’s grade will automatically be lowered by two (2) full grades (e.g., H to P, HP to LP, P to fail). If a student misses three (3) sessions or more sessions, they will fail the class.  |
| 20% | Peer Evaluations from Team Members | C – Individual  | Each student will evaluate each member on their team based on a 100 point scale. The TAs will email you a form to complete at the end of the week. |
| 25% | Executives Presentations (Individual & Group) | A – Individual and Group  | Students will present 3 times to the executives during the week. |

# **OBJECTIVES**

# In the challenging environment brought by Covid-19, luxury can seem either out of touch, or a way to feel good and stay positive. Today, is luxury the ultimate sign of personal success, the fulfillment of individual dreams or the inappropriate display of financial disparities? What are the challenges inherent to this industry today? This class addresses the idiosyncrasies of the luxury industry by studying issues relevant to the field in the various aspects of the business, from production and management to distribution and promotion.

The objectives of the course are:

* To understand the importance of thorough research, customer experience, retail observation and psychographics to develop new strategy for the evolution of the luxury industry
* To use your previous experience and knowledge and apply it to this specific industry and project
* To sharpen your presentation skills in front of the participating company's senior executives
* To learn how to work efficiently in teams under tight time constraints
* To take advantage of the unique opportunity to work on a real project from the participating luxury company, in this case Van Cleef and Arpels, and to interact with the senior executives of this world-renowned firm, and to understand from their feedback what makes a good solution to the issue at hand.

# **COURSE CONTENTS**

In this intense block week program, MBA students from Columbia Business School work in teams of 4 students to solve an actual project created exclusively for this class by the participating company, (**Van Cleef & Arpels for January 2021**). Each team will work on a specific aspect of the project, and the teams will coordinate their research and recommendations to present to the company's executives during the company meetings and at the last session of the program.

# **Classroom activities are broken down into 4 parts:**

1. Presentations and discussions focusing on luxury startups and case studies
2. Teamwork and Preparation for Presentations to the Company
3. Three team presentations (i.e. each student team will present three times on zoom to the company's Senior Management during the course of the block week. For details, refer to tentative schedule
4. **Guest Speakers**, CEOs and other luxury specialists will share their views on specific issues of the luxury industry, such as counterfeiting, the challenges of the luxury market, etc. and their companies. Guest speakers TBC – past guest speakers include:
* **Robert Chavez, President & CEO, Hermès of Paris, Inc.**
* **Alain Bernard, President & CEO, Van Cleef & Arpels**
* **Melody Lee, Director of Brand Strategy & Planning, Cadillac**

***Please see below for details on the Company Project and the required research to be done prior to the Block Week****.*

**PROGRAM**

“The Luxury Approach” is a hands-on class that enables students to understand what makes the luxury industry different from other industries. Through the project that the class will jointly work on, students will use their knowledge and skills in the specific context of the submitted project.

**Students need to be ready to work in teams outside of the classroom, PRIOR TO AND DURING the Block Week**, in order to answer this real project for one of the world's most reputable luxury firms. The standards are very high, both in terms of content research as well as presentation. In the world of luxury, it is essential to realize that every single detail can derail an entire project.

The presentations to the participating company will be made on a PowerPoint format. Luxury companies are driven by design, and aesthetics must be taken into consideration at every level of the company, both internally and when communicating with customers.

Please see detailed outline for the deliverables both in terms of research and recommendations, and how the student teams will work on each part. Before the class, students are to send me and my TA their preference for each team option, describing possible contribution and perspective on each team's specific part of the project, including relevant experience, specific skills, such as financial, analytical, marketing research, design and other professional or academic assets/talents *(see Course Requirements).* Students are also asked to send a current resume, and rank the teams' topics in order of preferences, clearly identifying their selection. With this information, we'll assign students to the various teams, taking into account both students' preferences and necessary skills for each team. **Students are encouraged to form their own team if they wish**. Team selection will be confirmed by **DECEMBER 9th, 2020 at 6PM.**

Given the fast pace and condensed timeframe of the class, **all individual research must be completed prior to the first class:** details of this research are included in the description of each team's tasks (see below). All reading is also expected to be completed prior to the first class, so that students are fully prepared and can focus on the demanding work that the project will require during the week of class. This preparation is expected of each student individually. Once the class starts, most of the work will be done in teams, so it is essential that each student come fully prepared in order to best contribute to the team efforts on the company project.

Each project submitted is different so there are no frameworks that can be handed out ahead of time. The deliverables for the project include:

* All research and recommendations presented to the executives in Electronic format
* Final presentation on PowerPoint that will cover all aspects of the project

In order to work on your project, the company will share with the class sensitive information critical to the success of the case study. A confidentiality agreement has been approved by the school’s legal counsel: faculty and students registered in the class are required to sign it. You will be asked to review it carefully, sign it and email it back prior to the first class.

Finally, I would like to emphasize all the time, energy, expertise and coordination that go into this course, as well as the personal commitment of the senior executives of the participating company: I expect in return your full dedication to this class. Faculty will be at hand to guide you through the process during the entire week. This class requires a lot of work, it will be frustrating at times, but I also know that the students who took this class in the past felt it was one of the highlights of their MBA experience, and I really hope that you too will have a fascinating experience.

 ########################################

**COMPANY PROJECT:** Van Cleef & Arpels

Case Study Description

1. **Project Overview:**

At a time when ecommerce has become a key strategic growth lever, please present some research on innovative technology available to elevate the user experience of our e-boutique and improve:

* online traffic recruitment (increase of website visitors)
* conversion to purchase (website visitor making a purchase online)
* relationship building and customer retention (how to turn a one-time online purchaser into a repeat client)

The research should focus on the US/Canada market.

The research should include but not be limited to:

* Competitive analysis of website and e-commerce sites (in luxury industry)
* Competitive analysis of Call Center services (in luxury industry)
* Overview of existing/upcoming Artificial Intelligence innovation relevant to ecommerce
* Hybrid boutique concept (offline solution to show product online)
1. **Company Profile:**

Van Cleef & Arpels was born in 1906 in Place Vendôme, Paris from a love story between Alfred Van Cleef, the son of a diamond merchant, and Estelle Arpels, the daughter of a jeweler. The Maison embodies excellence in High Jewelry. It is recognized as the Maison of the Connoisseur. Because of its unique style - refinement, femininity, poetry - its exceptional stones and an unchallenged craftsmanship, Van Cleef & Arpels creates the most inspirational pieces of jewelry and watches. Inspired by nature, Van Cleef & Arpels offers a wonderful and enchanting vision of the world. The House incarnated by its teams, also exemplifies excellence in service, delivering the highest level of attention and developing long lasting personalized relationships with its clients. Since 2000, the Maison has been part of the Richemont group.

Since June 2012, the E-boutique website has been the online discovery and shopping destination for Maison fans. Live advisors at the Client Relations Center (CRC) are available by phone, email and chat, to offer Maison creations and services beyond boutiques’ geographic area. The CRC team trained for client discovery and omni-channel visibility, leverages the entire retail network to address client needs.

The launch of an upgraded website in October 2020 provides a fresh mobile-first experience, with engaging and intuitive navigation that balances content with commerce, and an enhanced checkout process to promote conversion and client data capture.

1. **Position in Marketplace:**
	1. **Customer Profile: Overview**
* Loyalists:
* Part of A Global Elite
* Age 20-65
* Cosmopolitan connoisseurs
* Sophisticated and cultivated
* Whimsical
* Looking for one of a kind pieces
* On a constant quest for the absolute best the world has to offer
* Building a collection mindset
* First-timers:
	+ Younger consumers
	+ Favor recognizable statutory pieces like Alhambra
	+ Influenced by trends & social media
	+ No collection mindset
* Male Gifters:
	+ Favor convenience and speed
	+ Need advice and expertise
	1. **Major Competitors**:
1. Cartier
2. Tiffany & Co.
3. Bulgari
4. Graff
5. Chopard
6. Harry Winston
7. Chanel Fine Jewelry
8. Hermes
9. Dior
10. Louis Vuitton
11. Gucci Fine Jewelry

**ALL STUDENTS: refer to digital and flagship store call assessment chart**

* Call one of the VCA stores NY locations asking for a specific piece
* Visit the VCA website, keeping in mind project topic
* Analyze the following components of the VCA Brand:
* Price Positioning
* Brand Image Positioning
* VIP/Celebrity Engagement
* Communications & Advertising
* Digital Strategy
* Customer Relations Management & Events
* Explore VCA Presence:
	+ - Editorial
		- Newspaper
		- Blogs
		- Social Media
		- Online Video Content or Major Digital Campaigns

**For each of the brand that students must research (see below), they need to analyze**

* Call one of the brand’s stores NY locations asking for a specific piece
* Online traffic recruitment
* Conversion to purchase
* Relationship building and customer retention
* Call Center services
* Artificial Intelligence innovation
* Hybrid boutique concept (offline solution to show product online)
* Visit the brand website, keeping in mind project topic
* Analyze the following components of the Brand:
* Price Positioning
* Brand Image Positioning
* VIP/Celebrity Engagement
* Communications & Advertising
* Digital Strategy, social media, ads, videos etc.
* Customer Relations Management & Events

**Team A**

* 4 students gather all research on VCA from all classmates
* Interview Executives: conduct interviews of key Van Cleef senior executive(s) and relevant store managers/associates. Include key findings in your research presentation with the following executives pertaining the current state and strategic priorities of the brand. The goal of the interviews is to understand Van Cleef’s current approach and priorities to help bring additional context with the in-store mystery shopping.
* For their research presentation, Team A will include:
* Analyze the following components of the VCA Brand:
* Price Positioning
* Brand Image Positioning
* VIP/Celebrity Engagement
* Communications & Advertising
* Digital Strategy
* Customer Relations Management & Events
* Explore VCA Presence:
	+ - Editorial
		- Newspaper
		- Blogs
		- Social Media
		- Online Video Content or Major Digital Campaigns

**Team B**

* All students to conduct the research on VCA (see details above) and include it in their individual PPT research presentation.
* Analyze the 4 brands in jewelry (Tiffany; Bulgari; Cartier and Chopard)– highlight best in class in
	+ In-store customer experience (calling the NY store)
	+ E-commerce experience
	+ Social media engagement and highlights / success stories
	+ Online traffic recruitment
	+ relationship building and customer retention
	+ Call Center services
	+ Artificial Intelligence innovation
	+ Hybrid boutique concept (offline solution to show product online)

**Team C**

* All students to conduct the research on VCA (see details above) and include it in their individual PPT research presentation.
* Analyze brands in luxury (Dior, Hermes, Gucci, Chanel, optional Louis Vuitton) - highlight best in class in
	+ In-store customer experience (calling the NY store)
	+ E-commerce experience
	+ Social media engagement and highlights / success stories
	+ Online traffic recruitment
	+ relationship building and customer retention
	+ Call Center services
	+ Artificial Intelligence innovation
	+ Hybrid boutique concept (offline solution to show product online)

**Team D**

* All students to conduct the research on VCA (see details above) and include it in their individual PPT research presentation
* Analyze brands in parallel industry (art auction houses -Christie’s or Sotheby’s; high end hotels – Aman or Singita or Relais & Chateaux; high end cars - Rolls Royce app or Tesla ; Luxury Real Estate)– 1 example in each category) -  highlight best in class in
	+ In-store customer experience (calling the NY store)
	+ E-commerce experience
	+ Social media engagement and highlights / success stories
	+ Online traffic recruitment
	+ relationship building and customer retention
	+ Call Center services
	+ Artificial Intelligence innovation
	+ Hybrid boutique concept (offline solution to show product online)

**Team E**

* All students to conduct the research on VCA (see details above) and include it in their individual PPT research presentation
* Analyze innovative, non-luxury brands (tech) that resonate with you (Peloton, Amazon, Glossier, Nike, optional Sephora)
	+ In-store customer experience (calling the NY store)
	+ E-commerce experience
	+ Social media engagement and highlights / success stories
	+ Online traffic recruitment
	+ Relationship building and customer retention
	+ Call Center services
	+ Artificial Intelligence innovation
	+ Hybrid boutique concept (offline solution to show product online)

**CHECKLIST OF PRE-CLASS DELIVERABLES AND ASSIGNMENTS:**

***Checklist for Sunday, December 6th, 2020 at 10 AM – ALL STUDENTS:***

*Resume*

*Best email and telephone # to reach you*

*Send Preferences for Research Topic / team*

 *Signed NDA document*

 *Watch student video*

***Checklist for Wednesday, December 9th, 2020 at 9 AM – ALL STUDENTS:***

*Submit* *any questions for VCA executives for them to address during the kick-off presentation.*

***Checklist for Wednesday, December 16th @5pm and/or Friday, December 18th @12noon*** ***– ALL STUDENTS:***

*Join team Zoom call with Professor Maisonrouge to ask questions about pre-research and mystery shopping.*

***Checklist for December 28th at 8 AM –*** ***TEAMS B, C, D and E: send to Team A***

*Complete Shopping Digital Assessment Chart for VCA store call/ online/digital/social presence.*

 ***Checklist for******January 3rd at 8 AM – Team A***

*Consolidated all findings, insights, and research on VCA (including interviews you may have conducted) and create in-depth analysis on all into an Individual Research PPT presentation*

*Email your Individual Research PPT to Prof. Maisonrouge and TA’s.*

***Checklist for January 3rd at 8 AM – Teams B, C, D and E:***

 *Consolidated all findings, insights, and research on your brand (including interviews you may have conducted) and create in-depth analysis on all into an Individual Research PPT presentation. Include both VCA and your additionally researched brand in this presentation.*

*Email your Individual Research PPT to Prof. Maisonrouge and TA’s.*

***Checklist for All Teams - Monday January 4th at 4pm***

*Consolidate and finalize your team’s research into a Consolidated Team* *PPT during class*

*Email your Consolidated Team PPT to Prof. Maisonrouge and TA’s.*