**Columbia Business School**

**New MBA Elective Course**

**Course Title: The New AI: The Business and Marketing of Aesthetics**

**Term: Spring 2020**

**Instructors: Pauline Brown and Bernd Schmitt**

**Description:**

Aesthetic businesses sell goods and services that elicit pleasure in their customers and desirability among those who aspire to buy them.

What are examples of aesthetic businesses? For starters, they are companies that make and market beautifully designed products, like haute couture and fine jewelry. However, their appeal extends well beyond their visual elegance and taps into other human senses. For example:

* Champagne, which delights the gustatory senses;
* Perfume, which appeals to the olfactory senses;
* Sound systems, designed for auditory pleasure; and
* Cashmere sweaters or blue jeans, relished for tactile appeal.

Aesthetics makes a difference in the marketing of cars, kitchen appliances and food. It can differentiate travel and hospitality brands, especially at the high end. However, the value of aesthetics is hardly confined to luxury goods. Examples of non-luxury sectors where aesthetics plays a role include: Apple, Nike, Disney, Intuit, Google, Facebook, TikTok, Whole Foods, Starbucks, Chobani, Airbnb and even Federal Express.

***The Business and Marketing of Aesthetics*** is a new elective course for second-year students who are considering careers in sectors and companies whose financial value is based, in part, on their ability to deliver aesthetic value.

The course will enhance students’ ability to experience and appraise businesses through their senses – a critical and oftentimes under-developed skillset for corporate executives, entrepreneurs and investors alike.

**Educational Objectives**

***The Business and Marketing of Aesthetics*** will be taught through a combination of case studies, readings, field projects and guest speakers from fields like fashion, wellness, hospitality, architecture, specialty retail, and food & wine. Cases will focus on established and emerging/disruptive companies.

There will also be numerous exercises, breakout group discussions and industry guest speakers.

The course will start with an examination of the properties that define aesthetic businesses, and the unique set of opportunities and challenges that such properties present to managers. Students will analyze the issues through multiple lenses:

* **Strategy:** What are the strategic risks and disadvantages of companies that have under-invested and/or degraded the aesthetic elements of their businesses? How can companies re-instill and preserve aesthetic value and leverage it for long-term competitive advantage?
* **Science and Analytics:** What is the scientific evidence for the value of aesthetics? What methodologies and techniques can be used to quantify and measure aesthetic value?
* **Experiential:** What are the key customer experiences resulting from aesthetics? How can a business create experiences for its customers? How can experiences be managed at multiple touchpoints?
* **Societal and cultural:** How important is aesthetics within society? Are there cross-cultural differences? How does society and culture impact aesthetics, and how can aesthetics transform society and culture?

* **Marketing:** How can a business draw attention to the aesthetic value that it provides? How can the business “market” its aesthetic selling proposition? Do different customers respond differently to aesthetics?
* **Creative Management**: How do aesthetic businesses approach the management and marketing of artistic and creative talent? In particular, how do they invest in, support and capture value from "superstars"? How do they maintain an appropriate balance of power between creative talent and their counterparts in financial/operational/analytical functions? Conversely, what are the challenges that creatives face in scaling and sustaining their operations in the absence of strong financial partnership.
* **Branding and Communications:** How can aesthetics become part of the core of a brand?What are the key aesthetic elements in branding and communications (traditional and social media)? How can aesthetically focused communications persuade?
* **Organizational:** How do aesthetic businesses build and support the right culture, organizational structure, and decision-making processes to ensure long-term success, especially after the loss of the founders?
* **Digital Impact**: How are digital technologies affecting aesthetic businesses and industries?
* **New technologies**: Beyond the current digital technologies, how will future technologies—IoT, AR/VR and AI (buzzwords we all hear about)—affect aesthetics? Will there be a new, tech-driven aesthetics in the future? How can technology be leveraged in aesthetics businesses?

By the end of the course, students will emerge with the understanding and appreciation needed to launch, manage, scale and sustain aesthetic businesses or contribute to aesthetics related initiatives in companies in all kinds of sectors. They will have the judgment, style and finesse needed to balance economic and creative interests, and they will gain insight and skills needed to hire, retain, and motivate the right talent as well as invest in the right resources for long-term advantage.

**Course Content and Organization**

The course will consist of 12 sessions and will include fieldwork, a number of mini-homework assignments and a final project. Grading is based on class participation (25%), homework (25%) and a final team project (50%).

Class participation will be based on attending classes and contributing to class discussions. In addition, there will be in-class exercises that will count toward class participation. For example, students will create “mood boards” to visually represent an aesthetic trend; they will describe “style icons” that have influenced their own style; and they will identify “beauty marks,” “eyesores,” and “keepsakes”—that is, artifacts that they find delightful or irritating, and those that they would like to keep for a lifetime.

Homework will include short written assignments in which students analyze offline or online experiences (such as offline or online stores, social media sites and their own living space).

The final project will be done in a team of 4-6 students. The team will pick a “struggling” company (or brand) that may be turned around through aesthetics. The brand may be struggling because it is a newly launched brand, faces a competitive challenge, or has lost its relevance to customers. The team will research and analyze the company (or brand) and present a business strategy focused on aesthetics, accompanied by implementation materials including visuals, a creative brief and other supporting materials.

**The course will address the following topics:**

1. Introduction: The New AI—Aesthetics
2. Aesthetic strategy
3. The science and analytics of aesthetics
4. The aesthetic experience
5. Aesthetics, society and culture
6. Marketing of aesthetics
7. Creative management
8. Branding and communications
9. Organizational issues
10. Digital impact on aesthetics
11. Future technologies and aesthetics
12. Final presentations

**DETAILED CLASS SCHEDULE AND READINGS**

**Class (1) Introduction: Aesthetic Intelligence (“the Other A.I.”)**

[*Aesthetic Intelligence*](https://www.harpercollins.com/products/aesthetic-intelligence-pauline-brown?variant=32208286122018) by Pauline Brown

-Chapters 1, 2 and 3: Mastering the Other A.I.

-Chapter 4: Designed to Last

[*Experiential*](https://www.harpercollins.com/products/aesthetic-intelligence-pauline-brown?variant=32208286122018) *Marketing* by Bernd Schmitt

-Chapter 3: A Framework for Managing Customer Experiences

**Class (2) Aesthetic Strategy: The Purpose, Power and Profitability of Aesthetic Pleasure**

“[When Aesthetics Impact Value](https://medium.com/mattedu/do-aesthetics-impact-brand-value-991427377362)” by Matt Vestal

“[The Humanity of Hermes](https://www.businessoffashion.com/articles/intelligence/humanity-hermes)” by Suleman Anaya

[Aesthetics as a Foundation for Business Activity by John Dobson](https://digitalcommons.calpoly.edu/cgi/viewcontent.cgi?article=1005&context=fin_fac)

(*Journal of Business Ethics,* volume 72, pages 41–46 (2007)

**Class (3) The Science of Aesthetics**

[*The Aesthetic Brain*](https://www.goodreads.com/book/show/17822216-the-aesthetic-brain) by Anjan Chatterjee

-Part 1/Chapter 5: How the Brain Works

-Part 2/Chapter 1: What is this Thing called Pleasure?

[Selling Sensations](https://www.newscientist.com/article/mg21929340-400-selling-sensation-the-new-marketing-territory/) by Laura Spinney

[*Mapping of the Mind*](https://www.goodreads.com/book/show/947061.Mapping_the_Mind) by Rita Carter-Chapter 5: A World of One’s Own

**Class (4) Creating Sensational Aesthetic Experiences**

Customer Experience Management by Bernd Schmitt

Chapter 3: Analyzing the Experiential World of the Customer

Chapter 4: Building the Experiential Platform

Fast Company article: [Six Tips for Designing Happiness](https://www.fastcompany.com/3047190/6-tips-for-designing-happiness)

Wired Magazine Article: [Rebuilding Tomorrowland](https://www.wired.com/2002/12/rebuilding/)

YouTube Clip: [Building Walt Disney World](https://www.youtube.com/watch?v=gmKWwPKJCTU)

**Class (5) Aesthetics, Society and Culture**

Economist article: [Meaning of Blue Jeans](https://www.economist.com/united-states/2016/03/26/the-meaning-of-blue-jeans)

Open Essay: [Aesthetics of Global Protest](https://library.oapen.org/handle/20.500.12657/23606)

The Cut article: [The Tyranny of Terrazzo](https://www.thecut.com/2020/03/will-the-millennial-aesthetic-ever-end.html)

<https://www.thecut.com/2020/03/will-the-millennial-aesthetic-ever-end.html>

Jing Daily article: [Why Luxury Brands’ Approach to “Chinese Aesthetics” Fails](https://jingdaily.com/why-luxury-brands-approach-to-chinese-aesthetics-fail/)

TED Talk by Paola Antonelli: [Why Pasta Comes in All Shapes and Sizes](https://www.ted.com/talks/paola_antonelli_why_pasta_comes_in_all_shapes_and_sizes)

**Class (6) Marketing of Aesthetics**

[Marketing Aesthetics](https://www.goodreads.com/book/show/20551052-marketing-aesthetics) by Alex Simonson and Bernd Schmitt

Chapter 3

[Happy Customers Everywhere](https://www.goodreads.com/book/show/12698032-happy-customers-everywhere) by Bernd Schmitt

1-2 Chapters

American Marketing Association article: “[The Ideal Look: Managing Aesthetics in Product Desig](https://www.ama.org/2017/11/15/the-ideal-look-managing-aesthetics-in-product-design/)n”

Examples of Failures of Marketing Aesthetics:

Entrepreneur article: [Savvy Startups Like Casper and Brandless Are Investing in Brand Image First -- and You Should, Too](https://www.entrepreneur.com./article/319354)

Tech Crunch article: [Casper Winds Down European Operations](https://techcrunch.com/2020/04/21/casper-winds-down-european-operations-and-lays-off-78-people/?guccounter=1)

Fast Company article: [Why Amazon Wins Where Brandless Failed](https://www.fool.com/investing/2020/02/15/why-amazon-wins-where-brandless-failed.aspx)

**Class (7) Managing Creative Talent and Building High-A.I. Organizations**

HBS case study: [Coco Chanel: Creating Fashion for the Modern Woman](https://www.hbs.edu/faculty/Pages/item.aspx?num=41180)

New Yorker article: [Mother of Invention](https://www.newyorker.com/magazine/2003/10/27/mother-of-invention)

Vinvoy article: [Why Chanel Would Cease to Exist Without Karl?](https://vinvoy.com/blog/chanel-without-karl-lagerfeld/)

NYT article[: Chanel Publishes Annual Results for First Time in 108 Years](https://www.nytimes.com/2018/06/21/business/chanel-earnings-luxury-annual-report.html)

CNN: [What Will Chanel Look Like Without Karl Lagerfeld?](https://www.cnn.com/style/article/chanel-after-karl-lagerfeld/index.html)

**Class (8) Branding, Storytelling and Communications**

[*Why Fonts Matter*](https://www.goodreads.com/book/show/25658538-why-fonts-matter)by Sarah Hyndman

Chapter 7: Setting the Mood

Chapter 9: Fonts Give Words a Personality

[*Visual Intelligence*](http://www.visualintelligencebook.com/) by Amy Herman

Part III: Articulate: Making Your Unknown Known

Article: [Basics of Visual Communications](https://killervisualstrategies.com/blog/basics-of-visual-communication-marketing-strategies.html)

[*Visualizing Taste*](https://www.hup.harvard.edu/catalog.php?isbn=9780674983892) by Ai Hisano

Chapter 2: Food and Modern Visual Culture

[*Color for Profit*](http://www.igpub.com/color-for-profit/) by Louis Cheskin

Part 2: Color in Merchandising

**Class (9) Organizational Challenges: Managing the Conflicts between Short-Term Financial Goals and Long-Term Aesthetic Imperatives**

McKinsey[: Building a Design Driven Culture](https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/building-a-design-driven-culture)

Harvard Business Publishing article: [Intuit's CEO on Building a Design-Driven Company](https://hbsp.harvard.edu/product/R1501A-PDF-ENG)  
  
LinkedIn article by Tim Brown, IDEO: [Top 5 Behaviors of Design-Driven Organizations](https://www.linkedin.com/pulse/what-top-5-behaviors-design-driven-organizations-why-do-tim-brown/)

**Class (10) The Impact of Digital Technology on Aesthetics**

<https://www.wired.com/2012/04/an-essay-on-the-new-aesthetic/>

Ted Talk by Joe Gebbia, co-founder AirBnB: [“Designing for Trust”](https://www.ted.com/talks/joe_gebbia_how_airbnb_designs_for_trust?language=en)

<https://www.nytimes.com/2016/07/24/travel/airbnb-hotels.html>

<https://www.wired.com/2016/04/pinterest-reinvents-prove-really-worth-billions/>

**Class (11) Future Technologies and Aesthetics**

McKinsey Report:

[The Future of Business: Reimagining 2020 and Beyond](https://www.mckinsey.com/featured-insights/the-next-normal/business-in-2020-and-beyond)

WSJ[: The Future of Everything](https://www.wsj.com/news/tech/future-of-everything)

Robot Design: The Curious Case of Social Robot Aesthetics

<https://www.roboticsbusinessreview.com/robo-dev/robot-design-social-household-aesthetics/>

I[vey Case Study on the Failure of Google Glass](https://www.iveycases.com/ProductView.aspx?id=73773&CM=true&HID=428)

[NYT review on Oculus Rift](https://www.nytimes.com/2016/03/31/technology/personaltech/oculus-rift-virtual-reality-review.html) (2016)

[Design District Magazine: The Future Issue](https://www.flipsnack.com/miamidesigndistrict/winter-2020-issue/full-view.html)

**Class (12) Presentation of Final Projects**